



2025 Annual Financial Report

acc. Law 24/2017, art. 65¹

SUMMARY

Message from the Chair of the Board of Directors

Message from the Chief Executive Officer

2025 Directors' Report

Sustainability Reporting for the year 2025

Independent auditor's limited assurance report on the consolidated sustainability statement for the financial year 2025

2025 Separate Financial Statements

Independent Auditor's Report on the 2025 Separate Financial Statements

2025 Consolidated Financial Statements (OMFP 2844/2016)

Independent Auditor's Report on the 2025 Consolidated Financial Statements (OMFP 2844/2016)

2025 Consolidated Financial Statements (IFRS-EU)

Independent Auditor's Report on the 2025 Consolidated Financial Statements (IFRS-EU)

Statement of the Management

Message

FROM THE CHAIRMAN OF THE BOARD OF
DIRECTORS



Message from the Chair of the Board of Directors

The European energy sector is undergoing one of its most significant transformations in recent decades. In this landscape, the companies that successfully combine financial stability, consistent investments, and solid governance are those best positioned to successfully navigate this transition.

For Electrica, 2025 confirmed the strategic direction we have adopted in recent years. In this context, the Board of Directors has remained pursuant in strengthening our corporate governance framework and supporting the company's balanced development within a dynamic economic and energy environment.

An important indicator of this stability is reflected in the rating by the international Agency Fitch Ratings, which revised Electrica's outlook from "negative" to "stable," while affirming our long-term rating at the "BBB-". This assessment highlights the robustness of our business model and the company's ability to maintain a balance between investments, development, and risk management.

The Board of Directors has the responsibility to ensure the framework in which the company's strategy is implemented, with accountability and transparency. In recent years, Electrica has consolidated a governance model built on predictability, constant dialogue with investors, and high standards of disclosure.

At the same time, the role of an energy company extends beyond the economic dimension. Energy has a direct impact on the quality of life, and companies in this sector can contribute to the development of the communities in which they operate.

In 2025, the Electrica Foundation launched the first stage of the "Children's Energy, the Light of the Future" project, through which 800 children from households affected by energy poverty received solar lamps. For these families, access to light means more than comfort; it represents an opportunity for education and a Furthermore, the first edition of the "Energy for Romania" event, held at the Filaret Plant, the site of the first power station in Bucharest, brought together representatives from the authorities, the energy sector, the capital market, and the academic environment. The dialogue between these stakeholders is essential for building a modern and sustainable energy system.

Today, Electrica holds a solid position in the Romanian energy system, underpinned by infrastructure, expertise, and development projects that are relevant to the sector's future. The Board of Directors will continue to support a strategy focused on stability, investments, and long-term value creation for our shareholders and for society at large.

Mihai Diaconu
Chair of the Board of Directors, Electrica

Message

FROM THE CEO



Message from the Chief Executive Officer

In 2025 we consolidated our foundation and took important steps toward what follows. The report you are about to read holds a special significance in this regard. It is one of the clearest expressions of the way we envision the company's development, not just through financial results, but also through our broader impact on the economy and society. Integrating these dimensions reflects a business model that is becoming increasingly mature and more closely aligned with the reality of the environment in which we operate.

The 2025 financial performances confirm this evolution. The Electrica Group recorded a preliminary net profit of RON 1,218.9 million, 159.2% above the previous year level, and EBITDA reached RON 2,383.3 million, an increase of 64.5%. Operational revenues exceeded RON 12.1 billion. These results demonstrate the company's capacity to grow within a complex landscape and to capitalize on market opportunities.

Investments remained essential for this evolution. In 2025, we deployed RON 878.4 million investments, exceeding our initial targets. We continued the modernization of the networks and prepared the system to integrate a larger volume of renewable energy. A project I would like to underline in this chapter is the completion of the Satu Mare 2 photovoltaic park, with an installed capacity of 27 MW.

Simultaneously, we made significant strides in developing energy storage capacities. We initiated procedures for 15 battery parks, with a total estimated capacity of approximately 1 GWh. Storage becomes an essential element for the balance of the energy system, and these projects position us strategically for the coming years.

To support this development stage, Electrica successfully launched its inaugural green bond issuance in 2025, with a value of 500 million euros. Investors' interest was high, with 155 institutional investors from 31 countries, and the oversubscription level was exceptional, with demand at the final price exceeding the offer by over 11.5 times, a record for Romanian corporate issuances.

In parallel, we signed a RON 3.1 billion syndicated credit contract, to support both the refinancing of some existing facilities and the continuation of investments.

Our performance was also reflected in the growth of the share price, which reached a record high of RON 26, a signal of confidence from the capital market and a validation of the direction assumed at a strategic level.

Another relevant step was the partnership with Romgaz for the development of renewable energy production and storage capacities of up to 400 MW, a project that highlights the role of collaboration in the evolution of the energy sector.

Of course, 2025 brought its share of challenges, from the dynamics of the energy markets to economic pressures. Electrica's teams demonstrated, however, that they can manage these contexts and can

transform difficulties into milestones. I would like to thank all my colleagues for their dedication and for the results achieved.

Looking ahead, our priorities remain infrastructure investments, the development of renewable energy projects, and the integration of storage solutions. We wish for every project to contribute to a safe and efficient energy system, as well as to the development of the communities we serve and beyond.

The Electrica Group continues in the same direction: construction, investments, and results.

For us, for everyone!

Alexandru Chiriță
Electrica CEO

2025 Directors' Report



Directors' Report for the year 2025

- Electrica Group -



DIRECTORS' REPORT FOR THE YEAR 2025

-Electrica Group-

(based on the individual and consolidated financial statements prepared in accordance with the International Financial Reporting Standards as adopted by the European Union) – S-IFRS-EU

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

as well as

(based on the individual and consolidated financial statements prepared in accordance with the Order of the Ministry of Public Finance no. 2844/2016 for the approval of the Accounting Regulations in accordance with International Financial Reporting Standards) – S-OMFP 2844/2016

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

in compliance with 5 Law no. 24/2017 on issuers of financial instruments and market operations and with annex no. 15 to ASF Regulation no. 5/2018 and the Bucharest Stock Exchange Code

for the 12-month period ended 31 December 2025

NOTE: This report contains the financial analysis of both sets of financial statements mentioned above, which were drawn up and submitted to the approval of the Ordinary General Meeting of Shareholders on 29 April 2026 by the Board of Directors of Electrica S.A.. Further in this report, where there are differences between financial indicators, the corresponding standard will be expressly marked (S-IFRS-EU, respectively S-OMFP 2844/2016)

Free translation from Romanian, which is the official and binding version, and will prevail, in the event of any discrepancies with the English version

Identification details of Electrica.....	6
1 Electrica 2025 Overview	8
1.1. 2025 Key financial data.....	8
1.1.1 2025 Key financial data - S-IFRS-EU.....	8
1.1.2 2025 Key financial data - S-OMFP 2844/2016	10
1.2 Key events in 2025.....	21
1.2.1 General Meetings of Shareholders (GMS).....	21
1.2.2 Decisions of the ELSA's BoD	22
1.2.3 Other relevant events.....	24
1.2.4 Litigations reported to the capital market	28
1.2.5 Distribution segment	28
1.2.6 Supply segment	31
1.3 Subsequent events.....	36
1.3.1 General Meetings of Shareholders	37
1.3.2 Decisions of the ELSA's BoD	37
1.3.3 Other relevant events.....	37
1.3.4 Litigations reported to capital market	38
1.3.5 Distribution segment	38
1.3.6 Supply segment	38
2 Electrica Group	40
2.1 Organizational structure.....	40
2.2 Mission, vision, values	42
2.3 Main elements of the Strategic Plan for the period 2024 – 2030	42
2.4 Outlook	47
2.5 Key factors, directions and significant market trends affecting the operational results of Electrica Group	52
3 Electrica on the capital markets	55
3.1 Ownership structure	55
3.2 Shares evolution on BSE and Global depository receipts (GDRs) evolution on LSE	56
3.2.1 BSE shares	56
3.2.2 Global Depository Receipts (GDRs) on the LSE:.....	60
3.3 Investor relations (IR)	62
3.3.1 Current Reports and Press Releases	62
3.3.2 Financial Results Conference Calls.....	62
3.3.3 Electrica IR App	62
3.3.4 Participation in Other Investor Conferences and Events.....	63
3.3.5 Roadshow Before of the Green Bond Issuance.....	64
3.4 Dividends.....	65
3.4.1 Dividend Policy	65
3.4.2 Dividend Distribution	65
3.5 Own shares.....	67
4 Corporate Governance in ELSA	68
4.1 Corporate Governance Code	68
4.2 General Meeting of ELSA's Shareholders	70
4.3 Shareholders' rights.....	70
4.4 ELSA's Board of Directors.....	71

4.5	The activity of ELSA's Board of Directors and of its consultative committees in 2025	79
4.6	ELSA's Executive management	86
4.7	Remuneration of the Directors and of the Executive Managers with mandate agreements	88
4.8	Statement regarding the corporate governance "Comply or Explain"	89
4.9	Implementing action plans undertaken by signing the framework agreement with EBRD	129
4.10	Internal audit activity report for 2025	138
5	Operating activity of Electrica in 2025	139
5.1	Operating segments	139
5.2	Fixed assets	143
5.2.1	Tangible assets – summarize key aspects of their location and main characteristics	143
5.2.2	Tangible assets – summarize key aspects of their attrition	143
5.2.3	Investments	144
5.2.4	Aspects of ownership of tangible assets	148
5.3	Procurement	148
5.4	Sales activity	149
5.5	Personnel	153
5.6	Research and development activities	156
6	Electrica financial reporting for 2025	158
6.1	Consolidated statement of financial position	158
6.1.1	Consolidated statement of financial position- S-IFRS-EU	158
6.1.2	Consolidated statement of financial position- OMFP2844/2016	163
6.2	Consolidated statement of profit or loss	168
6.2.1	Consolidated statement of profit or loss – S-IFRS-EU	168
6.2.2	Consolidated statement of profit or loss – S-OMFP 2844/2016	173
6.3	Consolidated cash flow statement	178
6.3.1	Consolidated cash flow statement – S-IFRS-EU	178
6.3.2	Consolidated cash flow statement – S-OMFP 2844/2016	180
6.4	Separate statement of the financial position	182
6.5	Separate statement of profit or loss	187
6.6	Separate cash flow statement	189
6.7	Annual Report on the Risk Management System within the Electrica Group in 2025	191
6.8	Description of the main features of internal control and risk management systems in relation to the financial reporting process	210
7	Statements	213
	Appendix 1 – Litigations	214
	A.1.1 Electrica Group litigations until 2025:	214
	A.1.1 Disputes with ANRE	214
	A.1.2 Fiscal matter disputes	215
	A.1.3 Other significant litigations (with a value higher than EUR 500 thousand)	216
	A.1.4 Other litigations with significant impact	224
	Appendix 2 – Details of the main investments of Distribution Operator within Electrica Group during 2025	231
	Appendix 3 – Applicable regulatory framework	241
	A.3.1 - Applicable legal framework in 2025:	241
	A.3.1.1 Distribution activity	241
	7.1.1 A.3.1.2 Supply activity	249

7.1.2 A.3.1.3 Renewable energy production segment.....	261
A.3.2. Changes to the legal framework in 2026 up to the date of current report.....	263
A.3.2.1. Supply segment	263
Appendix 4 – Corporate Governance	265
A.4.1. The Board of Directors of ELSA’s subsidiaries	265
A.4.2. Executive management of ELSA’s subsidiaries	267
A.4.3. Number of shares owned by the executive managers and directors of Electrica Group	270
A.4.4. General Meetings of Shareholders of ELSA subsidiaries	270
Appendix 5 – Table list	272
Appendix 6 – Figures list	274
Glossary	276

Identification details of Electrica

Report date: 25 March 2026

Name of the Issuer: Societatea Energetica Electrica S.A.

Headquarter: 9, Grigore Alexandrescu Street, 1st District, Bucharest, Romania

Telephone/fax number: +4021.208.5999; +4021.208.5998

Fiscal code: 13267221

Trade Registry No: J2000007425408

LEI Code (Legal Entity Identifier): 213800P4SUNUM5AUDX61

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

Main characteristics of issued shares: 339,553,004 ordinary shares of 10 RON nominal value, issued in dematerialized form and freely transferable, nominative, tradable and fully paid.

Regulated markets on which the issued securities are traded: the company's shares are listed on the Bucharest Stock Exchange (ticker: [EL](#)), while the global depositary receipts (ticker: [ELSA](#)) are listed on the London Stock Exchange. The company's bonds are listed on the Luxembourg Stock Exchange (ISIN: [XS3111004241](#)) and on the Bucharest Stock Exchange (ticker: [EL30](#)).

Applicable accounting standards:

- International Financial Reporting Standards as approved by the European Union ("IFRS-EU")
- Order of the Ministry of Public Finance no. 2844/2016 for the approval of the Accounting Regulations in accordance with International Financial Reporting Standards (OMFP 2844/2016)

Reporting period: Year 2025 (period 1 January - 31 December 2025)

Audit: The individual and consolidated financial statements as of and for the period ended 31 December 2025 are audited by an independent financial auditor.

Table 1. Details of issued securities

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

Table 2: Issued bonds

	Issued bonds
Value	EUR500,000,000
Coupon Amount	4.375%

Issue and Maturity Date	14 July 2025; 14 July 2030
Issuance Documents	https://www.electrica.ro/en/investors/bonds/
Rating	BBB-
Stock Market	Luxembourg Stock Exchange/ Bursa de Valori Bucuresti
Ticker	XS3111004241 ; EL30
First Trading day	14 July 2025/30 July 2025

Source: Electrica

1 Electrica 2025 Overview

1.1. 2025 Key financial data

1.1.1 2025 Key financial data - S-IFRS-EU

In 2025, the net result of the Group Electrica was profit of RON 1,218.9 mn., result generated mainly by the performance of the distribution segment, which recorded a profit of RON 965.7 mn., compared with the net profit recorded in the year 2024 in value of RON 723.8 mn. in the context of the increase of the distribution tariff by 12.5% according to the ANRE order no. 97/2024, as well as from the increase of the volume of energy distributed by 1.5%, compared to 2024 and also from the performance of the supply segment, which recorded a profit of RON 277.5 mn., compared with the loss recorded in the year 2024 in value of RON 257.4 mn..

For the supply segment, in the first half of 2025, the impact of retail electricity prices was covered through subsidies received from state authorities, following the application of the price-capping mechanism for electricity and natural gas as established by Government Ordinance 27/2022, with its subsequent amendments and completions. The implementation of these schemes and the reimbursement mechanism for the amounts granted as support to customers, settled ex post from the state budget to electricity suppliers, generated cash-flow constraints, as well as uncertainties regarding the full recovery of these amounts by suppliers. In this context, EFSA has adapted its medium and long-term strategy to responsibly and sustainably manage the impact of these measures on the company's activities, considering a regulatory framework that has undergone numerous and significant changes in recent periods.

Starting July, the price cap established under GO 27/2022, as amended by GO 6/2025, was eliminated following the expiry of the state aid scheme for electricity on June 30, 2025. In the second half of 2025, the final price billed to customers aligns with contractual prices from the competitive market, while public support is redirected specifically towards vulnerable consumers. Meanwhile, the price cap for natural gas remains in force until March 31, 2026 and subsequently prolonged until March 31, 2027 as per OUG No.12/2026.

Table 3. Key financial data for 2025 - 2023

(RON mn.)	2025	2024*	2023*
Revenue	10,910	8,979	9,817
Other operating income	1,255	1,793	3,499
Operational costs	(10,383)	(9,920)	(12,123)
EBITDA ¹	2,383	1,449	1,714
EBIT	1,783	853	1,192
Net finance cost	(347)	(277)	(294)
Gross profit	1,435	575	898
Net profit	1,219	470	772

Source: Electrica

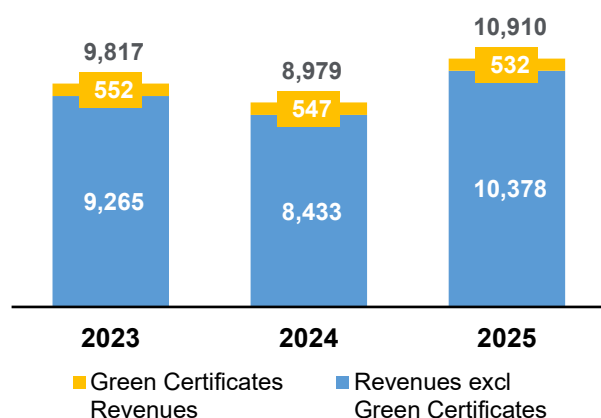
*The amounts related to the years 2023 and 2024 have been restated; please see note 5 of the IFRS-EU consolidated Financial Statements

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

As it can be observed in the graphs that follow, EBITDA increased by RON 934.4 mn. in the year 2025 compared with 2024, while the net profit increased by RON 748.6 mn.

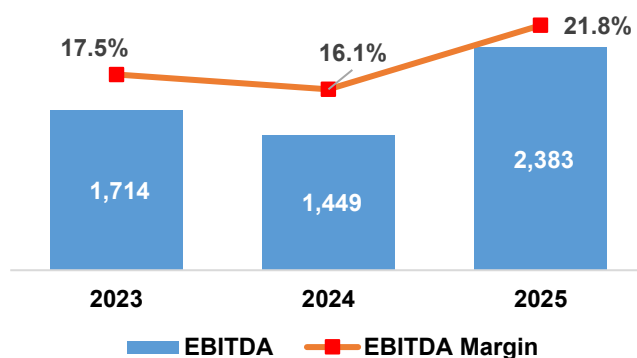
At 31 December 2025, the Group has a capital structure with a net debt position² of RON 3,976 mn. (31 December 2024: RON 4,468 mn. respectively 31 December 2023: RON 3,835 mn.)

Figure 1: Consolidated revenue of Electrica Group (RON mn.)



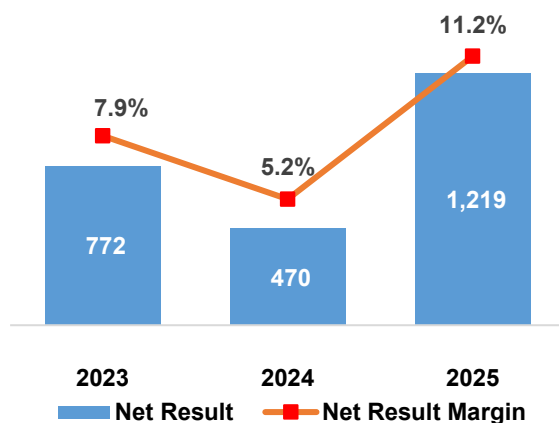
Source: Electrica

Figure 2: EBITDA (RON mn.) and EBITDA margin (%)



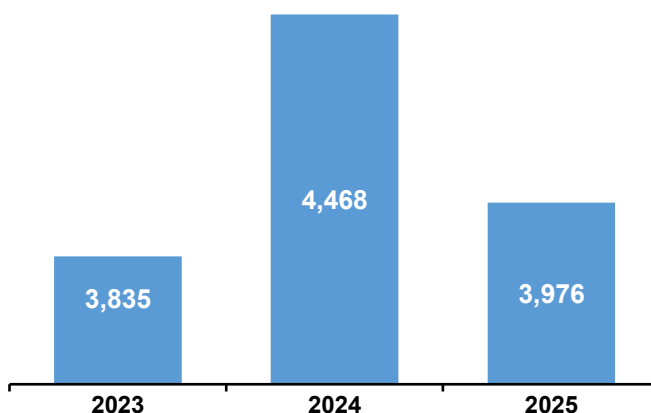
Source: Electrica

Figure 3: Consolidated net profit (RON mn.)



Source: Electrica

Figure 4: Net debt (RON mn.)



Source: Electrica

² Net debt/(Cash) is defined as bank borrowings + bank overdrafts + financial leases + funding for concession agreements - cash and cash equivalents - restricted cash - bank deposits, treasury bills and government bonds.

1.1.2 2025 Key financial data - S-OMFP 2844/2016

In 2025, the net result of the Group Electrica was profit of RON 1,045.5 mn., result generated mainly by the performance of the distribution segment, which recorded a profit of RON 792.3 mn., compared with the net profit recorded in the year 2024 in value of RON 710.7 mn. in the context of the increase of the distribution tariff by 12.5% according to the ANRE order no. 97/2024, as well as from the increase of the volume of energy distributed by 1.5%, compared to 2024 and also from the performance of the supply segment, which recorded a profit of RON 277.5 mn., compared with the loss recorded in the year 2024 in value of RON 257.4 mn..

For the supply segment, in the first half of 2025, the impact of retail electricity prices was covered through subsidies received from state authorities, following the application of the price-capping mechanism for electricity and natural gas as established by Government Ordinance 27/2022, with its subsequent amendments and completions. The implementation of these schemes and the reimbursement mechanism for the amounts granted as support to customers, settled ex post from the state budget to electricity suppliers, generated cash-flow constraints, as well as uncertainties regarding the full recovery of these amounts by suppliers. In this context, EFSA has adapted its medium and long-term strategy to responsibly and sustainably manage the impact of these measures on the company's activities, considering a regulatory framework that has undergone numerous and significant changes in recent periods.

Starting July, the price cap established under GO 27/2022, as amended by GO 6/2025, was eliminated following the expiry of the state aid scheme for electricity on June 30, 2025. In the second half of 2025, the final price billed to customers aligns with contractual prices from the competitive market, while public support is redirected specifically towards vulnerable consumers. Meanwhile, the price cap for natural gas remains in force until March 31, 2026 and subsequently prolonged until March 31, 2027 as per OUG No.12/2026.

Table 4. Key financial data for 2025 - 2023

(RON mn.)	2025	2024*	2023
Revenue	10,910	8,979	9,817
Other operating income	1,255	1,793	3,499
Capitalised costs of intangible non-current assets	39	190	19
Operational costs	(10,628)	(10,126)	(12,323)
EBITDA ³	2,422	1,639	1,733
EBIT	1,576	837	1,011
Net finance cost	(347)	(277)	(294)
Gross profit	1,229	560	717
Net profit	1,045	457	620

Source: Electrica

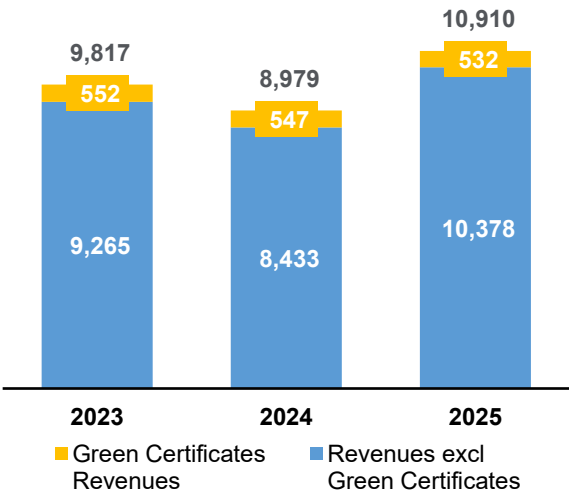
*The amounts related to the year 2024 have been restated; please see note 5 of the 2025 OMFP 2844/2016 Financial Statements

As it can be observed in the graphs that follow, EBITDA increased by RON 783.4 mn. in the year 2025 compared with 2024, while the net profit increased by RON 588.3 mn.

³ Adjusted EBITDA (Earnings before interest, tax, depreciation and amortisation or namely EBITDA) is defined and calculated as profit/(loss) before tax adjusted for i) depreciation, amortization and impairment/reversal of impairment of property, plant and equipment and intangible assets, and iii) net finance income. EBITDA is not an IFRS measure and should not be treated as an alternative to IFRS measures. Moreover, EBITDA is not uniformly defined. The method used to calculate EBITDA by other companies may differ significantly from that used by the Group. As a consequence, the EBITDA presented in this note cannot, as such, be relied upon for the purpose of comparison to EBITDA of other companies.

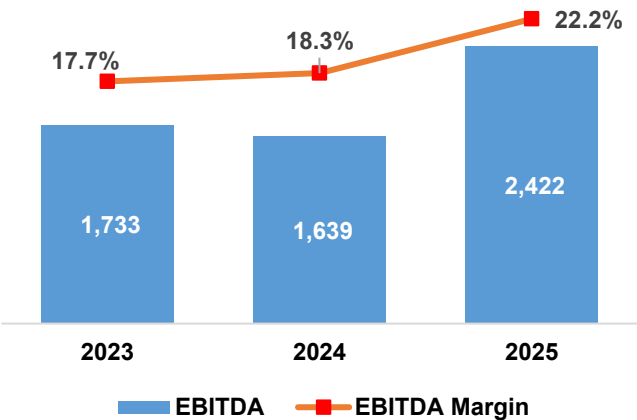
At 31 December 2025, the Group has a capital structure with a net debt position⁴ of RON 3,976 mn. (31 December 2024: RON 4,468 mn. respectively 31 December 2023: RON 3,835 mn.)

Figure 5: Consolidated revenue of Electrica Group (RON mn.)



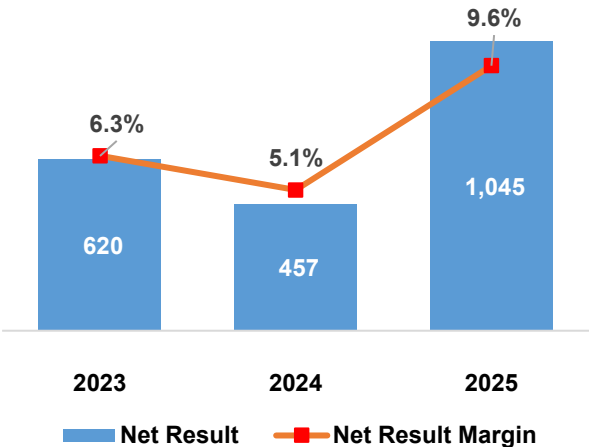
Source: Electrica

Figure 6: EBITDA (RON mn.) and EBITDA margin (%)



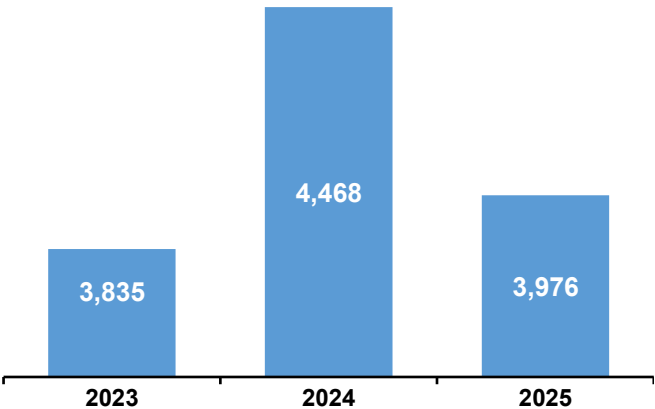
Source: Electrica

Figure 7: Consolidated net profit (RON mn.)



Source: Electrica

Figure 8: Net debt (RON mn.)



Source: Electrica

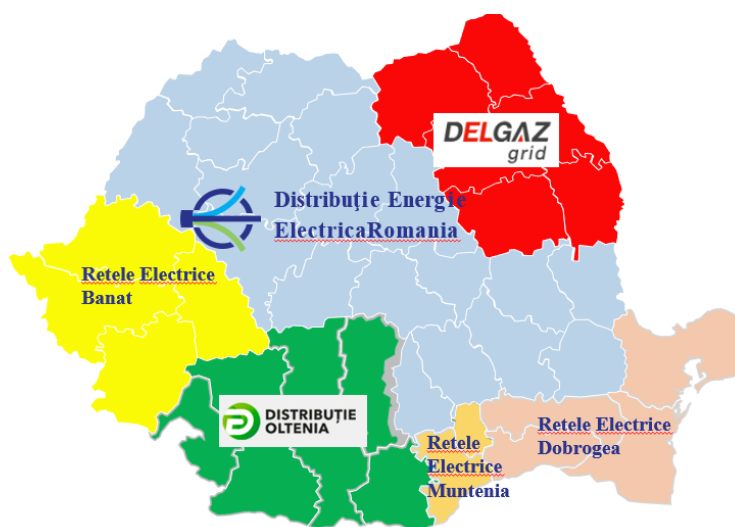
⁴ Net debt/(Cash) is defined as bank borrowings + bank overdrafts + financial leases + funding for concession agreements - cash and cash equivalents – restricted cash - bank deposits, treasury bills and government bonds.

➤ DISTRIBUTION SEGMENT

Essential market information:

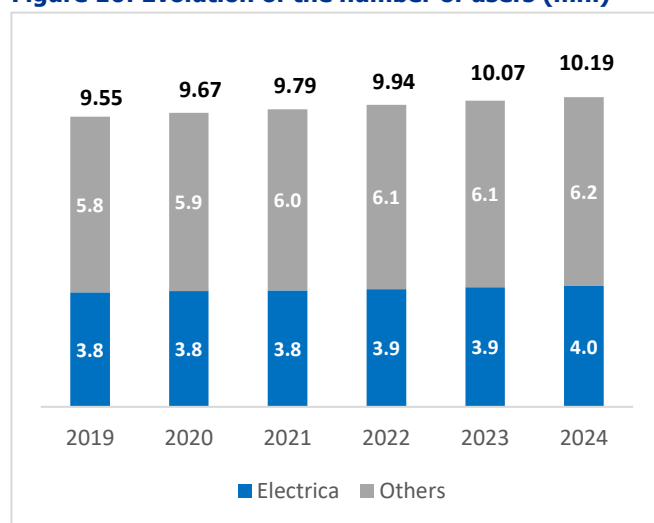
- Electricity distribution in Romania is fulfilled mainly by four electricity distribution system operators, regulated by ANRE;
- Each company is responsible for the exclusive distribution of electricity in the region for which it is authorized, under a concession agreement concluded with the Romanian State;
- Electrica Group is a key player in the electricity distribution sector, both in terms of areas covered and of number of users served;
- The estimated Regulated Assets Base (RAB) value at the end of 2025 was RON 8.6 bn (nominal terms);
- 205,819 km of electric lines - 7,610 km for High Voltage ("HV"), 47,359 km for Medium Voltage ("MV") and 150,850 km for Low Voltage ("LV");
- Total area covered: 97,196 km², 40.8% of Romania's territory;
- Approximately 4 mn. users (in 2025) for the distribution activity;
- 18.03 TWh of electricity distributed in 2025, an increase of 1.5% as compared to 2024;
- **39.5% market share for the distribution of electricity to final users in 2024 (based on distributed quantities, according to ANRE report for 2024).**

- **Figure 9: Romanian electricity distribution map**



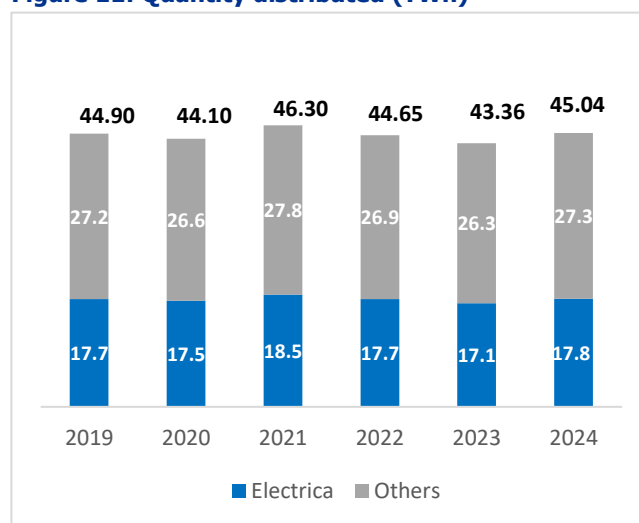
Source: Electrica

Figure 10: Evolution of the number of users (mn.)



Source: ANRE Annual Report for performance indicators' monitoring 2024, Electrica

Figure 11: Quantity distributed (TWh)



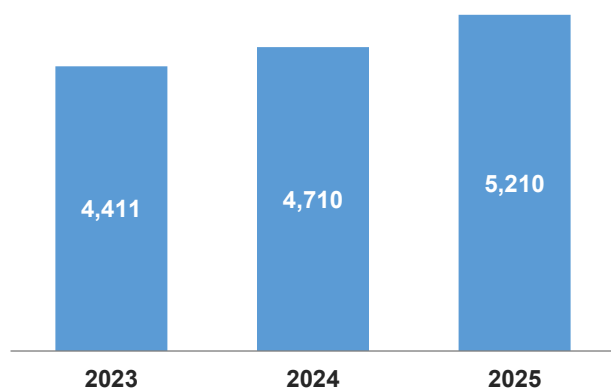
Source: ANRE Annual Report for performance indicators' monitoring 2024, Electrica

➤ Key financial indicators for Distribution segment

In 2025, revenues from the electricity distribution segment increased by approximately RON 500.1 mn., or 10.6%, to RON 5,209.7 mn., from RON 4,709.6 mn. in 2024 mainly from the effect generated by the increase of the distribution tariffs and of the volumes of distributed electricity, with a net impact of RON 537.9 mn. offset by the decrease by RON 37.8 mn. of the revenues recognized in accordance with IFRIC 12 (recognized based on the stage of execution of the works, according to the accounting policy regarding recognition of revenues from construction contracts).

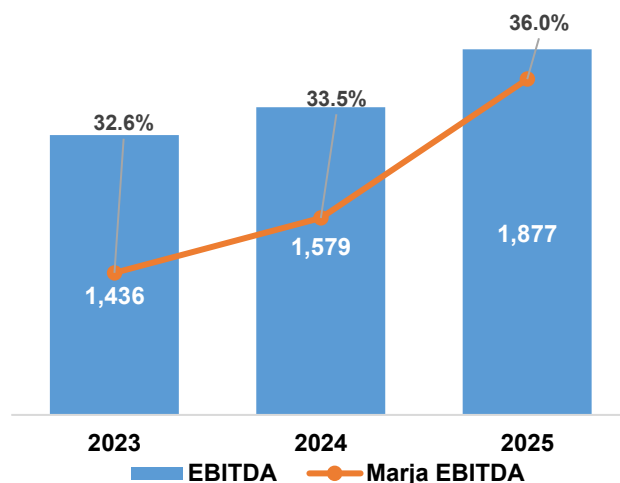
S-IFRS-EU: The net profit of the segment is in value of RON 965.7 mn. in 2025, compared with the net profit recorded in the year 2024 in value of RON 723.8 mn., being influenced in a favorable way by the context of the increase of the distribution tariff by 12.5% according to the ANRE order no. 97/2024 and the improvement of operational efficiency in 2025 compared with the year 2024.

Figure 12: Revenues - distribution segment (RON mn.)



Source: Electrica

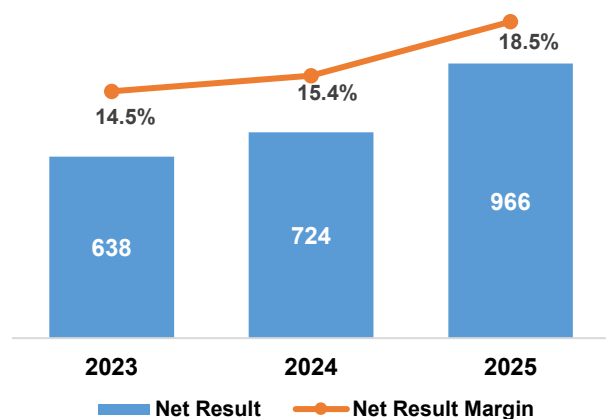
Figure 13: EBITDA – distribution segment (RON mn.)



Source: Electrica

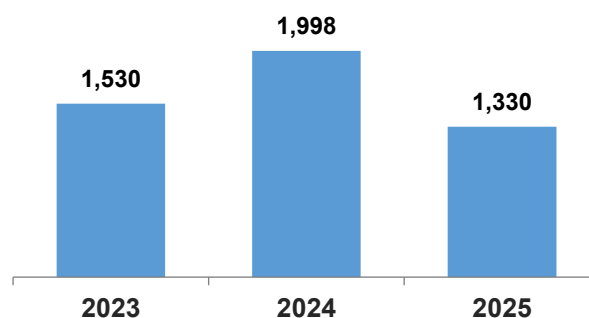
At December 31, 2025, the distribution segment has a capital structure with a net debt position of RON 1,330 mn. (December 31, 2024: RON 1,998 mn. December 31, 2023: RON 1,530 mn.) being a significant reduction mainly due to the optimization of working capital through the improvement of the receivables collection rate, both in relation to the supply segment within the group, as well as in relation with partners and third-party customers.

Figure 14: Net Profit – distribution segment (RON mn.)



Source: Electrica

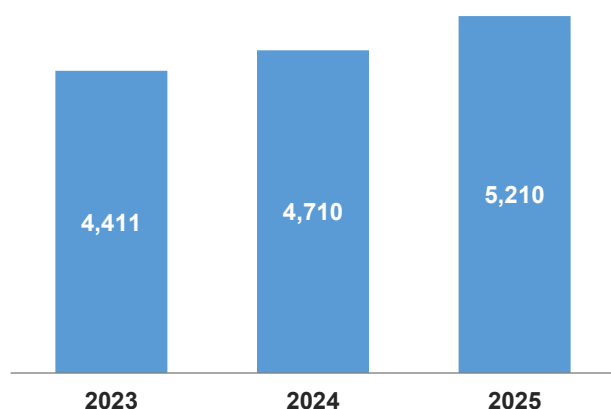
Figure 15: Net debt/(cash) – distribution segment (RON mn.)



Source: Electrica

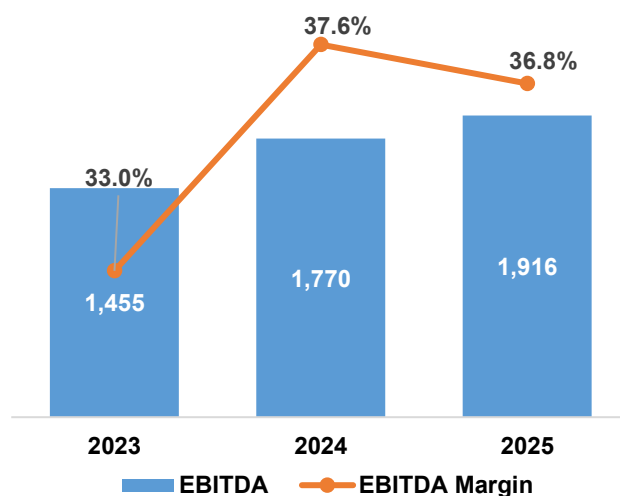
S-OMFP 2844/2016: The net profit of the segment is amounting to RON 792.3 mn. in 2025, compared with the net profit recorded in the year 2024 in amount of RON 710.7 mn., being influenced in a favorable way by the context of the increase of the distribution tariff by 12.5% according to the ANRE order no. 97/2024 and the improvement of operational efficiency in 2025 compared with the year 2024.

Figure 16: Revenues - distribution segment (RON mn.)



Source: Electrica

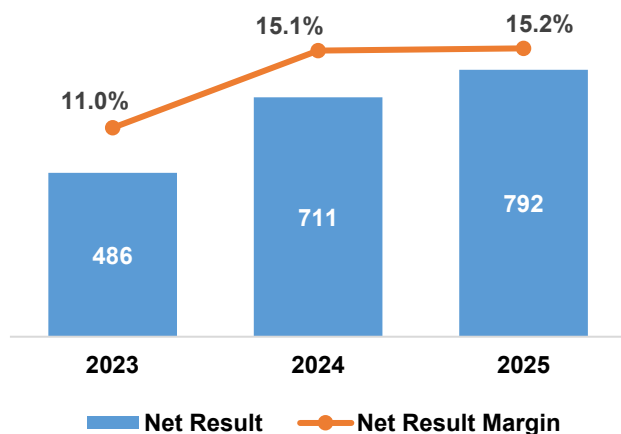
Figure 17: EBITDA – distribution segment (RON mn.)



Source: Electrica

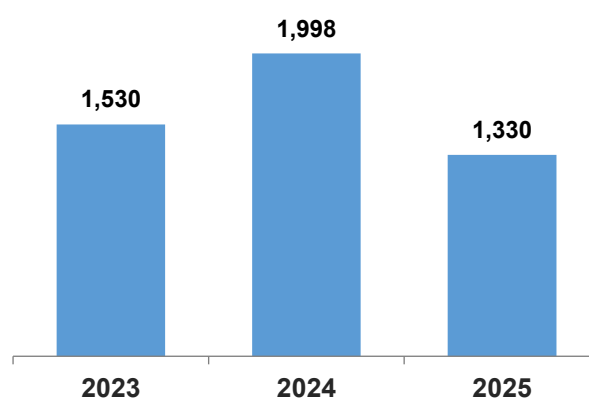
At December 31, 2025, the distribution segment has a capital structure with a net debt position of RON 1,330 mn. (December 31, 2024: RON 1,998 mn. December 31, 2023: RON 1,530 mn.) being a significant reduction mainly due to the optimization of working capital through the improvement of the receivables collection rate, both in relation to the supply segment within the group, as well as in relation with partners and third-party customers.

Figure 18: Net Profit – distribution segment (RON mn.)



Source: Electrica

Figure 19: Net debt/(cash) – distribution segment (RON mn.)



Source: Electrica

➤ SUPPLY SEGMENT

Key market data (according to the latest ANRE report available - November 2025):

- The supply market consists of both the competitive segment and the universal service & supplier of last resort (US and SoLR) segment.
- The universal service and supplier of last resort segment includes five designated suppliers at national level.
- The competitive segment includes 96 suppliers (including SoLR suppliers operating on the competitive retail market), of which 89 are relatively small (market share <4%).

Electrica Furnizare holds a total market share of **14.73%**, with a **10.78%** share in the competitive market (ANRE, November 2025 report). By comparison, in 2024 Electrica Furnizare held a total market share of **15.48%** and a competitive market share of **10.36%** (ANRE, December 2024 report).

As of December 31, 2025, the Group supplied 7.3 TWh of electricity to approximately 3.3 million consumption sites (under both universal service and last resort regimes, as well as the competitive market), representing a ~5% decrease compared to the same period of the previous year.

➤ **Key financial indicators for Supply segment**

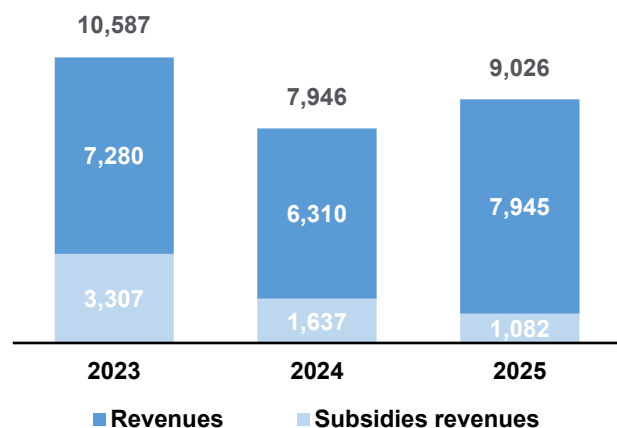
Revenues from the electricity and natural gas supply activity increased in 2025 by approx. RON 1,634.8 mn., or 25.9%, to RON 7,944.6 mn., from RON 6,309.8 mn. in 2024.

The increase in revenues from the supply of electricity and natural gas was determined, mainly, by the abandonment of the capping for electricity starting with 1 July 2025 and partially by the entry into force of GEO no. 6/2025 (which allowed the recognition in the acquisition cost of a percentage of up to 10% of the value of imbalances during the period April-June 2025). The elimination of the capping scheme allowed the supply subsidiary to build its price strategy on competitive market and profitability criteria, adapting it according to the categories of customers.

Regarding EBITDA, the supply segment recorded an increase in the year 2025 reaching the value of RON 572.4 mn. from negative EBITDA of RON 78.1 mn. recorded in the prior year, and also an improvement of the EBITDA margin from (1.2%) in 2024 to 7.2% in 2025.

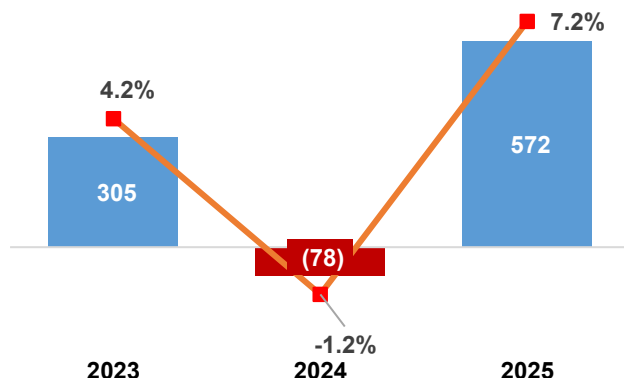
The supply segment has a net debt financial position that decreased by RON 122.8 mn. compared with the year 2024, reaching RON 1,782 mn. in the year 2025, following the closing of some credit lines.

Figure 20: Revenues and Subsidies revenues - supply segment (RON mn.)



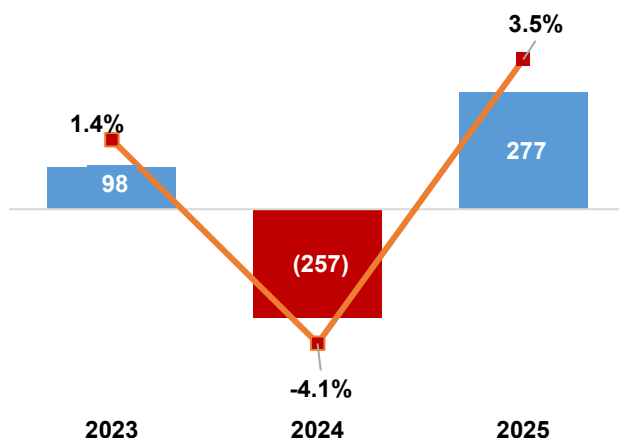
Source: Electrica

Figure 21: EBITDA - supply segment (RON mn.)



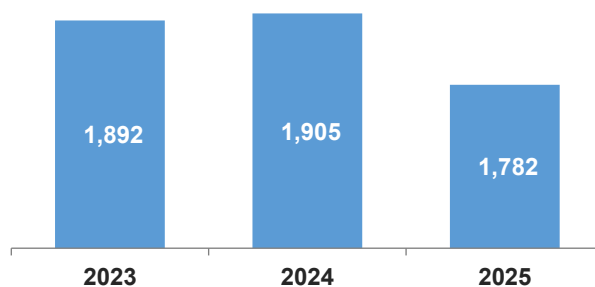
Source: Electrica

Figure 22: Net profit - supply segment (RON mn.)



Source: Electrica

Figure 23: Net debt/(Cash) - supply segment



Source: Electrica

➤ ENERGY PRODUCTION FROM RENEWABLE SOURCES SEGMENT

Essential information regarding the market:

- The electricity market in Romania functions in accordance with European regulations regarding the internal energy market, through which requirements are established related to energy production from renewable sources, environmental policy, the integration of balancing markets, as well as the interconnection of energy systems, specifically Directive 944/2019 of the European Parliament and of the Council on common rules for the internal market for electricity and amending Directive 2012/27/EU and Regulation 943/2019 of the European Parliament and of the Council on the internal market for electricity.
- In the year 2024, in Romania, there were 665 producers of electricity from conventional and non-conventional sources, the production of photovoltaic electricity representing 5.13 %.

- Starting with January 1, 2025, the trial period of power plants that connect to the SEN (National Energy System) was redefined, and the remuneration mode for energy injected into the network was applied with the PZU (Day-Ahead Market) price recorded in the settlement interval in which it was produced but not more than 400 lei / MWh.
- Producers of electricity from renewable energy sources (RES) have the right, according to Law no. 220/2008, to receive a certain number of green certificates, depending on the technology used (for example: hydro, wind, solar, geothermal, biomass, bioliquids, biogas), for every MWh produced and delivered into the network and for a certain period of time, depending on the degree of novelty of the electrical group/plant.
- The Stanesti photovoltaic park has the right to receive, for a period of 15 (fifteen) years, 6 (six) green certificates for every MWh of electricity produced and delivered into the network, of which, for the period July 1, 2013 - December 31, 2020, according to Law 23/2014 and Law 184/2018, 2 (two) green certificates were deferred from trading, to be recovered in equal monthly installments starting with January 1, 2021 until the date of December 31, 2030.
- The green certificates issued by Transelectrica for the production realized by the Stanesti photovoltaic park, in the validity period of the accreditation decision issued by ANRE, can be traded, according to OUG Emergency Ordinance 24/2017, until the date of March 31, 2032, respectively including after the expiration of the validity period of the accreditation decision (January 31, 2028 in the case of the Stanesti photovoltaic park).
- The valorization of green certificates can be done on the OPCOM markets (spot or on the combined market). The sale price must fall between the minimum and maximum values established by Law no. 220/2008 (art. 11) for establishing the system for promoting the production of electricity from renewable energy sources, republished, with subsequent amendments.
- For the year 2025 OPCOM established the minimum value of a green certificate at 146.2532 RON (29.4 EUR), compared to the year 2024, when its minimum value was 146.2532 RON.
- The AIB Council (Association for Issuing Bodies) granted ANRE the status of AIB Observer, and Romania is an Observer within the EEC scheme, for the trading of guarantees of origin for renewable energy. The ANRE decision comes as a result of the issuance of Emergency Ordinance no. 59/2025 for amending and supplementing some normative acts in the energy field. Thus, until the date of June 1, 2026, ANRE establishes a calendar regarding the gradual opening of a market for trading guarantees of origin in a uniform standardized system and until the date of January 1, 2027, ANRE has the obligation to elaborate secondary legislation and designate an operator for the trading of guarantees of origin.

Figure 24: Map of Energy Production for Electrica Group



Source: Electrica

Photovoltaic Parks:

- Operational: Stanesti (7.5 MW), Vulturu (9.75 MW)* and Satu Mare 2 (27 MW);
- In competitive selection procedure: Satu Mare 3 (62.5 MW) and Bihor 1 (77.5 MW).

*maximum approved power delivery as per the grid connection permit

Terrestrial wind-parks:

- In competitive selection procedure: Crucea Est (121 MW).

Battery energy storage systems (BESS):

- In competitive selection procedure / course of development: Vulturu (22.5 MW), Fantanele (70 MWh), Crucea Est (60 MWh), Bihor 1 (17 MWh), Multi-site projects.

➤ **Key financial indicators for the production segment**

In 2025, revenues from the electricity production segment were RON 16.7 mn, increasing by approx. RON 4.3 mn or 34.3% mainly from the effect generated by the delivery into the NES (National Energy System) of an additional quantity of electricity and the monetization of Green Certificates from the portfolio on specific markets.

The volume of electricity produced – 16.69 GWh increased by 65.8% compared to the previous year. The increase reflects the commissioning of the Vulturu and Satu Mare 2 photovoltaic parks, from July 2025, respectively October 2025.

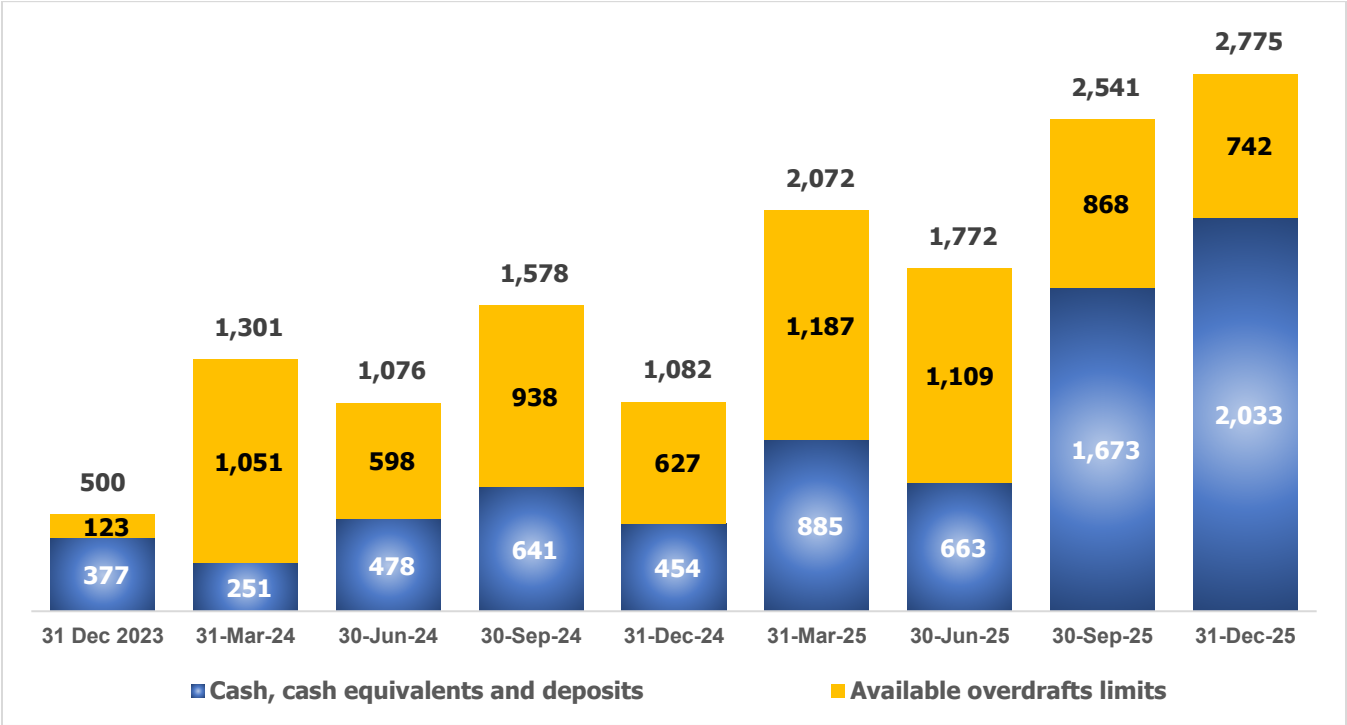
The net profit of the segment is in the amount of RON 10.7 mn in 2025, compared to the net profit recorded in the year 2024 in the amount of RON 5.0 mn (+114.8%). The net profit is favorably influenced by the decrease of operational costs by 33.4% compared to the financial year 2024, offsetting the impact of the decline in prices for the electricity delivered into the NES.

➤ **Group liquidity**

At Group level, the total liquidity available in cash and overdraft limits as of 31 December 2025 was RON 2,775 mn., mainly due to the lower level of use of the overdraft limits on ELSA and supply segment. For distribution segment no utilization

was recorded. The level of cash on 31 December 2025 was RON 2,033 mn., a significant increase compared to the previous reporting period, main contributor being the distribution segment.

Figure 25: Group Liquidity



Source: Electrica

The Group is taking all the necessary formalities with its partner banks to contract and roll over lines of credit to ensure the liquidity. Moreover, the cash pooling structures allow the Group to optimize the use of liquidity between companies and to quickly cover unforeseen liquidity needs.

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

1.2 Key events in 2025

The following main events took place during the twelve-month period ended 31 December 2025:

1.2.1 General Meetings of Shareholders (GMS)

On **5 February 2025**, the OGMS and EGMS were held in person and online, via the <https://electrica.voting.ro/> platform. The meeting reached a quorum of 88.6024% of the total voting rights, respectively of the Company's share capital in the case of the OGMS and 88.5738% of the total voting rights, respectively of the Company's share capital, for the EGMS. The following key items were approved:

- The election of Mr. Mihai Diaconu as non-executive director for a mandate until 25 January 2028;
- The EUR 253 mn. investment in the "Crucea Est" wind farm, with an installed turbines capacity of up to 138 MW and a projected electricity storage capacity of 60 MWh (15 MW x 4h). Located in Constanta county (Crucea and Pantelimon areas), the project is currently in the "ready-to-build" phase. This investment is carried out through Crucea Power Park SRL (wholly owned by the Company at the date of this report), as well as the granting by ELSA of a loan to the associate of the company Crucea Power Park SRL, in the amount of up to EUR 253 mn., in order to finance the investment works necessary for the completion and operation of the "Crucea Est" wind power plant;
- Amendment of article 5 par. (2) and (3) of the Articles of Association of the Electrica S.A. Energy Company, in the sense of updating the main NACE (CAEN) code and updating and completing the NACE (CAEN) codes related to the secondary activities of the company, according to the new legal regulations.
- Appointment of Deloitte Audit S.R.L. as auditor of Electrica S.A. regarding the sustainability reporting/sustainability statement prepared in accordance with the requirements of Directive (EU) 2022/2464 for a 2 year contract, respectively for the financial years 2024 and 2025.

On **29 April 2025**, the EGMS and OGMS took place, in person and online, via the <https://electrica.voting.ro/> platform. The meeting reached a quorum of 89.9498% of the total voting rights, respectively of the Company's share capital in the case of the EGMS and 89.9442% of the total voting rights, respectively of the Company's share capital, for the OGMS. The following key items were approved:

- The Consolidated and Standalone Financial Statements for the year 2024, according to OMFP 2844/2016 and IFRS-EU, based on the BoD Report, integrated with Sustainability Reporting, and the Auditor's Report.
- The Electrica's BoD proposal regarding the allocation of the net profit of the financial year 2024, respectively the approval of the total value of gross dividends of RON 60 mn. and the value of the gross dividend per share of RON 0.1767, as well as the approval of the dividend payment date for the financial year 2024 as 27 June 2025. Ex-date is 3 June 2025, and the registration date is 4 June 2025.
- The 2025 revenue and expenses Budget at the consolidated and standalone levels.
- The extension of the mandates granted to ELSA and EFSA BoD to amend the banking contracts, financing contracts and/or guarantee contracts/guarantees related to credit contracts concluded within the ceiling approved through ELSA's EGMS Resolution no. 3/09.06.2022 for 2022, respectively through item no. 1 of the EFSA EGMS Resolution no. 5/14.06.2022 for the year 2022, including, but not limited to the purpose, type, use, modification of the credits validity and the guarantees established.

On **27 November 2025**, the EGMS took place, in person and online, via the <https://electrica.voting.ro/> platform. The meeting reached a quorum of 89.9498% of the total voting rights, respectively of the Company's share capital in the case of the EGMS and 88.7620 % of the total voting rights, respectively of the Company's share capital, for the OGMS, which approved to initiate

the necessary procedures to obtain financing intended for the acquisition of companies (shares/social parts), business lines or individual assets within the activity fields of the Electrica Group, in order to expand operations both nationally, as well as regionally and in other EU member states, as well as the approval, in principle, for initiating due diligence procedures relevant for such transactions; the value of the effective acquisitions will be within an aggregated limit of up to EUR 1 billion or the equivalent in RON, for the period 2025-2027, therefore the financing needs will have the same value. Any such operation or individual transaction which, according to the legal and/ or statutory provisions, falls under the competence of the EGMS, will be submitted by the Company for the approval of the EGMS. The acquisitions may target companies (shares/ social parts), business lines or individual assets within the activity fields of the Electrica Group, located in Romania, in the region, or in other European Union member states.

Starting with the 2025 Annual General Meeting, shareholders could vote online also via the Electrica IR mobile application, available on both Android, Chrome OS and Apple mobile devices. Electrica has been offering electronic voting through the platform <https://electrica.voting.ro> since June 2022.

1.2.2 Decisions of the ELSA's BoD

During the meeting of 29 January 2025, the ELSA Board of Directors elected Mr. Mihai Diaconu as Chair of the Board starting with 1 February 2025, for the duration of his mandate as director and decided to maintain the existing body of the Board of Directors Consultative Committees until 31 December 2025. The BoD also discontinued the positions of vice-chair of the Board starting with 29 January 2025.

On 5 February 2025 OGMS granted Mr. Mihai Diaconu a mandate as administrator until 28 January 2028.

On 6 March 2025 ELSA's BoD convened the EGMS and OGMS on 29 April 2025.

On 27 March 2025, Ms. Valentina Siclovan resigned from the position of member of the Board of Directors of the Company and of the Chair of the Consultative Audit and Risk Committee starting on 1 May 2025 (30 April 2025 being the last day of the mandate).

On 29 April 2025, Electrica's BoD appointed Mr. Mihnea-Andrei Craciun as interim member of the BoD, starting on 1 May 2025 until the next Ordinary General Meeting of Shareholders (OGMS) or until 30 April 2026 at the latest.

On 29 April 2025, Electrica's BoD decided to modify the composition of its consultative committees, effective 1 May 2025. The Board of Directors committees will function in their current composition until 31 December 2025, respectively:

Audit and Risk Committee:

- Mr. Adrian Florin Lotrean – Chair;
- Mr. Ion Cosmin Petrescu – Member;
- Mr. Mihai Diaconu – Member.

The Nomination and Remuneration Committee:

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

The Strategy and Corporate Governance Committee:

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

- Mr. Dragos Valentin Neacsu – Member.

The Climate Governance and Public Affairs Committee:

- Mr. Dragos Valentin Neacsu – Chair;
- Ms. Georgiana Bogasievici – Member;
- Mr. Marian Cristian Mocanu – Member.

On 29 April 2025, Electrica's BoD approved the Consolidated value of the Group's Investment Plan (CAPEX) for 2025, amounting to a total of RON 1.5 bn..

On 29 April 2025, Electrica's BoD appointed Mr. Mihnea-Andrei Craciun as interim member of the BoD, starting on 1 May 2025 until the next Ordinary General Meeting of Shareholders (OGMS) or until 30 April 2026 at the latest.

On 14 May 2025, Electrica's BoD decided to change the composition of its consultative committees. Effective 14 May 2025, these following committees will function in this composition until 31 December 2025, respectively:

The Audit and Risk committee:

- Mr. Dragos Valentin Neacsu – Chair;
- Mr. Adrian Florin Lotrean – Member;
- Mr. Mihai Diaconu – Member.

The Nomination and Remuneration committee:

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

The Strategy and Corporate Governance committee:

- Mr. Marian Cristian Mocanu – Chair;
- Mr. Mihai Diaconu – Member;
- Mr. Ion Cosmin Petrescu – Member.

The Climate Governance and Public Affairs committee:

- Ms. Georgiana Bogasievici – Chair;
- Mr. Dragos - Valentin Neacsu – Member;
- Mr. Mihnea Craciun – Member.

On 30 June 2025, Electrica's BoD approved an increase in the Group's 2025 Investment Plan (CAPEX), bringing the total value to RON 1,580.9 mn. This adjustment reflects an increase of RON 36.4 mn. in the 2025 annual financial plan of SE Electrica S.A., related to the merged production segment.

On 30 June, Electrica's BoD approved the Financial Plan associated with the 10-year Distribution Network Development Plan (2026-2035) for DEER, in total amount of RON 6,907 mn..

On 7 October 2025, ELSA's BoD convened the EGMS on 27 November 2025.

On 28 October 2025, ELSA BoD endorsed, in order to be submitted for the approval of the (OGMS), the appointment of KPMG Audit S.R.L. as auditor of Electrica Group for the financial and sustainability reporting, for a period of 3 years (fiscal years 2026-2028).

On 18 December 2025, ELSA BoD decided:

- to maintain the composition of its consultative committees until 31 December 2026.
- to increase the share capital of its subsidiary Electrica -Furnizare SA (EFSA). The total increase amounts to RON 180.000.280, consisting of a contribution of RON 180,000,000 from ELSA and RON 280 from Electrica Serv SA (FISE). These contributions are in accordance to the current shareholders quotas held by ELSA and FISE in EFSA's share capital. In the same meeting, Electrica ELSA's BoD approved the share capital increase of its subsidiaries, where ELSA is the sole shareholder, respectively: Crucea Power Park SRL (CPP) with RON 150,000, New Trend Energy SRL (NTE) with RON 150,000; Foton Power Energy SRL (FPE) with RON 180,000. These capital increase operations were necessary to ensure compliance with the provisions of Law
- the purchase by Electrica of its subsidiary Electrica Furnizare S.A. (EFSA) of all the shares that are 100% owned by EFSA in the company Electrica Furnizare Grup SRL – Chisinau (EFGRM), a company registered in the Republic of Moldova. The objects of activity of this company are electricity production; electricity and gas supply/trading.

1.2.3 Other relevant events

On 31 January 2025, the second 4-year mandate of the Executive Director of the Distribution Department, Ms. Livioara Sujdea, effectively ended upon reaching its term.

On 11 February 2025, Electrica published the preliminary key operational indicators for 2024.

On 28 February 2025 Electrica published the 2024 preliminary consolidated financial statements.

On 6 March 2025, Electrica informed the investors regarding the identification of inconsistencies in the payment processes at the level of its subsidiary Electrica Serv, with a financial impact no higher than EUR 1 mln. at the time. Besides the notification of the competent authorities and of the financial auditor and the thorough internal control, the company's economic director was revoked from office, and the mandate contract of the general manager was suspended by the consensus of the parties for a period of 30 days until the clarification of the situation and the executive management has been reorganized to ensure operational continuity and strengthen internal control mechanisms, in order to be able to prevent such situations in the future.

On 27 March 2025, Electrica published the Consolidated and Standalone Financial Statements for the year 2024, together with the 2024 dividend proposal, as well as the 2025 individual and consolidated budget. On 31 March 2025, Electrica held a conference call with investors to present the 2024 results.

On 28 March 2025, Electrica announced that Fitch Ratings improved the outlook of the Electrica Group's rating to "Stable" and maintained the long-term rating to "BBB-".

On 29 March 2025, Electrica published an announcement regarding the auditor's qualified opinion on the 2024 Consolidated Financial Statements.

On 22 April 2025, Electrica launched the Electrica IR mobile app for online voting in General Meetings of Shareholders. This is available both on Android mobile devices, as well as on the Apple mobile devices (starting on 13 May 2025).

On 30 April 2025, Electrica received a notification regarding exceeding the threshold of holding 10% of the voting rights by NN Group N.V. (up to 10.08%). On the same day, Electrica announced the signing of a RON 3.1 bn. syndicated loan, including a credit facility intended to finance eligible green projects and support a sustainable business model. The loan is structured in four credit facilities and will be used to partially refinance existing bank exposure, support infrastructure investment plans and develop the renewable energy production portfolio.

On 7 May 2025, Electrica published the 2025 Q1 Preliminary Key Operational Indicators.

On 27 May 2025, Electrica published its simplified consolidated interim financial statements for Q1 2025, and on 29 May 2025, it held a conference call to present them.

On 28 May 2025, Electrica informed the shareholders that the dividends for the financial year 2024 will be paid starting 27 June 2025 (Payment Date), with ex-date on 3 June 2025.

On 11 July 2025, ELSA published its annual disclosure regarding gender balance in management structures, in accordance with Article 109⁶ of Law No. 24/2017.

On 7 August, Electrica published the 2025 H1 Key Operational Indicators.

On 28 August 2025, Electrica published the reviewed condensed consolidated interim financial statements for 2025 H1, and on 1 September 2025 it held a conference call to present them.

On 9 September 2025, a Memorandum of Understanding was signed with Romgaz regarding the joint development of renewable energy production and storage capacities with a total installed capacity of up to 400 MW, exclusively through Greenfield projects.

On 29 September 2025, Electrica published its reviewed, simplified, individual interim financial statements for 2025 H1.

On 7 October 2025 Electrica convened the EGMS for 27 November 2025

On 17 October 2025 Electrica initiated the process to obtain the permits required for the construction of 15 battery energy storage parks, with a total capacity of approximately 1 GWh, has been initiated. In doing so, Electrica will leverage land assets from its portfolio and take important steps toward implementing its 2030 Strategy

On 12 November 2025 Electrica published the preliminary key operational indicators for Q3_2025.

On 19 December 2025 Electrica published DEER distribution tariffs for 2026

➤ **Green Bonds issuance**

On 1 July 2025, ELSA informed its investors about the mandate given to Banca Comerciala Romana S.A., member of Erste Group (“BCR”), BNP PARIBAS, Citi, ING, J.P. Morgan and Raiffeisen Bank International as Joint Global Coordinators and Joint Bookrunners, and BT Capital Partners, IMI-Intesa Sanpaolo, Societe Generale and UniCredit as Joint Bookrunners to arrange a series of fixed income investor meetings commencing on Tuesday, 1 July 2025, with regard to a potential inaugural “EUR Green benchmark Reg S only unsecured” bond issuance that may follow, subject to market conditions. On the same day, ELSA published the auditor’s review opinion on the simplified consolidated interim financial statements for Q1 2025, prepared for the respective bond issuance.

On 7 July, Electrica announced the launching of its successful inaugural EUR 500 mn. green bonds. The bonds, which have a 5-year maturity and are senior unsecured, were competitively priced at 4.566% yield (MS + 230 bps).

On 10 July 2025, the competent authority in Luxembourg – CSSF (Commission de Surveillance du Secteur Financier) approved the offering prospectus for Electrica’s inaugural green bond issuance, valued at EUR 500 mn., and transmitted the corresponding notification to ASF Romania, in accordance with European regulations regarding the cross-border recognition of prospectuses.

On 14 July 2025, Electrica announced its investors that the inaugural green bonds issuance closed successfully, and the bonds were admitted to trading on the Luxemburg Stock Exchange (<https://www.luxse.com/security/XS3111004241/435107>). The main characteristics of the green bond’s issuance are: value of EUR 500 mn., coupon: 4.375%, maturity: 5 years (14 July 2030), type: senior unsecured.

On 18 July 2025, the Romanian Financial Supervisory Authority (ASF) issued the Certificate of Registration of Financial Instruments for the bonds.

On 30 July 2025, ELSA announced the listing on the Bucharest Stock Exchange of its EUR 500 mn. green bond issue - the largest corporate, non-financial green bond issuance on the Romanian capital market. The bonds, traded under the ticker symbol EL30E, are registered, non-convertible, unsecured, euro-denominated securities with a nominal value of EUR 1,000 each, and will mature on 14 July 2030. They carry an annual interest rate of 4.375%. Following the public offering conducted by Electrica, 155 bondholders from 31 countries subscribed to the issuance—all of them being legal entities. The funds raised through Electrica's first bond issuance will be used to finance and/or refinance Eligible Green Projects, involving renewable electricity-related initiatives, in accordance with the provisions of Electrica's Green Financing Framework and the prospectus approved by CSSF.

Table 5. Green Bonds Issuance Details

Value	EUR 500,000,000
ISIN Code	XS3111004241
Cupon rate	4.375%
Issue date	14 July 2025
Maturity date	14 July 2030
Issued documents	https://www.electrica.ro/en/investors/bonds/
Rating	BBB-
Trading Market	Luxembourg Stock Exchange / Bucharest Stock Exchange
First trading day	14 July 2025/30 July 2025

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

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

➤ Corporate image

According to the latest "Romania 50" report published by Brand Finance, the world's largest independent brand valuation consultancy, Electrica remains in 2025 among the top 10 most valuable and strongest Romanian brands. The company has been included in this ranking for the ninth consecutive year since the report was first launched for the Romanian market. In this year's edition, the brand value is estimated at EUR 165 mn..

Regarding transparency, Electrica reaffirms its commitment to the stakeholders of all Group companies. Accordingly, Electrica has prepared and published Sustainability Reports from 2017 to 2024 (covering the years 2016–2023, available here: <https://www.electrica.ro/en/category/nonfinancials-reporting/>). For the 2024 financial year, it prepared the Sustainability Report in accordance with the requirements of Directive (EU) 2022/2464 regarding Corporate Sustainability Reporting ("CSRD") and Delegated Act no. 5303/2023 regarding European Sustainability Reporting Standards ("ESRS")—which supplements the CSRD Directive—transposed into national legislation via MFP Order 85/2024 for the regulation of aspects regarding sustainability reporting ("OMFP 85/2024"), as well as the Independent Auditor's Report on sustainability reporting for the financial year ended December 31, 2024 ().

The Sustainability Reporting for the 2025 financial year, prepared according to the same requirements, as well as the auditor's opinion, are included in this director's report, as well as in the 2025 annual financial report.

All annual reports may be accessed on Electrica's website, in the Investors > Results and Report > Annual Reports section (<https://www.electrica.ro/en/investors/results-and-reports/annual-reports/>).

➤ **Certification**

In the month of September 2025 at the level of S.E. Electrica S.A., the surveillance audit of the Energy Management System took place, in accordance with the SR EN ISO 50001 reference. In the month of October 2025, the recertification audit dedicated to the Integrated Quality - Environment - OHS - Information Security Management System took place, in accordance with the requirements of the SR EN ISO 9001, SR EN ISO 14001, SR ISO 45001, SR EN ISO/IEC 27001 references.

Both audits were performed by the personnel of the external Certification Body SRAC Cert affiliated with IQNet, no major non-conformities being identified, but only areas for improvement, thus reflecting the fact that the Integrated Management System is compliant with the requirements of the ISO standards and functions effectively.

S. "FISE ELECTRICA SERV" – S.A. underwent in the year 2025 the recertification audit of the Integrated Management System, implemented according to the requirements of the reference standards ISO 9001, ISO 14001 and ISO 45001. Additionally, the organization obtained the certification in the field of Energy Management, based on the requirements of the SR EN ISO 50001 reference. The audits were performed by the external certification body SRAC Cert.

At the level of "ELECTRICA FURNIZARE SA", the surveillance audit of the Integrated Quality – Environment – OHS Management System took place in accordance with the requirements of the SR EN ISO 9001, SR EN ISO 14001 respectively SR ISO 45001 references, performed by the external certification body SRAC Cert.

➤ **Acquisition of shares in subsidiaries**

On 7 February 2025, Electrica informs the shareholders and investors that it has completed the acquisition of the project company Crucea Power Park SRL (CPP) having as main object of activity the generation of energy from wind sources. CPP develops the eolian project company "Crucea Est", with an authorized installed capacity of 138 MW*, and a projected electricity storage capacity* of 60 MWh (15 MW x 4h), located outside the Crucea commune, Constanta County. The project is at the "ready-to-build" phase.

On 18 December 2025, Electrica announced the purchase of its subsidiary Electrica Furnizare S.A. (EFSA) of all the shares that are 100% owned by EFSA in the company Electrica Furnizare Grup SRL – Chisinau (EFGRM), a company registered in the Republic of Moldova. The objects of activity of this company are electricity production; electricity and gas supply/trading; electrical installation works.

➤ **Transactions with related parties**

During 2025, Electrica published 25 current reports according to art. 108 of Law no. 24/2017 regarding the transactions concluded in this period between DEER – OPCOM, EFSA – OPCOM, EFSA-TEL, DEER – EFSA, EFSA – Transelectrica, EFSA – SNN, EFSA – Hidroelectrica, EFSA- ELSA and DEER - Hidroelectrica, whose cumulated value in the case of each announcement exceeds the threshold of 5% of ELSA's net assets, calculated on the basis of Electrica's latest available individual financial statements (in 2025, there were three reference points: RON 200.2 mn. as of 30 June 2024; RON 200.5 mn. as of 31 December 2024 and RON 203.6 mn. as of 30 June 2025).

On 30 January 2025 Electrica published the Auditor's independent limited assurance report according to art. 108 of Law no. 24/2017 regarding the transactions reported in the second semester of 2024.

On 31 July 2025, ELSA published the Auditor's independent limited assurance report according to art. 108 of Law no. 24/2017 regarding the transactions reported in the first semester of 2025.

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

In December 2025, ELSA's Board of Directors approved the updated Related Party Transactions Policy, which came into effect on 1 January 2026. This policy also regulates the reporting procedure for such transactions, in accordance with the provisions of Law 24/2017, as amended by Law 11/2025. This policy is available on the ELSA website, under the Corporate Governance > Corporate Policies section, at: https://www.electrica.ro/wp-content/uploads/2026/01/ELSA_EN_Policy_on_Transactions_with_Related_Parties_1Jan2026.pdf.

1.2.4 Litigations reported to the capital market

- **ELSA file no. 341/2/2025 and DEER file no. 321/2/2025 - Request for partial annulment of ANRE Order no. 97/2024**
https://www.electrica.ro/wp-content/uploads/2025/01/ELSA_EN_Current-report_Annulment-ANRE-Order-97-2024_22Jan2024_LSE.pdf
- **DEER file no. 167/1285/2025 - Insolvency request for the DEER subsidiary and request for withdrawal of legal action in case file 167/1285/2025**
https://www.electrica.ro/wp-content/uploads/2025/03/ELSA_EN_Current_report_DEER_litigation_24Mar025_LSE.pdf
https://www.electrica.ro/wp-content/uploads/2025/03/ELSA_EN_Current_report_DEER_litigation_25Mar025_LSE.pdf
- **ELSA file no. 4825/3/2025, EFSA file no. 4823/3/2025 and FISE file no. 4820/3/2025 – Copyright for logo**
https://www.electrica.ro/wp-content/uploads/2025/04/ELSA_EN_Current_Report_Litigation_LaserCO_24apr2024_LSE.pdf
- **DEER case no. 37417/3/2024 - DEER was added as a party in case file no. 37417/3/2024, between RomCab and Hidroelectrica S.A.**
https://www.electrica.ro/wp-content/uploads/2025/05/20250520_ELSA_EN_CurrentReport_DEER_Litigations_Romcab_LSE.pdf
- **Case no. 4469/62/2018, final resolution of DEER's request to oblige Electrica SA to pay the equivalent value of services paid by SDTS (currently DEER) and not performed by Electrica SA during the period 2010–2014.**
https://www.electrica.ro/wp-content/uploads/2025/08/ELSA_EN_CurrentReport_Litigation_4469_62_2018_LSE.pdf

For the full list of litigations please refer to Appendix 1 of this report.

1.2.5 Distribution segment

For the **distribution segment**, the significant changes in the Romanian legislation were detailed at *Appendix 3.1.1*. Based on these changes, the expected effects refer to:

- GEO no. 153/2022 for the amendment and completion of GEO no. 27/2022 regarding the measures applicable to final customers in the electricity and natural gas market in the period 1 April 2022-31 March 2023, as well as for the amendment and completion of some normative acts in the field of energy and the amendment of the GEO no. 119/2022 for amending and supplementing the GEO no. 27/2022 regarding the measures applicable to final customers in the electricity and natural gas market in the period 1 April 2022-31 March 2023, as well as for the

modification and completion of some normative acts in the field of energy: (i) **in the period 1 January 2023-31 March 2025** the mechanism for the centralized purchase of electricity is established; (ii) OPCOM is designated as the sole purchaser, it buys the electricity from the planned producers and sells the purchased electricity to the electricity suppliers who have contracts concluded with final customers, the electricity transport and system operator and the electricity distribution operators, for covering the own technological consumption of the networks operated by them. DO can buy from OPCOM through an annual/monthly mechanism 75% of the amount of NL forecasted and validated by ANRE at the price of 450 RON/MWh, and producers can sell to OPCOM through an annual/monthly mechanism 80% of the amount produced forecasted and validated by ANRE and Transelectrica at the price of 450 RON/MWh. GEO no. 153/2022 was approved and amended by Law 206/2023.

- ANRE Order no. 129/2022 with subsequent amendments for the approval of the Methodological Norms for the recognition in tariffs of the additional costs with the acquisition of electricity to cover the own technological consumption compared to the costs included in the regulated tariffs, application period 1 January 2022 – 31 March 2025.
- The methodology for setting distribution tariffs was approved by ANRE Order no. 67/17.09.2024 and entered into force on September 20, 2024.

The main changes:

Controllable Operation and Maintenance (Opex), Controllable (DC) and Uncontrollable (CNC) Costs

- The CC and the efficiency factor will be established based on the OPEX study conducted by ANRE with an external consultant.
- PEX is not subject to efficiency and will adjust annually with the inflation rate (IR) and by 5%, correlated with the real wage growth index cf CNSP.
- The R&D costs will not be subject to efficiency and can be requested by the OD, the maximum value being RON 5 million per total RP5.
- Expenses related to contracts with related parties for the representation of DSOs, regulatory consulting services, and expenses corresponding to the profit attributed to any subcontracted parties are not recognized.
- The inflation correction between the achieved and the forecasted IR applies to the PEX, only if the IR difference is positive.

Investment expenditure and BAR

RAB RP5 will be inflated with the forecasted RI used in the calculation of RRR;

- Investments such as updates of computer applications or databases will not be recognized in the BAR, they will be recognized as special expenses within the CNC.
- Endowment assets will be recognised in the BAR if the OD demonstrates their effectiveness.

Incentive RRR

- The following RRR incentives will no longer be granted: 1% new grid investments and 1% for PCIs.
- For investments in networks carried out within projects co-financed by non-reimbursable EU funds, an incentive of 0.5% will be granted.
- An incentive of 1% is granted only for the value that exceeds the mandatory minimum value for investments made in RED
- RRR will increase or decrease by 0.5%, depending on the level of performance achieved by the OD regarding the development of a smart grid;
- RRR decreases by 2% for investments in endowments (administrative buildings and tangible and intangible assets), which will be PIF in RP5. By exception, the RRR is not reduced in the case of the equipment actually

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

Costs for the purchase of electricity to cover the network losses (NL)

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

Revenues and tariffs

- The regulated income consists of 2 components: non-NL income and NL income;
 - The non-NL revenue is linearized, based on which distribution tariffs capped at 10% are established;
 - NL revenue is the basis for setting NL tariffs, which are not capped and are recovered from consumers (TDCPT) and producers;
 - The pole rental activity is regulated and included in the income of the distribution service.
- Regulated rate of return on invested capital for RP5 (RRR) - ANRE approved Order no. 55/6.08.2024 establishing **RRR RP5**, in the amount of **6.94%**.
 - Draft Order on the approval of the Methodology for establishing performance indicators in relation to the development of a smart grid to promote energy efficiency and the integration of electricity produced from renewable sources. The Methodology proposes:
 - ✓ Establishing a set of indicators to monitor:
 - the quality of the electricity distribution/transmission service;
 - integration of renewable electricity generation (E-RES), storage facilities and flexibility services;
 - the level of digitalisation of electricity grids.
 - ✓ The evaluation of the performance of each network operator (RO) is made through a composite performance indicator, determined as a weighted average of the monitored indicators.
 - ✓ The monitoring of the indicators and the determination of the composite performance indicator is done annually, starting with 2027.
 - ✓ In 2024-2025, the composite indicator is determined as a weighted average based on quality indicators, those of integration of production, storage facilities and flexibility services, and the weighting coefficients are equal
 - ✓ For indicators reflecting the degree of digitalisation of networks, it is proposed to set targets to be achieved by ROs.
 - ✓ The thresholds against which the RRR increases or decreases by 0.5% depending on the value achieved in one year of the composite performance indicator:
 - if it is higher than 90%, the RRR is increased by 0.5%;
 - if it is less than 70%, RRR decreases by 0.5%.
 - GEO no. 21/2025 for the amendment and completion of title X of Law no. 227/2015 regarding the Fiscal Code, as well as for the amendment and completion of some normative acts provides that the annual construction tax is calculated by applying a rate of 0.5% on the net value of the constructions, for which building tax/building fee is not owed according to the provisions of title IX, existing in the patrimony of taxpayers on the date of 31 December of the previous year/on the last day of the fiscal year modified prior to the one for which the construction tax is owed.
 - ANRE Order no. 20 / 27.05.2025 introduces measures with the purpose of facilitating the connection to the electrical grid of production capacities from E-RES.

- ANRE Order no. 58/2025 through which the obligatoriness of an advance payment by the buyer is introduced or the buyer constitutes a guarantee: (i) 5% of the contract value, for contracts with a delivery period ≥ 6 months and (ii) 10% of the contract value for contracts with a delivery period ≤ 6 months.

1.2.6 Supply segment

The regulatory framework has undergone significant changes over the past decade, regarding the full liberalization of the electricity and natural gas markets, the separation of supply and distribution activities, the implementation of the renewable energy support scheme, measures supporting electricity consumers, and the introduction of price caps for final customers.

Starting on 1 November 2021, against the backdrop of rising electricity and natural gas prices on international and national markets, the energy crisis, and the related impact on the population, Romania implemented a series of support schemes for electricity and gas consumers, through compensation and price-capping mechanisms applied between 1 November 2021 and 31 March 2025.

Thus, the following legislative acts impacted the electricity and natural gas supply activity carried out during 2025:

1. **Price capping** for household and non-household consumers pursuant to Government Emergency Ordinance (GEO) no. 27/2022, with subsequent amendments and completions;
2. **Limiting the average acquisition price** considered for determining the amounts recoverable from the state budget, initially to 1,300 RON/MWh, then to 900 RON/MWh (pursuant to Law no. 206/2023 approving GEO 153/2022), and starting with 1 April 2024 to 700 RON/MWh (pursuant to GEO 32/2024);
3. The **Centralized Electricity Acquisition Mechanism (MACEE)** required OPCOM, as the single buyer, to purchase electricity from producers (with installed capacity equal to or greater than 10 MW) and sell it to: electricity suppliers with contracts for final customers, the transmission system operator, and distribution system operators for covering technological losses;
4. Starting 1 April 2024, the **MACEE price was reduced** from 450 RON/MWh to 400 RON/MWh; producers could also voluntarily sell electricity through MACEE;
5. The **mandatory gas storage requirement** for the 2025–2026 cycle was set at 197 GWh (according to SNTGN Transgaz on 14 March 2025), fulfilled by 31 October 2025, in accordance with legal provisions;
6. The **obligation for natural gas producers** to sell quantities intended for household customers/thermal energy producers was amended starting 1 April 2024, reducing the sale price from 150 RON/MWh to 120 RON/MWh.

Under GEO no. 32/2024 effective from 1 April 2024:

- The rule requiring payment of 40% of the capped amount within 10 days from submitting the reimbursement request was changed; the new procedure grants 10 days from the moment ANRE confirms the correctness of the data to the Ministry of Energy (ME)/ANPIS, “within the limits of funds available in the Energy Transition Fund and other legally established amounts”;
- Suppliers received guarantees of origin for the quantity contracted through MACEE;
- The accepted profit margin for the overtaking of trading activity increased to 10%;
- Between 1 April 2025 – 31 March 2026, suppliers may issue offers for final customers only if purchases cover at least 50% of the consumption needs of their portfolio;
- The natural gas supply component increased from 12 RON/MWh to 15 RON/MWh for non-SoLR customers, and from 13.5 RON/MWh to 15 RON/MWh for customers supplied under the supplier-of-last-resort regime.

Additionally, on 29 July 2024, ANRE amended the Guideline for data submission on its platform for the reimbursement of capped-price amounts for final customers. Applicable from 1 January 2024 for electricity, the main changes included recognising the billed consumption for the analysis month and allocating imbalances based on the consumption share of each customer category in the supplier's portfolio (eligible customers and SoLR, including wholesale market volumes). This allocation algorithm significantly affected the full recovery of costs incurred by suppliers.

On 23 December 2024, Law no. 316/2024 approving GEO no. 32/2024 was published in the Official Gazette, introducing a reconciliation procedure for quantities of electricity/natural gas for which reimbursement was requested, applicable until 31 March 2026. A reconciliation of the amounts reimbursed from the state budget to electricity and natural gas suppliers was to be carried out, following the submission to ANRE—for each month in the period and for each customer category benefiting from the capped final price—of the information regarding the quantities of energy billed for the consumption months within the application period, as a result of changes affecting the amounts already reimbursed from the state budget.

Customer categories subject to electricity price capping in H1 2025:

- **Household consumers**
 - <100 kWh/month – max. price 0.68 RON/kWh;
 - 100–300 kWh/month – capped price 0.80 RON/kWh for quantities up to 255 kWh/month; max. 1.3 RON/kWh above this threshold.
- **Non-household consumers**
 - Certain categories benefiting from capping for 85% of consumption at 1.0 RON/kWh;
 - Categories benefiting from capping for 100% of consumption at 1.0 RON/kWh;
 - Other companies – max. price 1.3 RON/kWh.

Customer categories subject to natural gas price capping in 2025:

- **Household consumers** – max. price 0.31 RON/kWh;
- **Non-household consumers** – max. price 0.37 RON/kWh for annual consumption up to 50 GWhp

Reimbursement of capped amounts is done by the **National Agency for Payments and Social Inspection (ANPIS)** for household consumers and by the **Ministry of Energy** for non-household consumers.

Wholesale trading takes place transparently, publicly, and non-discriminatorily on centralized markets. Market participants may trade electricity through bilateral contracts on designated markets.

Under GEO 27/2022, as amended, the support scheme through price capping was valid until 31 March 2025. On 28 February 2025, GEO no. 6/2025 introduced a new price-capping scheme for final customers.

New provisions introduced by GEO 6/2025

I. Application period of the support scheme:

- **Electricity:** 1 April 2025 – 30 June 2025;
- **Natural gas:** 1 April 2025 – 31 March 2026.

II. Final capped electricity prices:

- **Maximum 0.68 RON/kWh** (VAT included) for the following categories:
 - a. Household consumers with monthly consumption between 0–100 kWh;
 - b. Households customers at whose consumption point lived persons using devices, appliances, or medical equipment powered by the electrical grid, necessary for medical treatments, based on medical confirmation and an application submitted to the supplier;
 - c. Households customers with at least three dependent children aged up to 18 years, based on an application and a sworn statement; the age limit is extended to 26 years if the adult child is enrolled in an educational program;
 - d. Single-parent households with at least one dependent child (same age limits).
- **Maximum 0.80 RON/kWh** (VAT included) for 100.01–255 kWh/month; quantities above 255–300 kWh/month billed at a max. of 1.3 RON/kWh; if >300 kWh/month, the entire consumption billed at 1.3 RON/kWh
- **Maximum 1 RON/kWh** (VAT included) for:
 - 85% of monthly consumption for certain categories of consumers;
 - Full consumption for public/private hospitals, public/private education units, nurseries, and public/private social service providers;
 - 85% of consumption for other public institutions and recognized religious institutions (remaining consumption at max. 1.3 RON/kWh);
- **Maximum 1.3 RON/kWh** (VAT included) for household and non-household consumers not included above.

III. Final capped natural gas prices:

- **0.31 RON/kWh** (VAT included) for household consumers;
- **0.37 RON/kWh** (VAT included) for non-household customers whose annual natural gas consumption at the consumption point in the previous year is no more than 50,000 MWh, as well as for thermal energy producers and non-household customers located within industrial parks regulated by Law no. 186/2013 on the establishment and operation of industrial parks, as amended and supplemented, and for those within closed distribution systems as defined by Law no. 123/2012, as amended and supplemented.

IV. The price in the standard offers prepared and published by electricity and natural gas suppliers may not exceed the value of the capped final billed price; standard offers for the period **1 July 2025 – 30 June 2026** may be prepared and published only if procurement covers at least **50%** of the offered period, with the obligation to clearly indicate the supply component.

V. Final customer declarations regarding the capped final price, submitted to suppliers under GEO 27/2022, remained valid.

VI. The CfD component was included in the capped final price.

VII. The rule remained in force requiring the application of the minimum value between the contractual price, the capped price, and the price resulting from the application of the GEO.

VIII. Regarding electricity procurement: the recognized imbalance percentage increased from **5% to 10%** (value/cost), with no limitation for SoLR suppliers; the recognized acquisition price limit remained **700 RON/MWh**; directly negotiated bilateral contracts had to be reported to ANRE within **2 working days** from the signing date.

IX. Reimbursement requests must be submitted **before** uploading data to the ANRE platform related to price capping; **40%** of the requested reimbursement amount is settled within **10 days** from the transfer of funds by the Ministry of Finance to the Ministry of Energy and ANPIS (this is not a payment term under supplier control).

X. The supplier had the obligation to notify its customers regarding the changes resulting from the application of the GEO provisions with the first invoice issued after the GEO entered into force.

XI. Failure by operators to comply with the deadlines—namely, the deadline for correcting data uploaded on the IT platform and resubmitting reimbursement requests and/or sworn statements—constitutes a contravention and is sanctioned with a fine between **25,000 RON and 50,000 RON**.

XII. GEO no. 27 (still in force) was amended as follows:

- For the period **April–August 2022**, the final deadline for submitting data required for reimbursement/settlement from the state budget was **30 April 2025**;
- For the period **September 2022–August 2023**, the final deadline was also **30 April 2025**;
- For the period **September 2023–August 2024**, the final deadline for submitting data or for settling amounts reimbursed from the state budget was **31 July 2025**;
- For the period **September 2024–March 2025**, the final deadline for submitting data or for settling amounts reimbursed from the state budget was **31 December 2025**.

XIII. Law no. 123/2012 on electricity and natural gas was amended:

- Producers are required to trade at least **50% of their annual electricity production** through contracts on electricity markets other than the Day-Ahead Market (PZU), Intraday Market (PI), and Balancing Market (PE).
- Producers using exclusively wind, photovoltaic, small hydropower (micro-hydro) capacities benefiting from the green certificate support scheme, as well as cogeneration units, are exempt from this obligation.
- OPCOM is required to publish daily **reference prices, closing prices, and traded volumes**.

On **29 July**, ANRE Order no. **58/2025** was published in the Official Gazette no. 704, amending, supplementing, and repealing certain ANRE orders concerning the electricity market. The order entered into force on **29 July 2025**:

- The general rules for organized forward electricity markets were amended by introducing provisions requiring electricity buyers to pay an advance or establish a minimum guarantee upon signing contracts, as follows:
 - a) **5%** of the contract value for deliveries longer than 6 months;
 - b) **10%** of the contract value for deliveries up to 6 months;
 - c) the payment deadline for the advance/guarantee is **15 days** from the contract signing date; the buyer chooses the method of guaranteeing contract performance—advance payment or provision of guarantees;
- For EFET-type bilateral contracts, the eligibility list must include **at least 4 eligible partners** with a non-zero credit limit, reducing the minimum number from 8 to 4 for the continuous double-auction negotiated market;
- It was clarified that transaction prices **include grid injection tariffs** and do not change when these tariffs are updated;
- Market operators were required to update operational procedures/contracts/agreements necessary to implement these provisions within **30 days** from the order's publication date.

On **23 October**, ANRE Order no. **65/2025** was published in the Official Gazette no. 977, amending and supplementing ANRE Order no. 105/2018 approving the General Rules for the Centralized Natural Gas Markets:

- Definitions of market segments were clarified and expanded, and derivative products were added in the Annex;
- The Virtual Trading Point (PVT) was clarified as the location where the transfer of ownership takes place;
- Market-making activity was explicitly introduced through the designation of one or more interested participants;

- A standalone annex was added listing the main tradable products;
- The order entered into force on **23 October 2025**.

On **7 November 2025**, GEO no. **59/2025** was published in the Official Gazette no. 1035, amending and supplementing several legislative acts in the energy sector:

- The ordinance transposes **RED III** (the third Renewable Energy Directive) into national legislation and includes provisions regarding guarantees of origin (GO), energy communities, etc.;
- Guarantees of origin (GO) will have distinct treatment depending on the production capacities to which they relate: capacities benefiting from green certificates (CV), capacities benefiting from other support schemes (e.g., CfD), or capacities without any support scheme. New regulations for electricity GOs must be approved by ANRE by **30 September 2026**. A provision was included for ANRE to recognize GOs issued in other EU Member States. Information on energy labels must be supported by GOs;
- Energy communities (renewable energy communities and citizen energy communities) must register in the Energy Community Registry, must install smart metering infrastructure (SMI), and may trade surplus energy on wholesale and retail markets in accordance with ANRE regulations. For trading within and outside the community, they may hold a supply license (with certain exceptions) or an aggregation license, or may delegate the supply activity to a third-party supplier or aggregator, with the consent of the community and its members.

In 2025, wholesale electricity trading was carried out transparently on centralized markets operated by OPCOM and BRM, based on directly negotiated bilateral contracts. For spot markets, the transition to BRM took place during February.

Green Certificates

Electricity suppliers have the legal obligation to purchase green certificates from renewable energy producers, based on the annual targets or quotas established by law, applied to the quantity of electricity purchased and supplied to final consumers in their portfolio. The cost of green certificates is invoiced to final consumers separately from electricity tariffs.

On 31 March 2025, Government Emergency Ordinance (GEO) no. 20/2025 was published in the Official Gazette no. 282, establishing a state aid scheme exempting certain categories of final consumers from the application of Law no. 220/2008 on promoting electricity production from renewable energy sources.

- the establishment of a state aid scheme is approved with the objective of exempting a percentage of the electricity supplied to energy-intensive industrial consumers from the obligation to purchase green certificates (GC), in accordance with the provisions of Law no. 220/2008 on the promotion system for electricity generation from renewable energy sources, and in compliance with European Union legislation in the field;
- The authority responsible for administering the scheme is the Ministry of Energy; the scheme applies until 31 December 2031; the total budget is the RON equivalent of EUR 578.4 million, and annual state aid granted shall not exceed EUR 150 million per year.
- Beneficiaries of the state aid must notify the annual exemption approval issued by the Ministry of Energy to ANRE and to the electricity suppliers with whom they have power purchase agreements, within 5 working days from receipt. Based on the exemption approval, the supplier is exempted from purchasing the number of green

certificates corresponding to the electricity supplied to that customer, starting with the month following the notification.

On 30 June 2025, the Official Gazette no. 610 published the Order of the Minister of Energy no. 686/2025, approving the methodological rules for recovering state aid granted under GEO 20/2025, regarding the establishment of a state aid scheme exempting certain categories of final consumers from the application of Law no. 220/2008 on the promotion system for electricity production from renewable energy sources.

- A set of methodological rules was approved, aiming to stop or recover state aid granted under GEO 20/2025. The Ministry of Energy shall take the necessary measures to recover any improperly granted aid, namely the value of the number of green certificates from which the beneficiary was exempted, plus the related interest. The amount must be repaid before 1 July of the year following the year in which the aid was granted.

Electricity Price

The regulatory framework for the electricity segment has undergone significant changes over the past decade, including the full liberalization of the electricity and natural gas markets, implementation of renewable energy support schemes, support for electricity consumers, price capping for final customers, and capitalization of additional technological consumption costs.

For the supply segment, in the first half of 2025, the effect of retail electricity prices was covered through subsidies received from state authorities, following the application of the price-capping mechanism for electricity and natural gas under GEO 27/2022, with subsequent amendments. The implementation of these schemes and the ex-post reimbursement mechanism from the state budget to electricity suppliers created cash-flow constraints and uncertainties regarding full cost recovery.

In this context, EFSA adapted its operations to responsibly and sustainably manage the impact of these changes within a regulatory environment marked by numerous major updates.

Starting July 2025, price capping under GEO 27/2022 (as amended by GEO 6/2025) was eliminated following the expiry of the electricity state aid scheme on 30 June 2025. Beginning with H2 2025, the final price billed to customers aligned with contractual prices on the competitive market, while public support was redirected exclusively to vulnerable consumers, and the natural gas price cap remained in force until 31 March 2026.

Subsidies to be received

At 31 December 2025, the estimated amount for subsidies was amounting to RON 2,518.3 mn. (31 December 2024: RON 2,572.2 mn.). In accordance with the legal provisions and regulations in force, 40% of the amount related to the settlement requests is settled in 10 days from the transfer of the amounts by the Ministry of Finance into the accounts of the Ministry of Energy and the National Agency for Payments and Social Inspection (it is not a payment term controllable by the supplier).

1.3 Subsequent events

Below are presented the relevant events that took place at the Group level in the period between 31 December 2025 and the date of the present report.

1.3.1 General Meetings of Shareholders

There were no General Meetings of Shareholders in this period.

1.3.2 Decisions of the ELSA's BoD

On 26 February 2026, Electrica's Board of Directors decided to revoke Mr. Stefan Alexandru Frangulea from the position of Chief Financial Officer (CFO) without cause, starting with 26 February 2026, this being the last day when the mandate contract took effect.

On 6 March 2026, Electrica's BoD convened the Ordinary and Extraordinary General Meetings of Shareholders for 29 April 2026, having the following items on the agenda:

- The Consolidated and Standalone Financial Statements for the year 2025, according to IFRS-EU and OMFP 2844/2016, based on the BoD Report, integrated with Sustainability Reporting, and the Auditor's Report.
- 2025 financial annual report;
- The Electrica's BoD proposal regarding the allocation of the net profit of the financial year 2025, and the value of the gross dividend per share, as well as the approval of the dividend payment date, Ex-date is 3 June 2025, and registration date.
- The 2025 revenue and expenses Budget at the consolidated and standalone levels.
- Some changes to the Articles of Association, necessary due to applicable legislative change, as well as changes in the secondary objects of activity;
- Appointment of KPMG as new financial auditor for 3 years;
- Approval of the issuance of bonds up to an aggregated ceiling of EUR 1 bn.

More details here: <https://www.electrica.ro/en/investors/general-meetings-of-shareholders/2026-gms/general-meeting-of-shareholders-on-29-april-2026/>

1.3.3 Other relevant events

On 22 January 2026, Electrica published the 2026 financial calendar, <https://www.electrica.ro/en/investors/financial-calendar/>

On 29 January 2026, the preliminary operational indicators for the year 2025 were published.

On 11 February 2026, Electrica published the notice regarding the availability of the preliminary financial statements for 2025.

On 13 February 2026, the notification of major holdings below the 10% threshold submitted by NN Group N.V. was published.

On 24 February 2026, Electrica and Liberty Galați S.A. signed a Memorandum of Understanding for the development of renewable energy (photovoltaic) generation and storage capacities of up to 500 MW.

On 3 March 2026 Fitch Ratings reaffirmed "BBB-" Rating with "Stable" Outlook for Electrica.

➤ Transactions with related parties

Effective 1 January 2026, the new [Related Party Transactions Policy \(click to view\)](#) entered into force. Pursuant to this policy, the 2025 changes in legal provision from Law 24/2017 were implemented, among which the reporting exception for transactions in the normal course of business.

There were no reportable transactions after 1 January 2026, until the date of this report.

All these current reports, as well as those of the auditor, can be found on the ELSA website at <https://www.electrica.ro/investitori/rezultate-si-raportari/rapoarte-curente-art-108/>.

On 30 January 2026, Electrica published the Auditor's Report regarding the transactions reported in H2 2025 according to Art. 108 of Law 24/2017 (R).

1.3.4 Litigations reported to capital market

ELSA file no. 7591/2/2018 (with ANRE) – final resolution.

https://www.electrica.ro/wp-content/uploads/2026/02/20260213_ELSA_EN_CurrentReport_Litigiu_ANRE.pdf

ELSA file no. 4355/2/2019 (with ANRE) – final resolution.

https://www.electrica.ro/wp-content/uploads/2026/02/20260226_ELSA_EN_CurrentReport_Litigiu_ANRE_ext.pdf

1.3.5 Distribution segment

For the **distribution segment**, subsequent significant changes to the Romanian legislation have been detailed in Annex 3.2.1. Based on these changes, the expected effects relate to:

- ANRE Order no. 77/2025, published in OG no. 1173 of 18.12.2025, regarding the approval of specific tariffs for the electricity distribution service and the price for reactive electricity approved the DEER distribution tariffs applicable from the date of 1 January 2026. Tariff adjustments 2026 compared to 2025: HV -6%, MV +3%, LV +2%.

1.3.6 Supply segment

For the **supply segment**, the significant post-balance-sheet changes in Romanian legislation were detailed in Annex 3.2.2. Based on these changes, the expected effects refer to the following:

On the date of 29 January 2026, ANRE Order no. 2/2026 for the establishment of some measures for informing natural gas final customers was published in the Official Gazette no. 69:

- It is aimed to increase the degree of information of the final customers in the perspective of the cessation, starting with the date of 1 April 2026, of the support scheme established by GEO 6/2025;
- It is established that the natural gas suppliers have the obligation to transmit to the final customers, by the date of 2 March 2026, an information regarding: the fact that from 1 April 2026 the support scheme established by GEO 6/2025 ceases its applicability; the fact that starting with 1 April 2026 the final price of natural gas invoiced by the supplier will be the contractual price, which is, as the case may be, communicated to the final customer at the time of concluding the supply contract or the one communicated on the occasion of updating the economic conditions related to the contract; the method of establishing, starting with 1 April 2026, the final invoiced price in the case of final customers for whom the supply of natural gas in the last resort regime is ensured; the possibility of changing the natural gas supplier; the methods of concluding a natural gas supply contract in a competitive regime, respectively the method through which the final customer can perform a comparative analysis of the standard natural gas supply offers existing on the market;
- In the case of final customers for whom the contractual price is not modified on 1 April 2026, the supplier has the obligation to inform them, by the date of 2 March 2026, regarding the applicable price starting with 1 April 2026;
- The information is communicated by the supplier attached to the invoice or through the communication method agreed by the parties through the contract or subsequently communicated by the final customer, in case of its modification.

On March 9, 2026, Emergency Ordinance (OUG) No. 12/2026 regarding the measures applicable to household customers in the natural gas market during the period April 1, 2026 – March 31, 2027, was published in the Official Gazette No. 178.

- Establishes the method for determining the final invoiced price, which is composed of: the procurement component (with imbalances limited to 10% of the procurement costs), the supply component, ANRE (National Authority for Energy Regulation) regulated tariffs, VAT + excise duties.
- Final price = the lowest between the contractual price and the price calculated according to the Emergency Ordinance.
- Wholesale procurement for household customers and PET (Thermal Energy Producers) is carried out at the price of 110 RON/MWh.
- The supply component is capped at a maximum of 15 RON/MWh.
- Suppliers must apply the distribution of consumption per living space within a condominium (apartment building).
- Suppliers/PET direct customers must build up a minimum stock of 90% of the total national storage capacity by October 31, 2026.
- Failure to fulfill obligations is punishable by a fine of 1% - 5% of the annual turnover (for non-compliance with Art. 1-6), and 100,000 - 1,000,000 RON for violating the points in the annex.
- Suppliers have the obligation to notify household customers through the first invoice issued after the Emergency Ordinance enters into force.
- The application period is from **April 1, 2026 - March 31, 2027**.

2 Electrica Group

2.1 Organizational structure

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

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

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

- **Distributie Energie Electrica Romania S.A. („DEER”)** resulted from the merger through absorption of the three distribution subsidiaries Societatea de Distributie a Energiei Electrice Muntenia Nord (“SDMN”), Societatea de Distributie a Energiei Electrice Transilvania Sud (“SDTS”) and Societatea de Distributie a Energiei Electrice Transilvania Nord (“SDTN”), the last one being the absorbing company. DEER is the main electricity distribution operator in Transilvania Nord area (Cluj, Maramures, Satu Mare, Salaj, Bihor and Bistrita Nasaud counties), Transilvania Sud area (Brasov, Alba, Sibiu, Mures, Harghita and Covasna counties) and Muntenia Nord area (Prahova, Buzau, Dambovita, Braila, Galati and Vrancea counties), ensuring the service of network users by operating the installations that work at 0.4 kV to 110 kV (power lines, substations and transformation stations). DEER holds exclusive distribution licenses for the aforementioned regions, which have a validity period until 2027, with the possibility of extension for a period of 25 years;
- **Electrica Furnizare S.A. („EFSA”)**, company whose main activity is the supply of electricity to final consumers. EFSA holds an electricity supply license that covers the entire territory of Romania, valid until 2031. In view the expansion of the economic activities of Electrica Furnizare S.A. (EFSA) in Hungary, the electricity trading license was granted by the Hungarian Energy and Public Utilities Regulatory Authority (MEKH) for Electrica Furnizare, by Decision no. H879/2022. Also, EFSA holds a natural gas supply license valid until 2032;
- **Electrica Serv S.A. („SERV”)** starting on 30 November 2020, the company absorbed Servicii Energetice Muntenia SA (“SEM”), following a merger process. SERV provides repair services and other related services to third parties and various services to the companies in the group (car rental, building rental, etc.);
- **Sunwind Energy S.R.L. („SWE”)** is developing the photovoltaic project "Satu Mare 2" with a designed installed capacity of 27 MW, located near Satu Mare and became subsidy on 21 March 2022 as a result of ELSA owning 60% of shares. On 24 March 2023, ELSA bought the remaining shares up to 100%;
- **New Trend Energy S.R.L. („NTE”)** develops the photovoltaic project "Satu Mare 3", with a designed capacity of 59 MW, located near Satu Mare and became subsidy on 27 May 2022 as a result of ELSA owning 60% of shares. On 12 July 2024, ELSA bought the remaining shares up to 100%;
- **Foton Power Energy S.R.L. („FPE”)** develops the photovoltaic project “Bihor 1”, with a designed installed capacity of 77.5 MW, located near Oradea city and became subsidy on 31 July 2023 as a result of ELSA owning 60% of shares. On 12 September 2024, ELSA bought the remaining shares up to 100%;

- **Crucea Power Park S.R.L. („CPP”)** develops the wind project “Crucea Est”, with a designed installed capacity of 121 MW and a projected electricity storage capacity of 60 MWh (15 MW x 4h), located outside the Crucea commune, Constanta county and became subsidiary on 15 October 2024 as a result of ELSA owning 60% of shares. On 07 February 2025, ELSA bought the remaining shares up to 100%.

Table 6. ELSA’s subsidiaries

Subsidiary	Activity	Sole registration code	Head Office	% shareholding as at 31 December 2025
Distributie Energie Electrica Romania S.A. („DEER”)	Electricity distribution in geographical areas Transilvania Nord, Transilvania Sud and Muntenia Nord	14476722	Cluj-Napoca	99.99999929%
Electrica Furnizare S.A. (“EFSA”)	Electricity and natural gas supply	28909028	Bucharest	99.9998444099934%
Electrica Serv S.A. (“SERV”)	Services in the energy sector (maintenance, repairs, construction)	17329505	Bucharest	99.99998095%
Sunwind Energy S.R.L. (“SWE”)	Production of electricity	42910478	Bucharest	100%
New Trend Energy S.R.L. (“NTE”)	Production of electricity	42921590	Bucharest	100%
Foton Power Energy S.R.L. (“FPE”)	Production of electricity	43652555	Bucharest	100%
Crucea Power Park S.R.L. (“CPP”)	Production of electricity	25242042	Bucharest	100%

Source: Electrica

Table 7. ELSA’s associates

Associate	Activity	Sole registration code	Head Office	% shareholding as at 31 December 2025
Electrica Esyasoft Smart Solutions S.A.	Manufacturing of batteries	50993644	Bucharest	25%

Source: Electrica

- **Electrica Esyasoft Smart Solutions S.A.** was registered at the Bucharest Trade Registry Office (owned 25% by Societatea Energetica Electrica S.A. and 75% by Esyasoft Enterprise Holding RSC LTD) on December 5, 2024, which will focus on intelligent network technologies (including storage solutions - batteries and digitization of networks).

Table 8. Long term investments owned by ELSA

Company	Activity	Sole registration code	Head Office	% shareholding as at 31 December 2025
CCP.RO Bucharest S.A. („CCP.RO”)	Financial brokerage activities, with the exception of insurance activities and pension funds (risk management through derivative products on the energy market)	41850416	Bucharest	5.92%

Source: Electrica

- On 8 December 2022, the effective subscription was made in the amount of RON 7 mn., equivalent to 8.06% of the share capital of the company CPP.RO Bucharest S.A. after the increase of the share capital, CCP.RO thus becoming a financial investment owned by ELSA for the long term. Following the completion of three processes of increase of the share capital of CCP.RO, processes in which ELSA did not participate, ELSA's shareholding decreased successively to 7.72%, 7.42% and 5.92% respectively, processes carried out on the basis of the approvals of the CCP.RO EGMS of 29 May 2023, 3 April 2024 and 4 September 2024. ELSA's participation of 5.92% of the share capital remained unchanged following the share capital increase process through the subscription and full payment of the number of shares corresponding to the share held by ELSA, as approved by the CCP.RO EGMS of 13 November 2025.

2.2 Mission, vision, values

The organizational identity of the Electrica Group is defined by:

Mission:

Our mission is to supply, distribute and produce energy, focusing on excellence in infrastructure and services to meet the needs of customers and communities. We are dedicated to diversifying and innovating our range of services, developing energy production and storage capacity, and optimizing operations with advanced digital technologies.

Vision:

The number 1 company in Romania in customer preferences for integrated energy services, offering complete solutions for supply, distribution, energy production and related services.

Values:

Trust – We are the partner you can rely on, now and in the future.

Competence - We build with skill. We are proud of the role that our work gives us in society.

Safety - We care about the safety of our employees, collaborators and the communities in which we work.

Sustainability - Our solutions are long-term and friendly to the environment and people.

2.3 Main elements of the Strategic Plan for the period 2024 – 2030

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

The main strategic objectives assumed for the Group's General Strategy are:

❖ **Development of energy production and storage capacity**

Electrica aims to expand its energy production and storage capacity, focusing on renewable sources and innovative solutions:

- Installation of 1,000 MW of capacity from solar and wind sources by 2030;
- Implementation of advanced technologies to streamline production;
- Develop a storage capacity of 900 MWh by 2030 to support the integration of renewables;
- Analysis of solutions for predictable in-belt production and advanced storage, including the use of hydrogen.

❖ **Development and modernization of distribution infrastructure**

For the integration of renewable sources and grid optimization, Electrica provides:

- Full automation of transformer stations (100%) and transformer substations (15%) by 2030;
- Implementation of a smart grid for monitoring and managing energy flows;
- Investments of RON 3.7 bn. in the next 5 years, according to the 10-year development plan.

❖ **Diversifying the services offered to customers**

Electrica aims to introduce a wide range of services for B2B and B2C customers:

- Launching packages for energy efficiency, smart home solutions and electric vehicle infrastructure;
- Regional expansion into at least one new market by 2030.

❖ **Operational optimization**

Directions such as:

- Creation of a performance management program;
- Developing an integrated feedback system for customers;
- Implementation of predictive maintenance solutions through digital technologies.

❖ **Digitalization and cybersecurity**

Electrica plans to digitize most processes (80% by 2030):

- Automating customer interaction and using AI;
- Strengthening cybersecurity through integrated strategies and the use of advanced technologies.

❖ **Skills development and employee retention**

The focus is on:

- Professional training programs and collaborations with the academic environment;
- Realigning the organizational culture for better alignment with the company's values.

❖ **ESG practices (Environmental, Social, Governance)**

Electrica is stepping up its efforts towards sustainability:

- Reducing the carbon footprint and promoting renewable energy;
- Creating a fair working environment and implementing community initiatives;
- Adopting best corporate governance practices and implementing a robust ethics program.

These measures demonstrate Electrica's commitment to a sustainable future, based on innovation and efficiency. In addition to the traditional areas of interest, namely electricity distribution, electricity and natural gas supply and energy services, there is a high interest in developing new activities based on innovative technology, while continuing to monitor and analyze growth opportunities through mergers or acquisitions. Also, a closer relationship with customers is pursued, based on the development of skills, but also on an offer of products and services in line with their needs.

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

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

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

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

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

Distribution segment

In the Distribution segment, the organizational transformation process initiated in 2017 was consolidated by the legal merger of the three Distribution Operators of the Group in 2020, under the umbrella of Distribuție Energie Electrică România SA (DEER). The post legal merger integration facilitated the adaptation and improvement of processes and technology according to the new strategy (horizon 2019-2023) and the program of measures related to the integration.

The current strategy, approved in the month of December 2024 for the period 2025-2030, is founded on the development and modernization of the distribution infrastructure, operational optimization, digitalization and the development and implementation of ESG practices.

The long-term strategy is designed to position us at the forefront of the national energy transition and contribute to achieving our 2030 and 2050 targets, not only responding to today's challenges but also anticipating the future of the energy sector.

Strategic objectives at the Group level include:

- increasing profitability through the optimization of operational costs and strategic investments in the modernization of the infrastructure;
- automation of substations and transformer stations for the improvement of performance and continuity indicators and the reduction of operational costs;
- increasing the network capacity for the integration of production from renewable sources;
- implementation of smart grid solutions.

Considering the market context and unpredictable situations, adaptability is a key element of the long-term strategy. Thus, in the Distribution segment, we aim to develop smart grids and increase their flexibility to meet the needs of consumers

and to integrate electric vehicles. We aim to increase network security, accelerate the digitisation process and improve business resilience to face future market challenges.

As a result of the implementation, as of 1 January 2022, of the new unified target organization chart, whereby all structures in the area of strategic activities (asset management, energy management, integration program management, IT&C, strategic project management), financial and support activities have been brought together under a single coordination at the level of the company resulting from the merger - Distribuție Energie Electrică România SA (DEER), in the coming years will continue the process of adaptation and continuous improvement of processes and supporting technology, as defined by the approved Strategy for the distribution segment. As a result of the implementation of the organisational transformation plan as of 1 February 2023, a number of strategic objectives have been pursued, such as:

- simplification and structuring of the decision-making chain by branches of activity;
- specialisation and professionalisation of human resources in key activities;
- reducing the NL by creating a well-structured organisational branch so that there are no decision-making or operational bottlenecks;
- corporate cultural transformation of the organisation, focused on efficiency and performance, ensuring business sustainability;
- retention of highly skilled workforce;
- human resources concentration, development and specialisation;
- accelerating the adoption of best practices and new technologies, bringing increased transparency and reduced monitoring costs;
- increasing financial and operational performance and keeping within ANRE regulated costs.

Within the strategy there is a strong focus on the implementation of ESG (Environmental, Social, Governance) principles and the development of organisational excellence programmes. In view of the geopolitical crisis in 2022, which has led to a steep rise in energy prices, we are also focusing on streamlining operational costs and securing funding sources for future investments.

Ultimately, our strategy is a response to changes in the energy sector and market needs, and the need for continuous adaptation and innovation remains at the heart of our actions.

The regulatory framework approved for the fifth regulatory period stimulates investments in the network, mainly in terms of the development of a smart grid that promotes energy efficiency and the integration of energy produced from renewable sources, based on a set of indicators to be approved by ANRE.

To finance investments in the Distribution segment, investment financing mechanisms will be optimised, using both own sources and European funding programmes, which provide opportunities for upgrading networks and transforming them into smart grids, which will be reflected both in improved network resilience and increased operational efficiency.

➤ Supply segment

The Electrica Group established its main strategic directions for 2024–2030 at the end of 2023. For the supply segment, the strategic objectives derived from the Group's strategy are: service diversification, large-scale ESG implementation, digitalization, innovation, and operational excellence.

For 2024–2030, EFSA aims to become a leader in providing an enhanced digital customer experience. To achieve this, the focus will be on process automation, end-to-end digitalization of customer interaction via online platforms, development of the online store, enhancement of internal platforms, and building digital skills.

The main areas of action include: **Personalization and flexibility**, offering tailored tariff plans and customizable options based on customer lifestyle and specific needs; **Strategic partnerships** with companies in complementary fields to support

education and awareness (developing and promoting educational content on energy efficiency, energy saving, environmental impact, and community involvement on these themes).

➤ **Services segment**

The group also includes in its portfolio the energy services segment, which comprises equipment maintenance, repairs, and auxiliary services related to the distribution infrastructure.

Electrica Serv is intensifying its development efforts in the market for modern and sustainable electricity generation solutions, with a focus on photovoltaic power plants, reactive energy compensation systems and the integration of Battery Energy Storage Systems (BESS). In partnership with Electrica Furnizare, the company aims to offer customers integrated solutions that include: solar panel installation, smart lighting, backup power supply systems, and smart metering.

The main objectives of Electrica Serv for the next period are:

- Increasing commercial activity outside the Electrica Group by attracting new customers and developing sustainable partnerships;
- Reorienting the organizational structure and optimizing human resources for better operational efficiency and eliminating losses recorded in previous years;
- Consolidating financial performance and directing investments towards innovative areas with high development potential.

Electrica Serv maintains its market share at approximately 6%, according to current estimates based on consolidated market data. Compared to the previous year, there were no significant changes in terms of market share in the energy services market.

However, maintaining its share in an increasingly competitive market environment, marked by the entry of new private players, accelerated infrastructure digitization, and the energy transition reflects a stable position and a solid foundation for future development. Looking ahead to the coming years, Electrica Serv's strategy aims to consolidate its market share by diversifying the services it offers and expanding to industrial and commercial customers interested in customized energy efficiency solutions. Capitalizing on group opportunities is a priority for the coming years, given Electrica SA's medium-term strategic developments.

Electrica Serv's objectives for 2026 include an exponential growth of financial indicators within the renewable energy segment, aiming to reach a turnover threshold of RON 20 mn.. The strategy is based on leveraging synergies with the existing portfolio of photovoltaic projects (PV clients) and the integration of Battery Energy Storage Systems (BESS). The implementation roadmap forecasts the installation of at least 20 MWh of storage capacity by the end of June 2026, consolidating the company's position as a complex energy solutions integrator.

Ethics and CSR activity

Ethics remains a priority for the organization, as a preliminary requirement for the sustainable development of the Electrica Group. On medium term, it is desired the development of an ethics culture within Electrica Group, by moving from the reactive stage to the integrity stage, by internalizing the ethical standards and the values of the organization, understanding the ethics role as a value enhancing factor and providing a permanent internal control system which involves the entire company's personnel.

The CSR (Corporate Social Responsibility) activities still remain very important for the Electrica Group, with multiple key areas being supported, with hundreds of projects registered annually to benefit from Electrica's support.

Renewable energy production and energy storage segment

In addition to the development of energy production and storage capacity, through which Electrica aims to expand its energy production and storage capacity, focusing on renewable sources and innovative solutions:

- Installing 1,000 MW of capacity from solar and wind sources by 2030;
- Implementing advanced technologies for production efficiency;
- Developing a storage capacity of 900 MWh by 2030 to support the integration of renewables;
- Analyzing solutions for predictable base-load production and advanced storage, including the use of hydrogen.

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

- The evaluation of opportunities of acquisitions of projects new regarding the production and/or storage of energy electrical from sources renewable and/or the conclusion of partnerships through the acquisition of participations majority in projects RES (already developed by potential partners);
- Project development activities have started for: energy production using efficient and flexible capacities using natural gas (hydrogen ready);
- Development of projects, green field, for capacities of storage).

2.4 Outlook

Electrica Group operates in a key area of the economy and carefully monitors the national and international context in order to be able to make the best decisions in the coming period and to respond to short and medium-term challenges.

The efforts already started to achieve the strategic objectives of the Electrica Group will continue, namely, the development of energy production and storage capacity, the development and modernization of the distribution infrastructure, the diversification of services offered to customers, operational optimization, digitalization, the development of skills and employee retention, the development and implementation of ESG practices.

Considering the energy policies developed at both EU and national level, as well as the international context of the energy markets, the following trends are expected to characterize on medium and long term the local electricity market:

- Competition between players on the electricity supply market in terms of diversifying the portfolio of products offered to customers with a focus on the value-added products offered (especially energy efficiency) and digital services offered (mobile applications, invoices and online payments, expanding customer service through chat solutions);
- In the area of electricity distribution, the regulatory framework for the fifth period focuses on the remuneration of distribution operators, taking into account investments in the network, especially in terms of the development of a smart grid that promotes energy efficiency and the integration of energy produced from renewable sources.
- Taking into account the significant reflection of the level of prices on the energy market in operators' costs, separate tariff components were approved through the RP5 regulatory methodology whereby network operators recover the cost of purchasing electricity to cover NL and other costs.
- An element that affects and will continue to significantly affect the profitability of distribution companies is the increase in the purchase price of NL, a situation which was partially regulated by the entry into force of: (i) Government Emergency Ordinance no. 118/2021 regarding the establishment of a compensation scheme for the consumption of electricity and natural gas for the cold season 2021-2022, (ii) Government Emergency Ordinance no. 27/2022 on the measures applicable to final customers in the electricity and natural gas market between 1 April 2022 and 31 March 2023, as well as for the modification and completion of some normative acts in the energy field, (iii) EMERGENCY ORDINANCE no. 119/2022 for the amendment and completion of GEO no. 27/2022 regarding the measures applicable to end customers in the electricity and natural gas market in the period 1 April 2022 - 31 March 2023, as well as for the

modification and completion of some normative acts in the field of energy, (iv) EMERGENCY ORDINANCE no. 153/2022 for the amendment and completion of GEO no. 27/2022 and the amendment of GEO no. 119/2022, as well as for the modification and completion of some normative acts in the field of energy, *ANRE approved by ANRE Order no. 129/2022 Methodological norms for the recognition in tariffs of additional costs with the purchase of electricity to cover own technological consumption compared to the costs included in the regulated tariffs*;

- Emergency Ordinance no. 59/2025, adopted on 6 November 2025, aims at accelerating the transition towards renewable energy in Romania by amending and completing GEO no. 163/2022 and other normative acts in the energy field. The act transposes recent European directives and aims to avoid infringement procedures against Romania. The main directions and measures established by this normative act:

1. National and Strategic Objectives

- Collective targets (2030): Romania contributes to the EU objective of reaching a share of at least 42.5% renewable energy in the gross final consumption, with efforts to reach 45%.
- Innovation: At least 5% of the new installed capacity by 2030 must come from innovative technologies.
- Joint projects: The Ministry of Energy must initiate at least two joint projects with other EU member states by the end of the year 2030.

2. Simplification of Administrative Procedures

To accelerate the implementation of projects, debureaucratization mechanisms are introduced.

- Single Point of Contact: The Office for Industrial License assists applicants throughout the procedure.
- Short authorization terms:
 - Maximum 12 months for projects in areas suitable for acceleration.
 - Maximum 6 months for projects on lands managed by ADS.
 - Maximum 1 month for solar panels under 100 kW and heat pumps under 50 MW.
 - Tacit approval: Intermediate stages can be tacitly approved if the authorities do not respond within the term, with the exception of final decisions and projects with a major impact on the environment.

3. Areas Suitable for Acceleration and Infrastructure

- National mapping: By 31 December 2025, the authorities will identify the optimal terrestrial, marine, and underground areas for energy production and storage.
- Acceleration zones: Zones where the environmental impact is minimal will be designated, excluding Natura 2000 sites and migration routes.
- Energy storage: Storage in the same location as the production units is promoted.
- Energy generation technologies will force energy distributors to adapt their processes and strategies regarding the development and modernization of networks and to offer solutions to independent producers, given the exponential increase in the number of prosumers, active participants in the energy market; in this context, significant investments are needed to improve the infrastructure, both transmission and distribution. The high price of electricity in recent years, but also the uncertainty of maintaining the electricity price cap, has increased consumers' interest in independently producing part of the energy consumed, which has accelerated trends in this regard. The significant reduction in the costs of photovoltaic technologies represents a development opportunity for smaller-scale generation projects, especially in the domestic area;
- On the long term, full electric vehicles, light commercial vehicles and electrification of railways are expected to increase the consumption of electricity in the transportation sector;

- Future development of technologies will support energy efficiency policies such as:
 - Development of transmission and distribution networks, including smart grid and smart metering;
 - End-use energy efficiency (thermal integrity of buildings, lighting, electric appliances, motor drives, heat pumps etc.);
- The smart metering implementation will offer complex tariffs options to the consumers, detailed information regarding the consumption profile, which might lead to increased flexibility and demand reduction during peak periods. Thus, the consumers shall be better informed and involved in decision-making process, as active participants. The smart metering implementation pace depends on the implementation calendar adopted at national level;
- The development of the transmission and distribution infrastructure and long-distance interconnection will become a necessity. The electricity market target model, which implies the development of Europe's internal electricity market, will continue to evolve and be in line with future trends and challenges in the energy industry;
- Process optimization based on artificial intelligence;
- Using machine learning algorithms to optimize production processes and minimize waste;
- Adopting similar AI strategies can optimize energy production, increase equipment reliability and minimize operational expenses.

Table 9. The key drivers of changes in the electricity market

Key drivers	Description	Impact on
GDP evolution and industry structure	The economic growth is a determinant factor of electricity demand. Although there is not a one-to-one relationship between GDP growth rate and electricity demand growth rate, there is a positive correlation, mainly between the industrial demand for electricity and economic growth. In the future, household and industrial electricity demand will also be influenced by energy efficiency policies. Also the evolution of the number/quantity of energy produced/injected by consumers will determine differences between the trend in the amount of energy distributed and the trend in GDP.	GDP evolution and industry structure
Demographic evolution and technology development	In contrast with the demographic decline recorded at EU and Romanian level, the electricity consumption is positively impacted by the changes in the consumer behaviour and the increase in urbanization. For example, the massive increase in the number of connected devices and implicitly, in a less accelerated manner, in the electricity consumption, maintains the increasing trend of consumption.	Electricity consumption
International geo-political context	Russia's invasion of Ukraine has massively disrupted Europe and global energy markets, prompting the urgent need to identify a plan to stop the EU's dependence on imports of fossil fuels from Russia. REPower EU is the EU's response plan to this context, a plan for the period 2022-2030. The REPower EU plan sets out a series of measures to rapidly reduce energy and accelerate the green transition while increasing the resilience of the EU energy system. The plan targets 4 areas: Saving, diversifying sources, accelerating the shift to clean energy, investment and reform.	Electricity prices

Key drivers	Description	Impact on
Changes in regulatory framework	The approved schemes to support customers in payment of electricity/natural gas bills, with initial application between November 1, 2021 and March 31, 2022, through which price caps, compensations for household customers and exemptions for SMEs were granted, later extended for the period April 1, 2022 - March 31, 2025, by which the prices applicable to final customers were capped, assume ex post recovery of amounts related to these schemes by suppliers, risking affecting supply activity in case of delays in settling the amounts incurred by suppliers or of non-recovery in the situation where the costs recorded in the balancing market exceed the purchase costs by more than 5% or in the situation where the average purchase price exceeds the cap of 1,300 RON/MWh/ or 900 RON/ MWh after the publication of Law approving GEO 153/2022 in the Official Monitor. Also, as a result of entering into force of the new Electricity and Natural Gas Supply Activity Performance Standard, more demanding requirements are applied regarding the quality of supply service and responsibility towards customers, including through the obligation of automatic payment of compensations to all customers categories, in case of non-compliance with standard indicators. The methodology for setting distribution tariffs approved by ANRE Order no. 67/2024 establishes the regulatory framework for the fifth regulatory period (RP5) and the method for establishing regulated revenues and the profitability of the distribution subsidiary's assets. The RRR value approved for RP5, of 6.94%, is increased or decreased by 0.5 percentage points, depending on the level of performance achieved by the DSO with regard to the development of a smart grid that promotes energy efficiency and the integration of energy produced from renewable sources, in relation to the values of a set of indicators that will be approved according to a methodology developed by ANRE. The regulated revenues of the DSO consist of: (i) non-NL revenues that are recovered through the tariffs applied to consumers and (ii) NL revenues that are recovered from both consumers and electricity producers.	Electricity prices
The evolution of the electricity price in the market	Energy is an indispensable resource for both the population and the economic operators. Thus, the sharp increase in energy prices is reflected on the dynamics of consumer prices, respectively on the generalized increase in inflation rates.	Electricity prices and inflation rate
Technological development	Smart networks and smart meters will create benefits for the end consumers, distribution operators and suppliers in terms of energy efficiency, resource optimization and network operation, implementation of demand response etc. It is necessary to prepare the networks and to integrate the distributed resources (storage solutions, micro-grids, local production, electric machines, etc.), also considering the management of their impact.	Electricity prices and consumption

Source: Electrica

➤ IT&C perspectives for the year 2026

Digital Building on the objectives outlined in the Digitization Strategy approved in 2022, the Group continued to advance its digital transformation journey by accelerating the integration of artificial intelligence (AI) and expanding digitization initiatives across business functions. These efforts have already started to deliver significant benefits, enhancing operational efficiency, decision-making processes, and overall organizational agility.

The application of AI technologies across various operational and support functions has enabled real-time data analysis, predictive insights, and automated workflows, contributing to the optimization of internal processes and the improvement of customer-facing services. Key areas of AI integration include customer service automation, intelligent document processing, fraud detection, and supply chain optimization.

To further support the innovation, the Group has strengthened its Innovation and Emerging Technologies Lab, focusing on the exploration and pilot implementation of cutting-edge solutions such as AI-powered analytics, machine learning models, and smart automation tools. These initiatives aim to drive innovation on scale, boosting competitiveness and positioning the organization as a tech-forward leader in its industry. Thus, within the Innovation and Emerging Technologies Laboratory, testing of medium-scale AI models for specific solutions began, based on its own AI system.

Given the increasing complexity of digital ecosystems and the rising number of cyber threats, the Group has also prioritized cybersecurity resilience. Investments have been made in next-generation security platforms, along with the launch of comprehensive training and awareness programs to foster a strong culture of cybersecurity across the organization. The introduction of modern, simpler, more efficient and more secure workspace technologies has begun, simultaneously supporting engagements in the development of specific business processes with advanced artificial intelligence solutions, including personalized data sources.

Beyond enhancing IT&C infrastructure, the Group remains committed to developing digital-first customer experiences, offering personalized, flexible, and responsive services. By leveraging digitization and AI, the organization is better positioned to anticipate market trends, adapt to dynamic customer expectations, and sustain long-term growth in a rapidly evolving digital environment.

2.5 Key factors, directions and significant market trends affecting the operational results of Electrica Group

- In the **distribution segment**, the focus is on operational efficiency, by reducing technological and commercial losses, optimizing internal processes, ensuring an optimal level of resources used, on user orientation and ensuring their satisfaction, by improving the network access and the quality of service, on development of smart grid technologies and cost recovery. Increasing the operational performance will lead to a positive impact on the users' experience, ensuring continuous supply security, at high quality and high standard interactions with our staff. In parallel, exploiting the significant optimization potential and reducing losses by streamlining the distribution operators' activities are key factors in the optimal allocation of resources, so important in this regulatory period.
- The implementation of smart grid solutions takes into account the development and implementation of a smart grid for monitoring and managing energy flows and network retrofitting and the implementation of advanced technologies for monitoring and managing energy flows and network retrofitting. One of the main factors influencing the strategic decisions for the Distribution area is represented by the trend of energy market prices which negatively impacts in a significant way the cost of energy acquisition for network losses, with a significant negative impact over profitability if the method of capitalizing on the additional costs of the procurement of electricity for the NL or the mechanism for the centralized procurement by OPCOM of energy for the NL does not lead to the improvement of the results.
- An important factor is the alignment of strategic decisions with the 10-year development plan which was developed by DEER to be approved by ANRE, after public consultation with all stakeholders, and that includes both investment works for the production of energy from renewable sources for NL and the power consumption from the station or for the development of electricity storage facilities and the way to integrate flexibility services.
- Increasing the network capacity for integrating production from E-SRE aims to promote and execute investment works from the 10-year development plan, specifically increasing and optimizing capacity in order to connect producers to the RED and continuing efforts to improve the network's performance indicators.
- In 2024, ANRE approved the revenue and profitability projection for the fifth regulatory period 2025-2029 (RP5). Through the tariff approval orders, ANRE approved the total investment values and the minimum mandatory values for RP5, considering that the Methodology provides that in the event that the value of network investments made in a year from own sources exceeds their minimum mandatory value, ANRE applies an incentive of one percentage point above the RRR value to the value of this excess.

The supply segment will focus on diversifying its activity through offers and services adapted to customer needs, improving operational efficiency through optimized sales and electricity procurement processes, and enhancing customer orientation and satisfaction. The main priorities include:

- expanding the supply segment,
- offering value-added solutions (products and services),
- digitalizing operations and specific processes.

Other factors not available at the date of this report (e.g., changing regulations) or not presented above, or not considered by the Group, may arise and significantly impact the implementation and evolution of the Group strategy.

The regulatory framework has undergone significant changes over the past decade, including: market liberalization for electricity and natural gas, separation of supply and distribution activities, implementation of renewable energy support schemes, support for prosumers, and price capping for final customers.

In 2025, prices were set by suppliers through free-market mechanisms, both for universal service offers and competitive market offers, while complying with electricity and gas price-capping rules.

Regarding last-resort supply of electricity and natural gas, a monthly rotation system was introduced for nominating the supplier of last resort (SoLR/FUI), which automatically takes over customers nationwide who remain without a supplier. The FUI list is determined according to market share, and each supplier is nominated in turn.

In 2025, EFSA acted as **supplier of last resort (FUI)** for electricity in January, June, and November and for natural gas in January and August.

Evolution of Acquisition Costs

The year 2025 was characterized by low liquidity in the wholesale market, due to a limited number of sale offers, absence of traders from the forward market, sellers' reluctance to conclude bilateral contracts at prices more favorable for buyers than those on trading platforms, and reluctance to conclude long-term contracts.

Starting 1 July 2025, the electricity price caps were eliminated. Consumers now pay the contractual market price, with no state subsidies.

According to GEO 6/27.02.2025, specific measures to protect natural gas final customers through the **extended price-capping period** apply until **31 March 2026**.

Geopolitical developments continue to have a major impact, contributing to uncertainty and volatility in market prices. Events in the Middle East and Eastern Europe (Russia–Ukraine) have caused increases in gas prices and kept EU ETS CO₂ certificates at high levels (average CO₂ price in 2025: 73–75 EUR/ton, with seasonal variations between 70–86 EUR/ton).

Thus, natural gas remains the main driver of marginal energy pricing in Europe.

In Romania, volatility was further amplified by intermittent renewable generation and fluctuating consumption.

The average DAM (PZU) price in 2025 was 546.35 RON/MWh, up from 514.96 RON/MWh in 2024. The trading price during evening peak hours reached a maximum value of 3,001.98 RON/MWh, while during periods of high renewable energy production and low consumption, negative prices and very low prices became frequent. In August 2025, the average Day-Ahead Market (DAM/PZU) trading price recorded its lowest level, namely 396.63 RON/MWh.

Domestic electricity production decreased by approximately **3%** compared with 2024.

Against the backdrop of increased consumption during the warm months, variable renewable generation (high solar output at midday and low in the morning and evening), and insufficient or overly expensive flexible domestic generation, electricity imports were needed to cover consumption during morning and evening peak hours, amounting to approximately 275.79 GWh more than in 2024.

For natural gas, the weighted average Day-Ahead Market (DAM/PZU) price increased by 35.41% in 2025, reaching 207.31 RON/MWh, compared with the weighted average price in 2024, which was 153.10 RON/MWh.

On the Balancing Market (PE), analyses show that costs were largely generated by imbalances created and not recognized for prosumers. The rapid development of the prosumer segment, combined with the lack of historical data needed to build forecasting models, makes it impossible to estimate imbalances without real-time measurement data.

It is difficult to predict the evolution of the wholesale electricity and natural gas market in 2026. Price volatility is expected to remain very high, driven by geopolitical tensions (gas prices will be influenced by supply constraints, storage levels, and weather conditions), the increase in renewable energy production without major investments in storage capacity and adequate infrastructure, trends in CO₂ emission certificate costs, and fluctuations in energy demand from consumers—with possible seasonal increases generated by weather conditions and economic activity. Therefore, in the short term, prices are expected to follow a similar dynamic to those observed throughout 2025.

Impact on Customers

Strategic Directions Impacting the Supplier–Customer Relationship in the Context of Energy Market Liberalization:

- **Acceleration and Optimization of Digitalization Processes**
Strengthening the digital infrastructure to simplify processes and enhance the customer experience.
- **Adapting Internal Processes to the New Market Framework**
Standardizing and increasing the flexibility of operational flows to efficiently respond to customer needs in a competitive and dynamic environment.
- **Proactive Response to Price Liberalization**
Promoting non-energy products, photovoltaic power systems, and storage solutions to protect customers and encourage the transition towards sustainable consumption.
- **Diversification of the Commercial Offer**
Developing products tailored to different consumer segments, including fixed-price contracts, flexible packages, and customized solutions.
- **Strengthening the Advisory Role of the Supplier**
Taking an active role in educating customers on energy efficiency, consumption optimization, and choosing the most advantageous solutions.
- **Increasing Customer-Focused Investments in Green and Sustainable Technologies**
Promoting access to renewable energy and supporting self-consumption initiatives through solutions such as photovoltaic panels and intelligent storage systems.

3 Electrica on the capital markets

3.1 Ownership structure

ELSA has been a majority private share capital since July 2014. The company's shares are listed on the Bucharest Stock Exchange (BSE – symbol EL) and at the same time the global depositary receipts (which support the shares) are listed on the London Stock Exchange (LSE – symbol ELSA).

Until July 2014, the Romanian State, through the Ministry of Economy, Energy and Business Environment, was the sole shareholder of ELSA. Starting with July 4, 2014, following the Initial Public Offering following the 105% increase in the share capital, ELSA became a company with a majority private share capital, and the double listing in 2014 represents the only majority privatization of a Romanian state-owned company through the Stock Exchange, as well the largest primary initial public offering (with newly issued shares) in the history of the capital market in Romania.

Subsequently, a secondary public offer took place (a share capital increase through in-kind contribution by the Romanian State, with preemptive rights granted to other shareholders), which ended on 3 December 2019, during which a total number of 208,554 new shares were subscribed, with a nominal value of RON 10 and a total nominal value of RON 2,085,540.

On 22 July 2024, the reduction of the share capital was registered by cancelling 6,890,593 treasury shares held by Electrica following the 2014 post-IPO stabilization period (shares which had their voting rights suspended). Consequently, as of this date, the total number of voting rights is equal to the total number of shares.

As of 31 December 2025, the ownership structure according to the Central Depository records (Romanian: *Depozitarul Central S.A.*) is presented below.

Table 10. Ownership structure

Shareholder	Number of shares	Stake held (% of the share capital)	Percent of voting rights (%)
The Romanian State, through the Ministry Energy, Bucharest, Romania	169,046,299	49.7850%	49.7850%
BNY MELLON DRS, New York, USA	1,199,156	0.3532%	0.3532%
Other legal entities*	155,232,211	45.71664%	45.71664%
Individuals	14,075,338	4.1453%	4.1453%
TOTAL	339,553,004	100.0000%	100.0000%

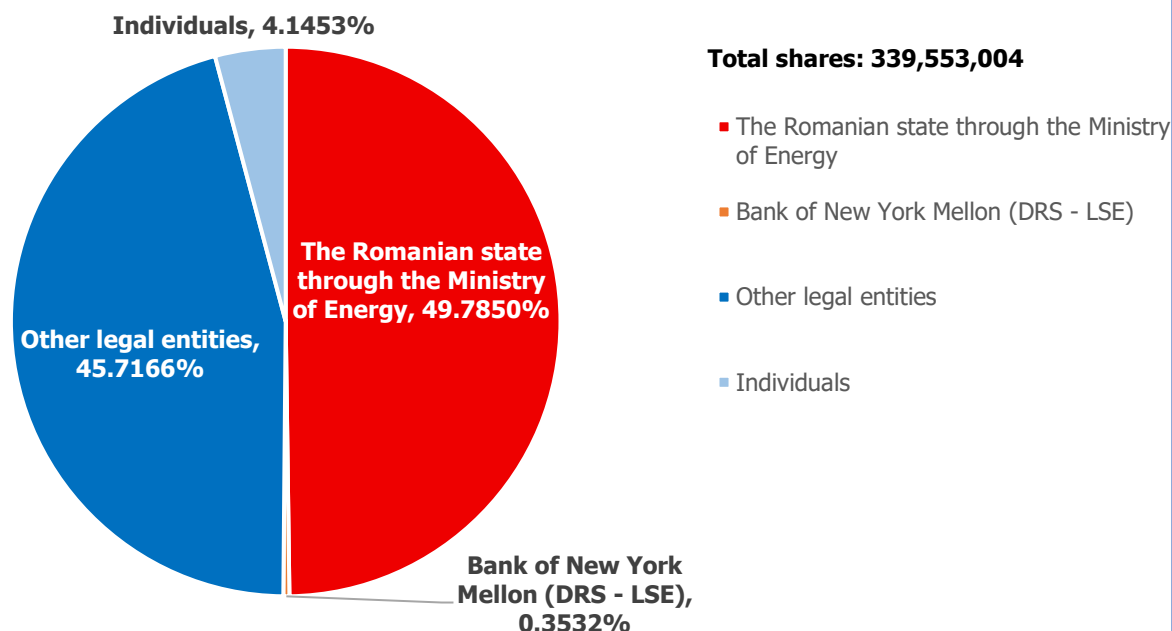
Source: Central Depository, Electrica

Note 1: Total Shares - 339,553,004 (all with voting rights)

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

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

Figure 26: Ownership structure as of 31 December 2025



Source: Central Depository, Electrica

At the end of 2025, ELSA shares were held by a total of 15,114 shareholders, of which 247 were legal entities and 14,948 were individuals from 30 countries. Of the total shares, 95.91% (325,674,376 shares) were held by investors residing in Romania.

Thus, foreign shareholders held 4.09% of the share capital (13,878,628 shares), the largest share being represented by American shareholders. Shareholders from the US held 2.15% (this category also includes GDR holders), and from the UK and Ireland held 0.31% of the share capital,

Romanian Pillar II and Pillar III pension funds together held about 28.24% of the share capital, representing the second largest global shareholder after the Romanian State.

3.2 Shares evolution on BSE and Global depository receipts (GDRs) evolution on LSE

3.2.1 BSE shares

3.2.1.1 Inclusion in Capital Market Indices

ELSA shares are included in several BSE indices, including the BET index (the Romanian capital market benchmark index that reflects the performance of the most traded companies on the BSE regulated market), implicitly in the BET-TR index, as well as in the BET-NG index (the sector index that reflects the performance of companies listed on the BSE regulated market whose main activity is energy and related utilities) and the BET-EF index (dedicated to the best represented sectors of activity in the capital market, energy, utilities and financial). The complete list of BSE that include ELSA shares, along with their weighting as of the date of this report, is as follows:

[BET](#) | [ROTX](#) | [BET-BK](#) | [BET-TR](#) | [BET-TRN](#) | [BET-NG](#) | [BET-EF](#) | [BET-XT](#) | [BET-XT-TR](#) | [BET-XT-TRN](#) | [BETPlus](#). Details about the main ones:

Table 11. BSE Index and weight

Index Name	Ticker	Weight (%) as of 31 Jan 2026	Brief description
Bucharest Exchange Trading	BET	468%	The 20 most liquid companies (blue-chips).
Bucharest Exchange Trading Total Return Index	BET-TR	4.68%	Includes gross dividends paid by BET companies.
Bucharest Exchange Trading Energy & Related Utilities Index	BET-NG	~8.25%	Companies in the energy and utilities sector.
Bucharest Exchange Trading Extended Index	BET-XT	~4.68%	The 25 most liquid companies.
Bucharest Exchange Trading Benchmark Index	BET-BK	~4.49%	Benchmark for fund managers.
Bucharest Exchange Trading Plus Index	BETPlus	~4.59%	Companies meeting specific liquidity criteria.
Bucharest Exchange Trading Energy, Utilities and Financials Index	BET-EF	~6.14%	Companies in the energy, utilities and financial sectors.
Romanian Traded Index	ROTX	N/A	Index developed in cooperation with the Vienna Stock Exchange, containing Romanian "blue-chips"

Electrica shares have been included in the MSCI indices since the year of listing, 2014. As of the end of 2025, they were included in the following MSCI indices:

Table 12. MSCI Index

Index Family	Index Name	Segment / Category	Details and Significance
Advanced Frontier (Categorie nouă din 2025)	MSCI Advanced Frontier Markets Small Cap	Small Cap	The main index for EL within the new market category. It reflects Romania's "top tier" status in the Frontier universe.
	MSCI Advanced Frontier Markets IMI	All Cap (Investable Market Index)	Includes all investable companies (Large + Mid + Small). EL is included as a Small Cap component.
Frontier Markets (Categorie clasică)	MSCI Frontier Markets Small Cap	Small Cap	The index followed by traditional frontier funds. EL has been a core component of this index for many years.
	MSCI Frontier Markets IMI	All Cap	The global aggregate index for frontier markets. EL is automatically included.
Regional & Country (Specific)	MSCI Romania IMI	All Cap	Index dedicated exclusively to Romania. EL is present alongside all eligible Romanian companies (large and small).
Global (General)	MSCI ACWI x Developed Markets IMI	Global Small Cap	A very broad index that includes emerging and frontier markets. EL has a marginal weight but is part of the global investable universe.

Electrica shares have been included in the FTSE Russell international indices series starting with 18 March 2024, [the inclusion being confirmed on 27 February 2024](#). The indices in which Electrica shares are currently included are: FTSE Global All Cap, FTSE Global Small Cap, FTSE Emerging Markets, FTSE Emerging Europe, FTSE Total-Cap:

Table 13. International Index - FTSE

Segment / Category	Index Name (FTSE Family)	Significance
Global / General	FTSE Global All Cap	The "parent" index that includes large, mid, and small-cap companies from around the world.
Size	FTSE Global Small Cap	The index dedicated to "small-cap" companies globally. EL is a core component here.
Market	FTSE Emerging Markets	The index followed by major investment funds that invest in emerging markets.

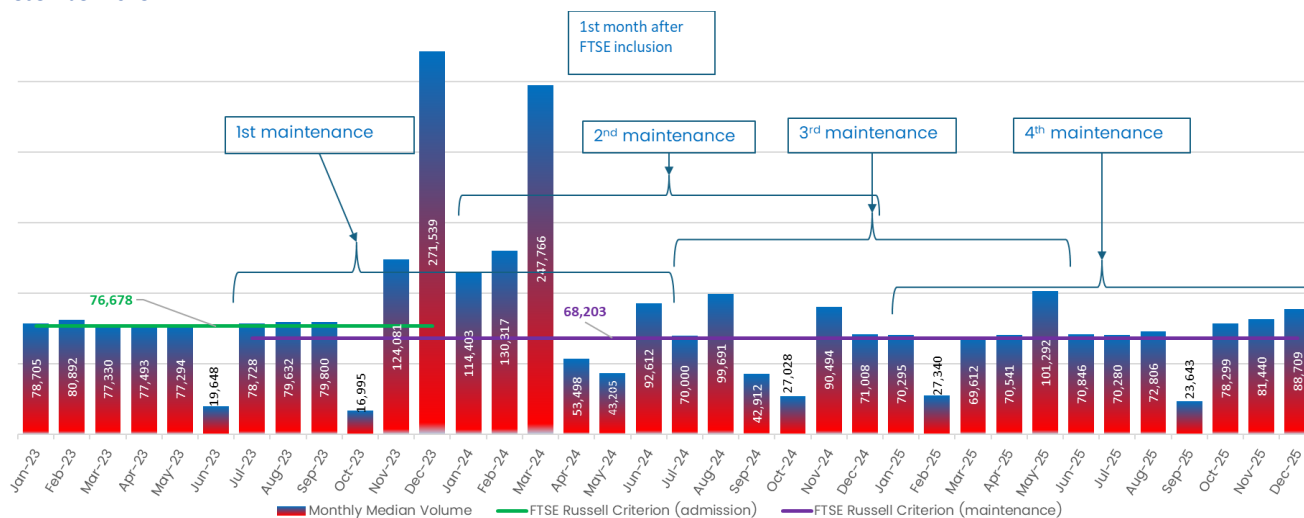
Segment / Category	Index Name (FTSE Family)	Significance
Regional	FTSE Emerging Europe	The regional index for Emerging Europe, where EL has higher visibility.
Aggregate	FTSE Total-Cap	Includes Micro-Cap companies as well; EL is automatically included.

The inclusion of Electrica shares was subsequently confirmed in August 2024 and 2025, as well as in February 2025. According to internal calculations, the maintenance criteria for both capitalization and liquidity have been met (liquidity criteria were satisfied in 11 out of the 12 months of 2025, whereas fulfillment was required for a minimum of 8 out of 12 months).

On 20 February 2026, the FTSE Russell Index Committee's has announced the indicative results of the March 2026 semi-annual review, confirming therefore the maintenance of Electrica's inclusion shares in the FTSE Russell indices, several American funds that replicate the FTSE Russell indices structure entered Electrica's shareholding, so that US shareholders have come to hold approximately 52.68% of the shares held by non-residents.

In order to support the liquidity of its listed shares, Electrica concluded two Market Making services contracts for the Issuer at the end of 2022, with SIF BRK Financial Group S.A. and WOOD & Company Financial Services, a.s. Praga. These contracts, which entered into force on 1 January 2023 for an initial two-year period, were primarily aimed at gaining entry into the FTSE Russell international indices. Both contracts were extended through 2025 and 2026, with the primary objective of maintaining the company's shares in the FTSE Russell indices.

Figure 27: Electrica's monthly median volume vs. FTSE Russell minimum threshold (inclusion and maintenance) - 1 January 2023 – 31 December 2025



3.2.1.2 Share Price Evolution from Listing to Date (July 2014 – December 2025)

Between **4 July 2014 and 31 December 2024**, ELSA shares recorded a **minimum price of RON 6.10 (29 September 2022)** and a **maximum price of RON 26.35 (30 December 2025 - the last trading day of the reference period)**. This represents a 4.3-fold increase from 2022 to the end of 2025, and a 2.4-fold increase compared to the 2014 listing price (RON 11).

The gross dividends per share granted by ELSA during this period had a cumulative value of RON 6.0940. Thus, the **aggregate return** generated by ELSA shares (together with dividends) from the listing until the end of 2025 was **194.95%**, of which **139.55% from the price return on the BSE and 55.40% from dividends**.

Since the listing on 4 July 2014 until the end of 2025, ELSA shares have attracted a liquidity of RON 5.226 billion on the BSE, with a daily average of RON 1.79 million. During this 11.5-year period, approximately 437 million ELSA shares were traded, representing 129% of the share capital, respectively of the voting shares. Thus, the average daily turnover during this period on the BSE was 150,618 shares.

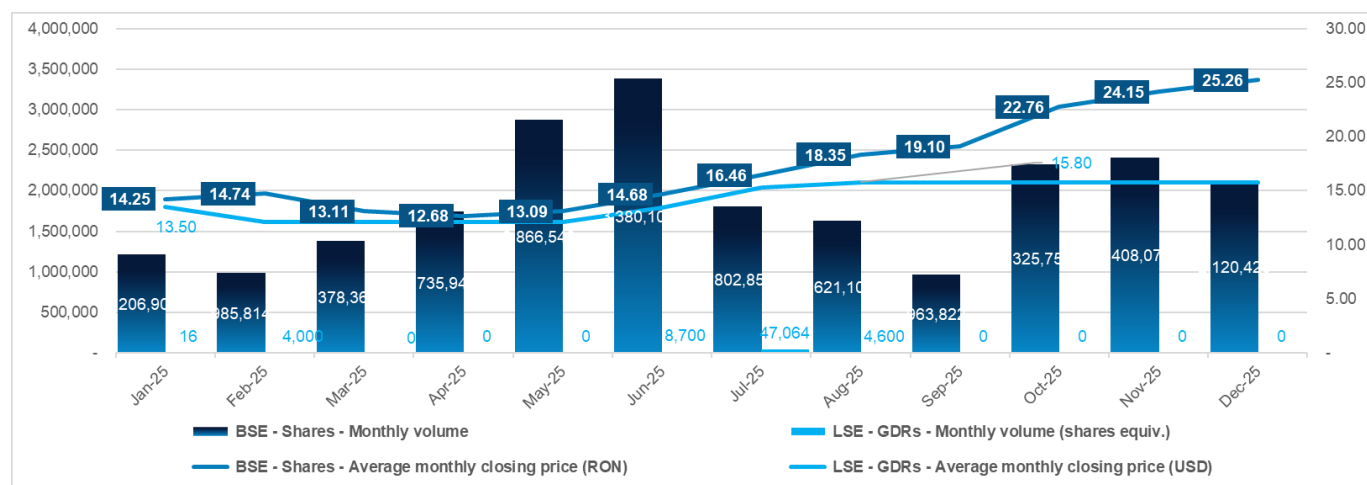
3.2.1.3 3.2.1.3 Share Price Evolution in 2025

During 2025, ELSA shares attracted a liquidity of RON 400,705 million on the BSE, with a daily average of RON 1.62 million, representing a decrease of approximately 20% compared to 2024. It ranked 8th among the most traded stocks on BSE. However, it should be noted, that in 2024, in the context of the inclusion in the FTSE Russell indices, liquidity had increased with 49% compared to 2023.

In 2025 a total of 22,76 million shares were traded and the average daily turnover reached 92,538 shares. The total turnover in 2025 represented 6.70% of the share capital.

The monthly average price (volume-weighted) of ELSA shares evolved from **RON 14.25** in January 2025 to **RON 24.13** in December 2025 (an all-time high), with a minimum of **RON 13.11** in March 2025.

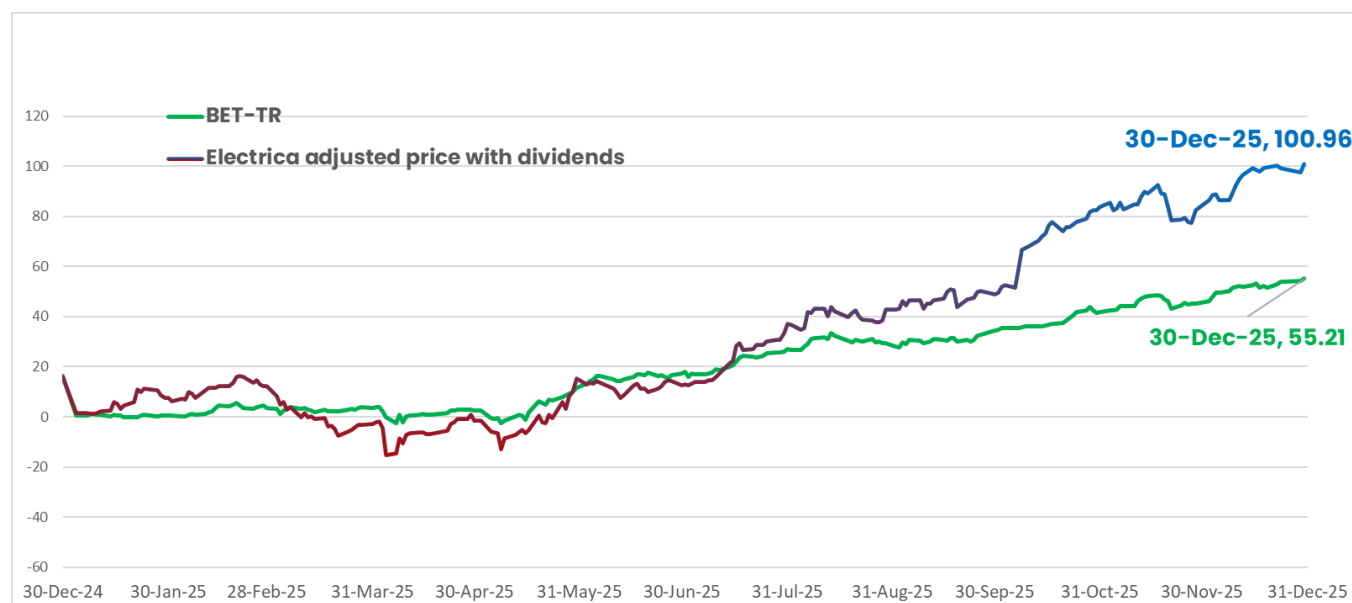
Figure 28: Monthly volume and average price of Electrica shares and GDRs (1 January 2023 – 31 December 2025)



On the first trading day of 2025, the share price closed at RON 13.40 (up from RON 13.20 on the last trading day of 2024), and it closed at RON 26.35 on the final trading day of the year. Accordingly, the share price return (excluding dividends) was 99.62% (calculated relative to the previous year's closing price for comparability).

The gross dividend per share distributed by ELSA in 2025 (for the 2024 financial year) was RON 0.1767, representing a 50% increase compared to the previous year, yet remaining significantly below historical levels. This resulted in a dividend yield of 1.2% (calculated based on the closing price of RON 14.80 on the ex-date – 3 June 2025). Consequently, in 2025, the total shareholder return (TSR) of Electrica shares (including dividends) reached 100.96%, nearly double that of the BET-TR index, which recorded a return of 55.21%.

Figure 29: Percentage evolution of Electrica's adjusted closing price vs. the BET-TR index during 2025



To conclude, 2025 was a historic year for Electrica's performance on the BSE, with a growth rate double the main market average, ending the year at an all-time high price of RON 26.35.

In the first two months of 2026, Electrica shares also saw a positive trend, rising from 26.35 RON on the last trading day of 2025 to a price of 30.5 RON on February 27, 2026. Consequently, Electrica stock appreciated by 15.75%, moving in line with the BET-TR index, which grew by 15.03% during the same period. Additionally, on January 28, the trading session closed at an all-time high of 34 RON.

3.2.2 Global Depositary Receipts (GDRs) on the LSE:

The GDRs' weight in ELSA's total share capital diminished during the period following the Initial Public Offering, from 10.17% on July 4, 2014, to **0.35%** at the end of 2025.

From the listing until the end of 2025, the maximum price reached by the GDRs was USD 16.00 (recorded on 1 August 2025), while the minimum price was USD 5.25 (on 9 November 2022), with a total of 12.76 million GDRs traded.

During 2025, the trend was upward, with the price at the end of 2025 being USD 15.80, up 21.5% compared to the end of 2024 (USD 13.00), on a turnover of 16,095 GDRs, approximately half of the volume recorded in 2024.

A summary of the above is provided below.

Table 14. Shares traded on BSE and Global Depositary Receipts (GDRs) on LSE

Indicator	4 Jul 2014 -	2025	2024	Variation
	31 Dec 2025			2025 vs 2024
Bucharest Stock Exchange				
Total liquidity (RON)	5,226,549,528	400,704,748	509,142,418	-21.3%
Average daily liquidity (RON)	1,791,141.03	1,622,286	2,036,570	-20.3%
Turnover (no. shares)	436,942,705	22,764,486	38,670,607	-41.3%
Average daily turnover (no. shares)	150,617.96	92,539	155,042	-40.3%
Market cap. - end of period (RON)	8,947,221,655	8,947,221,655	4,482,099,653	200%
Minimum price (RON)	6.10	11.20	10.86	3.1%
Maximum price (RON)	26.35	26.35	16.30	61.7%
Average price (RON)	11.96	17.60	13.14	33.9%
Price at the end of period (RON)	26.350	26.35	13.20	99.6%
Dividend(s) ELSA (RON)	6.094	0.1767	0.1178	50%
ELSA Share price performance (%)	139.55%	99.62%	15.0%	-
BET performance (%)	248.53%	45.94%	8.8%	-
BET-NG performance (%)	154.36%	49.62%	7.0%	-
BET-TR performance (%)	641.73%	55.21%	16.15%	-
ELSA's Adjusted price performance (%) ²	194.95%	100.96%	16.01%	-
ELSA's Dividend(s) yield ¹ (%)	55.40%	1.34%	1.03%	30%
London Stock Exchange				
ELSA's GDRs liquidity (USD)	163,466,815	239,230	401,842	-40.5%
ELSA's GDRs turnover (no. of GDRs)	12,759,555	16,095	32,644	-50.7%
GDRs price performance (%)	+14%	21.5%	31.3%	-

Source: BSE, LSE, Electrica

¹ Calculated based on the closing price of the last day of the preceding period (for comparability purposes)² Calculated including the dividend(s) distributed during the analyzed period.

It should be noted that 2024 was an exceptional year in terms of liquidity, as it was the year of inclusion in the FTSE Russell indices. Liquidity in March 2024 was approximately three times higher than the usual monthly average. In fact, 2024 saw the highest turnover in the last 6 years and the highest liquidity in the last 7 years (excluding the 2020 transfer of 25 million Electrica shares between investment vehicles performed by Dedeman). Consequently, the percentage decreases from 2024 to 2025 shown in the table above are considered atypical.

3.3 Investor relations (IR)

Electrica's management reiterates that transparency and proactive communication are fundamental pillars in strengthening investor confidence and ensuring sustainable success on the capital market. Throughout 2025, maintaining the tradition established at the 2014 listing, the executive management engaged directly in dialogue with investors and analysts, alongside the Investor Relations team and specialists across the group (Regulation, Finance, Treasury & ESG, Financial Control, Legal, etc.).

The principles underlying investor communication are outlined in Electrica's Investor Communication Policy, available here: https://www.electrica.ro/wp-content/uploads/2020/08/EN_Corporate-Disclosure-Policy-Electrica_25.08.2020.pdf

3.3.1 Current Reports and Press Releases

To ensure the accurate, continuous, and transparent disclosure of information to stakeholders, the Investor Relations Department disseminated 98 current reports and press releases in 2025 via the platforms of the Bucharest Stock Exchange (BSE), the London Stock Exchange (LSE), the Luxembourg Stock Exchange (LuxSE), the Financial Supervisory Authority (ASF), and the ELSA website. All these documents, along with the data required for accurate and complete information, can be accessed in the Investors section of the company's website.

To guarantee a fair and transparent information flow, the Investor Relations Department ensured the dissemination of current reports and press releases through the stock exchange platforms in Bucharest (BSE), London (LSE), and Luxembourg (LuxSE), as well as to the capital market regulators. All these are centralized and accessible in the dedicated section for investors on the Group's official website, under *Investors > Results and Reports*.

3.3.2 Financial Results Conference Calls

During the reference year, the management team held four conference calls to present the financial results (annual, semi-annual, and quarterly). Access for all interested parties was easy and non-discriminatory, with the option to join either by phone—allowing for real-time participation and Q&A—or simply by connecting to the webcast, without requiring pre-registration or a reservation. A complete archive of the presentations, recordings, and transcripts is available on the company's website under *Investors > Results and Reports > Presentations and other information*, ensuring comprehensive information is provided to the market.

3.3.3 Electrica IR App

In April 2025, Electrica launched a mobile application named **Electrica IR**, available on [Android](#), [Chrome OS](#), and [iOS for Apple](#) devices. It is the first and only mobile application of its kind on the local market, designed to bring investor relations into the "mobile-first" era. The project extends the customized GMS platform available since June 2022, Electrica Voting, into a native smartphone and tablet experience, making GMS participation and voting simpler, faster, and more accessible for all shareholders.

The application delivers: Accelerated authentication and account validation for investors (for individuals, rapid access via ID scanning and AI analysis), quick access to the agenda and supporting documents, bilingual real-time audio/video broadcasting of the GMS, participation and the possibility to address the meeting through audio and video connection, the exercise of all types of voting before and during meetings (remotely or from the room), real-time display of results, plus a detailed history of meetings and votes. It also allows a single account for multiple shareholders represented by a natural or legal person, thereby providing flexibility, especially for custodians and fund managers. Any investor, whether a shareholder or not, can create an account to follow convened meetings and results, ensuring extended transparency at the market level.

The Electrica IR app thus allows investors to engage rapidly and directly in the debates of the highest corporate governance body and enhances the quality of the dialogue with the capital market. Shareholders can participate and vote from anywhere, before or during the GMS, without physical representation, leading to faster processes, an improved experience, and increased transparency. Accelerated account validation via ID scanning significantly shortens the time required for individuals to exercise their voting rights. The real-time display of results boosts transparency and trust.

The two-way communication features — written questions and audio/video interventions — professionalize the interaction and make it more equitable, offering all shareholders the same opportunities to express themselves. The application is available in 177 countries on Android, Chrome OS, and iOS, which extends access for foreign investors. Launched just one week before the Annual GMS in April 2025, it was already used by twice as many investors as prior to the app's existence, confirming its rapid adoption and immediate utility in shareholder relations.

Furthermore, it includes a direct feedback channel from investors, both on topics proposed by the company (surveys) and through the possibility of submitting observations, proposals, and questions directly from the App. The survey responses provide valuable information that helps calibrate the company's capital market communication activities. Further development of the App is underway to include more tools for rapid communication and information for all Electrica investors, not just shareholders (newsletters, live notifications, etc.).

3.3.4 Participation in Other Investor Conferences and Events

ELSA's management representatives, along with the investor relations team, also participated in the main national and international conferences held in physical and/or hybrid format dedicated to investors in 2025, interacting directly with dozens of investors and analysts, both institutional and individual. The events (details of which can be found on [the website under Investors > Results and Reports > IR Events](#)) include:

- January 30, 2026: "VEKTOR by ARIR 2025 Results" - the launch of the VEKTOR 2025 results for listed companies, where Electrica obtained a score of 10 for the third consecutive year.
- 3 March 2025, 11 June, 9 September, 2025: Partnership and active participation in the Quarterly Report – quarterly conference organized by TradeVille and Ziare.com, which facilitates interaction between retail investors and listed companies. The CEO and CFO participated alternatively, and recordings of the presentations and investor interactions are published on the website's investor section.
- 3-4 June 2025: Frontier Investor Days London, organized by Wood & Company – meetings with international investors, attended by the CFO.
- June-July 2025 – Roadshow in London and Bucharest – details are provided below in the dedicated subchapter.
- 30 September - 1 October 2025: The Electrica team participated in Romania Investor Days (WOOD & Co) in Bucharest, where interest from international investors and analysts was very high.
- 23 October 2025: The first edition of the "Energy for Romania" conference. Organized by the Electrica Group in partnership with the Electrica Foundation, the event is based on the "business to charity" concept—a unique initiative in Romania where high-level debates become a source of inspiration, collaboration, and real social impact.
- 27 November 2025: ARIR Gala. Electrica was awarded by an independent jury for Innovation in Investor Relations at the annual ARIR Gala on 27 November, specifically for its Electrica IR application..
- December 2025: Electrica's CFO participated in Wood's Winter Wonderland EMEA Conference in Prague. International interest in Electrica is once again on the rise.

On 30 January 2025, "VEKTOR by ARIR 2025 Results" – the launch of the VEKTOR 2025 results for listed companies: Electrica obtained, for the fifth consecutive year, a score of 10 for the quality of investor communication, as well as a score of 10 for VEKTOR Bonds (launched for the first time in 2025) for the quality of communication with bondholders.

3.3.5 Roadshow Before of the Green Bond Issuance

In June-July 2025, Electrica organized a week-long roadshow (in London and Romania) to present its green energy production strategy to institutional investors, as well as to gauge interest and attract investors for its inaugural green bond issuance. Discussions involved management, investors, analysts, and ESG experts, focusing on the sustainability strategy, strategic plans for the production segment's development, operational performance of core segments, and the Green Financing Framework (including project governance and reporting). The Electrica team met physically and virtually with over 100 investors.

The event brought together the executive and IR teams with ESG-focused investors, fund managers, and credit analysts in a mixed format: an overview presentation followed by Q&A sessions and one-to-one discussions. The agenda covered: alignment between the investment plan and a potential Green Financing (use-of-proceeds) framework, grid priorities and energy efficiency, project governance, selection and monitoring mechanisms, as well as post-issuance reporting expectations (indicators, frequency, and audit). Discussions also addressed the risk profile, market appetite, and potential transaction structures based on market conditions.

ESG themes were integrated directly into the business narrative (grid priorities, energy efficiency, environmental impact). Presentations and investor meetings were held in a hybrid format, featuring synthetic presentations followed by targeted discussions. The immediate impact was seen in the clarification of key themes for the investor community and the consolidation of Electrica's credibility in the green financing segment, as well as in defining a realistic timeline for the next steps. The feedback collected was rapidly incorporated into communication plans (explanatory materials, FAQs, updates to market presentations), strengthening the coherence and transparency of future messaging.

The roadshow expanded the dialogue with investors specialized in green instruments and created the premises for access to a broader capital base, highlighting the commitment to high-impact projects and reporting best practices.

The high degree of interest was proven by a record oversubscription (over 11.5 times) and the issuance price, which was lower than that of government bonds launched during the same period. This was the largest green, corporate, and non-financial issuance on the Romanian capital market, attracting interest from 155 investors across 31 countries. The EUR 500 million green bond issuance is the largest transaction of its kind by a Romanian non-financial company, featuring an annual interest rate of 4.375% and a 5-year maturity until July 2030.

In 2025, ELSA continued to be an associate member of the Romanian Investor Relations Association (ARIR), engaging in its numerous projects, particularly in active advocacy: legislative and regulatory changes for the capital market at both national and European levels, as well as the project for amending and implementing the BSE Corporate Governance Code.

All members of the Electrica Investor Relations team participated in IR courses organized by ARIR in 2025.

At the end of 2024 and beginning of 2025, Electrica conducted an Investor Perception Study, involving numerous institutional and individual investors and capital market influencers from Romania and abroad. Following the conclusions and recommendations of the participating investors, analysts, and market specialists, Electrica calibrated an action plan to improve perception, focusing on enhancing corporate image materials, digitalizing investor communication, attraction and retention through research and extended participation in investor events, as well as expanding financial communication, integrating IR & PR messaging, and increasing social media coverage.

All actions undertaken in 2025 and plans for the coming years aim to implement a top-tier investor program, increase transparency, and improve the quality of communication with investors, analysts, and the capital market as a whole, with the primary objective of shareholder and investor retention, attraction, and satisfaction.

These efforts were recognized in 2025 by obtaining, for the fifth consecutive year, the maximum score of 10 in the VEKTOR index—the indicator designed to promote the implementation of best practices in corporate governance and investor

communication for companies listed on the Romanian stock exchange, calculated by ARIR and published annually by the BSE.

3.4 Dividends

3.4.1 Dividend Policy

ELSA's Dividend Policy, updated in May 2022, can be consulted on the company's website in the following section:

<https://www.electrica.ro/en/investors/corporate-governance/corporate-policies/> .

ELSA's dividends are distributed from the annual distributable net profit based on the annual individual financial statements audited and/or from other equity components (e.g., retained earnings) established at the Company level, following their approval by the Ordinary General Meeting of Shareholders (OGMS) and the subsequent approval of the dividend proposal by the OGMS. Shareholders are entitled to dividends in proportion to their share of the company's paid-up share capital. The Company will pay all dividends in RON.

Regarding the Global Depositary Receipts (GDRs) traded on the London Stock Exchange, ELSA pays dividends to the GDR issuer in proportion to its holdings. GDR holders will subsequently receive dividends from the GDR issuer in proportion to their respective holdings.

In selecting a specific profit distribution ratio for dividends in accordance with the dividend policy, the Board of Directors takes the following into account:

- Reducing fluctuations in the dividend yield from one period to another, as well as in the absolute value of the dividend per share;
- Electrica's investment needs and opportunities;
- Potential contributions of non-monetary items to the reported net profit;
- Cash availability for dividend payments and Electrica's leverage ratio;
- A dividend yield comparable to other listed companies in the same or related sectors.

The dividend payout ratio from the distributable profit of Electrica Group subsidiaries will be consistent with the dividend policy in force. Dividends paid by the Group's subsidiaries to ELSA in year N (related to the results of year N-1) are recorded as financial income in ELSA's individual financial statements in year N and thus constitute the source of the net result from which dividends are declared and subsequently paid by ELSA to its shareholders in year N+1 (related to the result of year N).

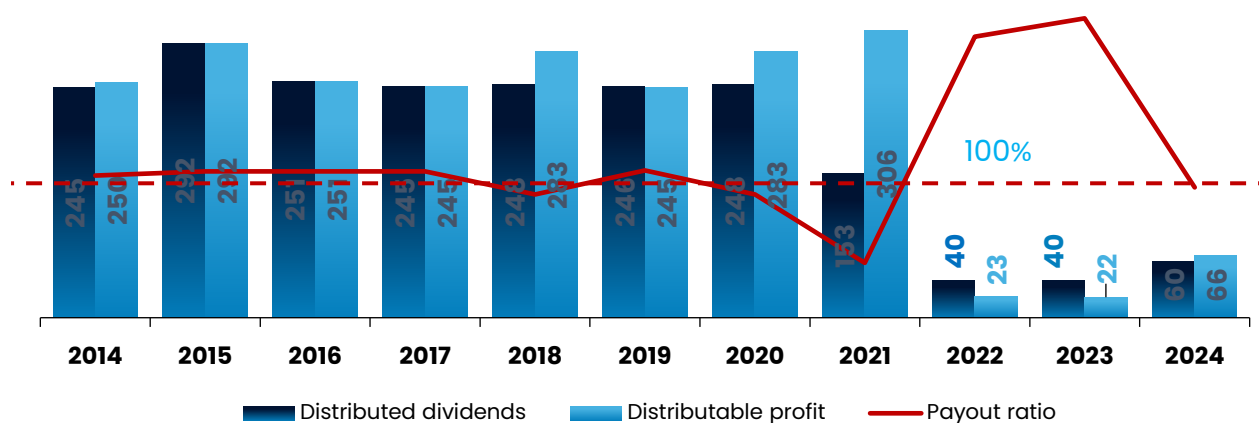
The payment of dividends is subject to the general provisions regarding the statute of limitations (with reference also to the incidence of Art. 2554 of the Civil Code regarding the extension of the term). Consequently, the payment of dividends that are not claimed within three years from the approved payment date will be barred by the statute of limitations, and these amounts may be retained by the Company. Electrica informs shareholders during general meetings regarding this limitation period.

3.4.2 Dividend Distribution

Dividends distributed by ELSA fluctuated between 2014 and 2023, ranging from RON 39.9 million to RON 291.6 million. The dividend payout ratio^[2] was 96% in 2014, 100% in 2015-2017, and 87% in 2018 (with RON 35.57 million allocated to "Other reserves"). It returned to 100% in 2019, followed by 87.5% in 2020, and 50% in 2021 (when RON 152.9 million was allocated to "Other reserves").

In 2022, the payout ratio reached 174% (as RON 16.97 million was distributed from "Other reserves"), and in 2023 it was 184% (with RON 18.22 million distributed from "Other reserves"). The dividend payout ratio for the year 2024 was 91.2% (with RON 5.76 million allocated to "Other reserves").

Figure 30: Gross dividends distributed (2014-2024) (RON mn.)

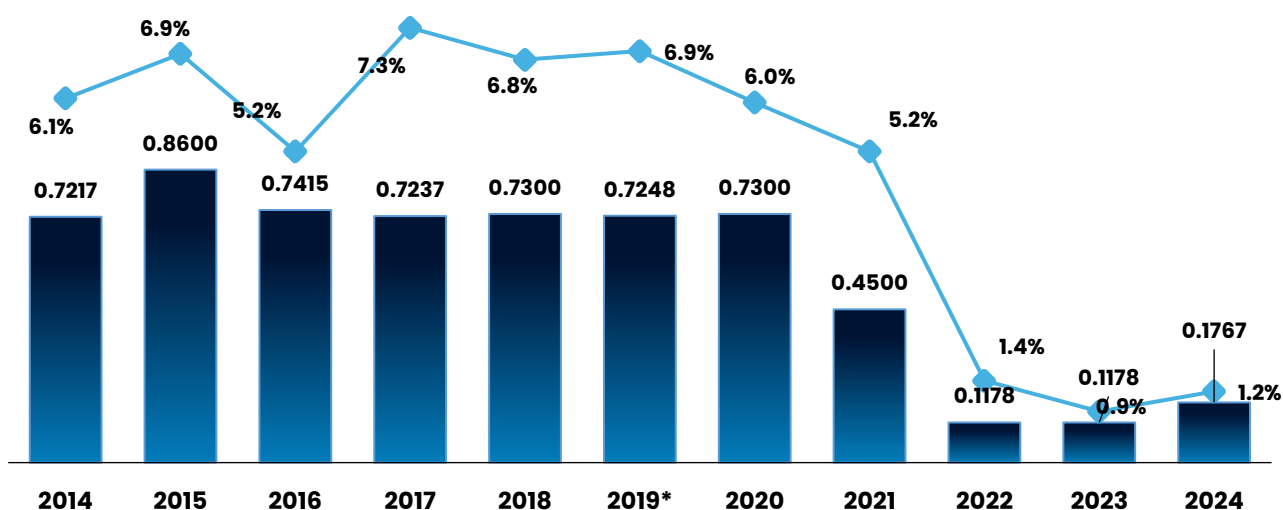


Source: Electrica

The yield of the dividend paid in 2024 (related to the 2023 results) was 0.9%, with the gross dividend per share paid in 2024 amounting to RON 0.1178. The dividend yield (%) is calculated as: Gross Dividend per Share / Closing Price of the share on the BSE on the ex-date.

Thus, ELSA provided investors with a stable yield each year between 2014 and 2021, ranging from 5.2% to 7.3%. Since the onset of the energy crisis in 2022 and up to the present, the dividend payout ratio has been reduced compared to previous levels for reasons related to optimal capital allocation and the prioritization of investments.

Figure 31: Gross dividend per share (RON) and dividend yield (%)



Source: Electrica

¹ The dividends refer to each financial year indicated and are paid in the following year.

² The dividend distribution rate is calculated as gross dividends/Net profit distributable on dividends, where Net profit distributable on dividends is net profit according to ELSA's individual financial statements, except for mandatory distributions to legal reserves.

More details about dividends and their distribution can be found on the website:

https://www.electrica.ro/en/investors/shares-and-shareholders/dividende_en/.

3.5 Own shares

In July 2014, ELSA repurchased, in order to stabilize the price, 5,206,593 shares and 421,000 Global Depository Receipts, representing the equivalent of 1,684,000 shares, a total of 6,890,593 own shares. The total amount paid for these shares and Global Depository Receipts was RON 75.4 million.

On 25 April 2024 the Extraordinary General Meeting of Shareholders of Electrica to cancel these treasury shares and reduce the share capital accordingly. On 19 July 2024, the Financial Supervisory Authority (ASF) issued the Certificate of Registration of Financial Instruments (CIIF) no. AC - 4023 - 3 / 19.07.2024, regarding the share capital reduction by the value of the treasury shares held since 2014.

On July 22, 2024, the Central Depository operated the reduction of the share capital of Electrica SA by canceling the 6,890,593 own shares, so that currently the company has a share capital of 3,395,530,040 lei, divided into 339,553,004 shares, with a nominal value of RON 10 per share, all with voting rights.

4 Corporate Governance in ELSA

ELSA confers a great importance to the principles of good corporate governance, considering corporate governance a key element for the sustainable business growth and for the enhancement of long-term value for shareholders.

ELSA constantly develops and adapts its corporate governance practices and model, both at standalone, as well as at Group level, so that it can align with the increasingly rigorous capital market requirements and with the best practices in corporate governance at European level, and also for creating opportunities and increase competitiveness.

The corporate governance represents the set of principles standing at the basis of the governance framework used for the company's management and control. Transposed in the internal rules and regulations, these principles determine the efficiency and effectiveness of the control mechanisms aiming to protect and harmonize the interests of all the stakeholders – shareholders, directors, executive managers, managers of different structures of the company, employees and the organizations that represent their interests, customers and business partners, suppliers, central and local authorities, regulators and capital markets operators etc.

ELSA's Code of Corporate Governance presents primarily the main work methods, attributions and responsibilities of the management and supervisory structures of the company, as well as those of the committees constituted to support these structures to fulfil their responsibilities.

ELSA undertook, from the moment of the IPO and admission to trading from July 2014, the implementation of a corporate governance action plan, as part of the framework agreement concluded with the European Bank for Reconstruction and Development. The standards and measures provisioned in this plan have been implemented and continuously monitored. For more details about this Action plan, please see *chapter 4.9*.

4.1 Corporate Governance Code

Starting with 2014, ELSA adheres to and applies wilfully the provisions of the Corporate Governance Code issued by BSE, reviewed periodically. This code can be accessed on the BSE's website at the following address:

<http://www.bvb.ro/Regulations/LegalFramework/BvbRegulations>.

Formally, ELSA adopted the Code of Corporate Governance (ELSA CGC) starting with February 2015 and made it available to all the interested parties on ELSA's website, in the section *Investors > Corporate Governance* here

<https://www.electrica.ro/en/investors/corporate-governance/>.

ELSA's compliance with BSE's Corporate Governance Code is being thoroughly assessed, and as updates and developments appear, ELSA promptly reports them to the capital market. The compliance with the provisions of the CGC issued by the BVB is presented annually in the Declaration on Corporate Governance "apply or explain" in *Chapter 4.8*. This is also available on the company's website in the section *Investors > Corporate Governance > Comply or Explain*.

ELSA CGC embeds the general principles and conduct rules that set forth and regulate the corporate values, the responsibilities, the obligations and the business conduct of the company.

ELSA CGC contains the terms of reference and the main responsibilities of the company's administrative and executive management, as they are detailed in ELSA's Articles of Association, the organization and functioning regulations of the Board of Directors and those of its committees.

ELSA CGC is also a guide on business conduct and corporate governance matters for the management and for the employees of ELSA, as well as for other stakeholders, and provides information about the company's principles and policies.

The corporate policies and documents referred to in ELSA CGC can be accessed on the company's website in the section *Investors > Corporate Governance > [Corporate policies and other documents](#)*.

In response to significant legislative amendments and the adoption of the new Bucharest Stock Exchange (BVB) Corporate Governance Code, applicable as of 1 January 2025, and in order to align with best corporate governance practices, Electrica has carried out, up to the date of this report, an extensive process of reforming, updating and strengthening its corporate governance framework.

As part of this process, Electrica has reformed, updated and consolidated its governance framework by developing and revising the following key corporate documents: the Corporate Governance Code, the Board of Directors Charter, the Charters of the advisory committees (Nomination and Remuneration Committee, Audit and Risk Committee, Strategy and Corporate Governance Committee and Climate Governance and Public Policy Committee), the Policy on the nomination/selection and suitability of members of the Board of Directors, the updated Board Profile, the Delegation of Authority Policy and Standard, the Related Party Transactions Policy, the Occupational Health and Safety Policy, the Diversity, Equality and Inclusion Policy at ELSA level, and the Sustainability Reporting Policy.

Furthermore, the Articles of Association of the Company were updated and entered into force on 5 February 2025. On March 6, 2026, the Board of Directors convened the Ordinary General Meeting and the Extraordinary General Meeting of Shareholders for April 29, 2026, where amendments to the Articles of Incorporation, generated by the legislative changes during the course of 2025, are proposed to the shareholders.

In compliance with company's policies and with the procedures of the Code of Ethics and Professional Conduct, the Audit and Risk Committee ensures that the company's activity is carried on with honesty and integrity, including the implementation of the whistle-blower policy. ELSA has implemented a procedure for reporting ethical deviations, irregularities and any other aspects of non-compliance with the law that otherwise could cause image and/or commercial prejudice or even involve legal sanctions, thus damaging the prestige and profitability of the company. The whistle-blowing reporting system which functions according to this procedure, as well as the procedure itself, are available on ELSA's website, in the *Whistleblowing* section which can be found here <https://www.electrica.ro/en/whistleblowing/>.

Since ELSA's shares are allowed for trading both on the regulated market managed by Bucharest Stock Exchange (BSE), as well as on the market managed by the London Stock Exchange (LSE), and the bonds issued by the Company are admitted to trading on the Luxembourg Stock Exchange and the Bucharest Stock Exchange, the Company is subject to the rules imposed by the national and European laws regarding market abuse prevention and the regime applicable to inside information. Thus, ELSA has implemented a Policy on preventing the misuse of inside information, unauthorized disclosure of inside information and market manipulation (*Policy regarding Market Abuse*). The purpose of this policy is to prevent violations of the legal provisions regarding the misuse of inside information, by increasing the awareness of all persons who possess inside information regarding the obligations, restrictions and sanctions applicable in case of possession and abusive use of inside information or in case of market manipulation regarding ELSA's securities.

All the owners of financial instruments of the same type and class issued by ELSA are entitled to equal treatment. In order to ensure efficient, active and transparent communication with its shareholders, within ELSA activates the investor relations department and related processes have been set up to ensure efficient and transparent communication with investors, in compliance with the legal obligations in force, which can be found in the *Investor Relation Corporate Disclosure Policy*, applicable at ELSA level, available, in the updated form, on the company's website since 25 August 2020. The company's rules and procedures that establish the framework for organizing and conducting general meetings of shareholders are contained in ELSA's GMS Policy, amended on 19 September 2024 and available electronically on the company's website in the sections *Investors > General Meeting of Shareholders* and *Investors > Corporate Governance > Corporate policies and other documents*.

The section dedicated to investors is available on ELSA's website by accessing <https://www.electrica.ro/en/investors/>. Up-to-date essential information, of interest for the investors, can be found in this section, providing access to documents governing the company, in accordance with the provision of the CGC issued by BSE. This section also contains the name and contact details of the person who can provide, upon request of interested parties, relevant information regarding the activity of the company.

4.2 General Meeting of ELSA's Shareholders

The General Meeting of Shareholders ("GMS") is the main corporate governance body of ELSA, deciding on the items as outlined in the Articles of Association. The convening, functioning, voting method, as well as other provisions regarding the GMS are detailed in ELSA's Articles of Association, which is available in electronic format on ELSA's website <https://www.electrica.ro/en/the-group/about/constitutive-act/>.

Starting from February 1, 2020, ELSA has in force a policy regarding the organization and conduct of the company's general meetings of shareholders, which presents in detail aspects of interest to investors regarding the organization and conduct of the AGM. Its last update was carried out in September 2024, being extended by the introduction of electronic voting, with all the options allowed by the capital market legislation. The policy is available on the company's website, in the section Investors > Corporate Governance > Corporate Policies > [Policy on Organizing and Running the General Meetings of Shareholders](#).

ELSA's ordinary general meeting of the shareholders (OGMS and EGMS) main duties are found in the company's articles of association, available on the company's website here: *Investors > Corporate Governance > Corporate Policies > [Articles of Association](#)* – entered into force on February 5, 2025.

The OGMS is convened at least once a year, within a maximum of four months from the end of the financial year. Except for this situation, OGMS and EGMS are convened as many times as needed, being convened by ELSA's Board of Directors whenever necessary for the activity of Electrica Group. The GMS may be convened also, upon the request of shareholders representing, individually or cumulatively, at least 5% of the share capital. In this case, the general meeting of the shareholders shall be convened by the Board of Directors within no more than 30 days and shall meet within no more than 60 days from the date of receiving the request.

4.3 Shareholders' rights

The rights of all ELSA's shareholders, independent of their holdings, are protected according to the relevant legislation. Shareholders have, amongst other rights provided under the company's Articles of Association and the laws and regulations in force, the right to obtain information about ELSA's operations and results, regarding the exercise of voting rights and the voting results in the GMS.

Shareholders have also the right to participate and vote in the GMS, as well as to receive dividends. There are no shares granting the right to more than one vote.

Moreover, shareholders have the right to challenge the decisions of GMS or to withdraw from ELSA and to request the Company to acquire their shares, in certain conditions mentioned by the law. Likewise, one or more shareholders holding, individually or jointly, at least 5% of the share capital, may request the calling of a GMS. Those shareholders have also the right to add new items to the agenda of a GMS, provided that those proposals are accompanied by a justification or a draft resolution proposed for approval and copies of the identification documents of the shareholders who make the proposals.

The rights and obligations of the holders of the shares, as well as those of the depositary receipt holders are found in the company's articles of association, available on the company's website here: Investors > Corporate Governance > Corporate Policies > [Articles of Association](#) - entered into force on February 5, 2025.

Transfer of shares

The shares are indivisible. The company shall recognize a sole owner per each share, subject to the provisions of article 11 paragraph (4) from Articles of Association.

The partial or total transfer of shares between the shareholders or to third parties shall be carried out according to the terms and procedure provided by the applicable legal provisions, including the capital markets legislation.

4.4 ELSA's Board of Directors

ELSA adopted a one-tier (unitary) corporate governance system, in accordance with the principles of good corporate governance, transparency and accountability towards its shareholders and other categories of stakeholders, aiming to support and drive the business development and the efficient exchange of relevant corporate information.

The Board of Directors (BoD) is responsible for taking all the necessary measures to carry out, as well as to supervise the activity of the company. Its structure, organization, duties and responsibilities are established under the Articles of Association and the Charter (organization and functioning regulations) of the BoD.

According to the provisions of the company's Articles of Association, starting with 14 December 2015, the BoD is composed of seven non-executive directors, elected by the Ordinary General Meeting of Shareholders of the company for a four-year mandate, out of which four must meet the criteria of independence provided by the Articles of Association.

During 2025, the Board of Directors' structure has undergone changes, as follows:

- At the beginning of the year, the BoD was composed of the following members: Mr. Mihai Diaconu, Mr. Ion - Cosmin Petrescu, Ms. Georgiana Bogasievici, Mr. Dragos - Valentin Neacsu, Mr. Adrian - Florin Lotrean, Mr. Marian-Cristian Mocanu and Ms. Valentina - Elena Siclovan;
- On the date of 29 January 2025, the Board of Directors elected Mr. Mihai Diaconu as Chairman of the Board of Directors starting with the date of 01 February 2025, for the duration of the administrator mandate, at the same time, the Board of Directors abolishes the positions of vice-chairmen of the Board of Directors starting with the date of 29 January 2025;
- On the date of 05 February 2025, the GMS appointed Mr. Mihai Diaconu as a BoD member with a mandate until the date of 26 January 2028;
- On the date of 29 April 2025, considering the resignation from the administrator mandate of Ms. Valentina-Elena Siclovan, the Board of Directors appoints Mr. Craciun Mihnea-Andrei, as a interim member of the Board of Directors, starting with the date of 01 May 2025 until the date of the next meeting of the Ordinary General Meeting of Electrica Shareholders or until 30 April 2026 at the latest.

Table 15. Members of the BoD 01 January 2025 – 30 April 2025

No	Name	Term of office (until 26 January 2028)	Status	Starting date of the first mandate
1	Mr. Mihai Diaconu	21.10.2024 – 26.01.2028	President, non-executive director	21 October 2024
2	Mr. Marian Cristian Mocanu	4 years	non-executive director, independent	26 January 2024

No	Name	Term of office (until 26 January 2028)	Status	Starting date of the first mandate
3	Mrs. Georgiana Bogasievici	4 years	non-executive director	26 January 2024
4	Mrs. Valentina – Elena Siclovan	4 years	non-executive director, independent	24 July 2023
5	Mr. Adrian-Florin Lotrean	4 years	non-executive director, independent	28 April 2021
6	Mr. Dragos-Valentin Neacsu	4 years	non-executive director, independent	28 April 2021
7	Mr. Ion-Cosmin Petrescu	4 years	non-executive director	28 April 2021

Source: Electrica

Table 16. Members of the BoD 1 May 2025 – 31 December 2025

No	Name	Term of office (until 26 January 2028)	Status	Starting date of the first mandate
1.	Mr. Mihai Diaconu	21.10.2024 – 26.01.2028	President, non-executive director	21 October 2024
2.	Mr. Marian Cristian Mocanu	4 years	non-executive director, independent	26 January 2024
3.	Mrs. Georgiana Bogasievici	4 years	non-executive director	26 January 2024
4.	Mr. Mihnea Craciun	01.05.2025- 30.04.2026	non-executive director, independent (interim)	1 May 2025
5.	Mr. Adrian-Florin Lotrean	4 years	non-executive director, independent	28 April 2021
6.	Mr. Dragos-Valentin Neacsu	4 years	non-executive director, independent	28 April 2021
7.	Mr. Ion-Cosmin Petrescu	4 years	non-executive director	28 April 2021

Source: Electrica

More details on the Board members' biographies can be found on the Group's website in the section *Investors > Corporate Governance > Board of Directors*.

Below are presented **the most relevant aspects regarding the professional experience of the BoD members**.

Mihai Diaconu

Chairman, Non-Executive Director, appointed on 21 October 2024 and member of the Strategy and Corporate Governance Committee.

Born in 1984, Mr. Diaconu has almost 15 years of experience in the field of central public administration, holding several public management positions, namely Deputy Director General, Deputy Secretary General and Secretary General in the Ministry of Finance.

Since February 2022, Mr. Diaconu has held the position of Secretary of State in the Ministry of Finance. In this capacity, he coordinated the activity of drafting and approving draft normative acts in the field of competence of the Ministry of Finance, the process of drafting/implementing the strategy in the field of information and communications technology for improving services in the field of public finance, as well as the activity regarding state aid schemes implemented by the Ministry of Finance.

Currently, Mr. Diaconu coordinates the activity regarding the management of Romania's international arbitration and judicial files, the activity regarding the analysis/approval of the revenue and expenditure budgets of public enterprises in the central administration and the monitoring of their economic and financial indicators, as well as the activity of updating the centralized inventory of state public and private assets. His professional activity within the Ministry of Finance began in 2014 when he was hired as a personal advisor at the office of the Minister of Public Finance and was later appointed Deputy Secretary General.

In terms of administrative management, Mr. Diaconu held the position of member of the Boards of Directors of: "Telecomunicatii C.F.R." S.A, in the periods February – June 2021 and April – September 2022, and of the National Credit Guarantee Fund for Small and Medium-sized Enterprises, in the period June 2018 – December 2019.

From April 2022 to the present, Mr. Diaconu is a member of the Interministerial Committee for Finance, Guarantees and Insurance.

Mr. Diaconu is a graduate of the University of Bucharest - Faculty of Administration and Business, where he also holds a master's degree in public administration management. He has also completed training and professional development programs organized by the National Institute of Administration and the Romanian Diplomatic Institute.

Currently, Mr. Mihai Diaconu is a non-executive director, Chairman of the Board of Directors and member of the Strategy and Governance Committee.

Georgiana Bogasievici is a non-executive director since 26 January 2024, member of the Climate Governance and Public Policies Committee

Born in 1991, Mrs. Georgiana Bogasievici is a dedicated legal professional with experience in the field of law and public administration, reflected in her varied and significant roles.

With a legal career started at the Faculty of Law of the University of Bucharest, she deepened her knowledge with a master's degree in Civil Law and Civil Procedure at Titu Maiorescu University.

She also attended the professional training and development course "Communication, protocol and etiquette in diplomacy" at the Romanian Diplomatic Institute.

She has demonstrated proficiency in environmental management and public procurement, occupying positions of legal advisor and leader in various public and private organizations.

English and Spanish are among her advanced language skills. Ms. Bogasievici has distinguished herself through communication and interpersonal skills, stress management and adaptability, qualities that make her a valuable addition to any team.

Mrs. Bogasievici was elected as a non-executive director, member of the Board of Directors, by Electrica's Ordinary General Meeting of Shareholders from 26 January 2024.

Currently Mrs. Georgiana Bogasievici is a non-executive director since 26 January 2024, member of the Climate Governance and Public Policies Committee.

Adrian-Florin Lotrean is a non-executive, independent director since 28 April 2021, the Chairman of the Nomination and Remuneration Committee and member of the Strategy and Corporate Governance Committee.

Born in 1980, Currently Mr. Lotrean holds the position of coordinating associate of Infinexa Restructuring SPRL and has extensive professional experience in the field of insolvency, coordinating, as an insolvency practitioner, complex restructuring projects aimed at the production of heat and electricity in a cogeneration system (for clients such as CET ARAD SA , Electrocentrale Constanta SA), being a consultant to the judicial administrator of Electrocentrale Bucuresti SA and coordinating the Hidroserv S.A. restructuring procedure.

In terms of corporate management, Mr. Lotrean had a significant impact as President of the Board of Directors of Compania Municipale Termoeenergetica Bucuresti SA between May 2021 and November 2023, a period in which the foundations were laid for the resumption of investments in the heating network in Bucharest. Previously, between September 2019 and December 2020 Mr. Lotrean held the position of Member of the Board of Directors of Electroplast SA Bistrita, between November 2007 and February 2010 he was an insolvency practitioner in the professional civil society Casa de Insolventa Transilvania S.P.R.L where he participated in the management of projects regarding over 50 commercial companies.

Between January 2003 – November 2007, Mr. Lotrean held the position of Financial Consultant within SC Depofarm SLR, providing consultancy for the elaboration of projects financed from European funds, the elaboration of feasibility studies, business plans and financial-fiscal consultancy. Previously, between November 2001 and December 2002, he held the position of specialized inspector within the Fiscal Control Department of the General Directorate of Public Finance Satu Mare.

He was re-elected by Electrica's Ordinary General Meeting of Shareholders from 26 January 2024.

Currently Mr. Lotrean is a non-executive independent director, Vice-president of the Board of Directors, Chair of the Nomination and Remuneration Committee and member of the Audit and Risk Committee.

Marian Cristian Mocanu was elected as an independent non-executive director, member of the Board of Directors, by the Ordinary General Meeting of Electrica Shareholders of January 26, 2024.

Mr. Mocanu is a graduate of the Faculty of Law at the University of Bucharest and also holds two master's degrees in Business Law (University of Bucharest) and Financial, Banking, and Insurance Law (Titu Maiorescu University).

Born in 1983, Mr. Mocanu, 41 years old, has more than 18 years of experience as a business lawyer, being involved in both consultancy activities and in dispute resolutions projects, with an emphasis on insolvency and restructuring issues, corporate law (shareholders' rights), including the defence of the interests of persons involved in complex investigations.

Throughout his career, Mr. Mocanu has advised and represented both local and international clients, thus building solid experience in a wide range of business sectors, such as real estate, energy, banking, automotive, IT&C, industrial production, or consumer goods.

Starting from 2020, Mr. Mocanu acts also as an insolvency practitioner, managing several insolvency cases during this period, with the purpose to ensure the highest possible degree of debt recovery.

During 2025, Mr. Mocanu also graduated from the postgraduate course "Corporate Governance that Adds Value" organized by EVNISIA in partnership with the Bucharest Stock Exchange and the Agency for Monitoring and Evaluation of Public Enterprises (AMEPIP) within the Government of Romania.

Currently Mr. Cristian Mocanu is a non-executive director, Chair of the the Strategy and Corporate Governance Committee and member of the Nomination and Remuneration Committee.

Dragos-Valentin Neacsu is a non-executive, independent director, since April 28, 2021, member of the Climate Governance and Public Policies Committee and Chairman of the Audit and Risk Committee

Born in 1965, Mr. Dragos Neacsu has extensive professional experience in the field of investment management and financial markets, both in national and international organizations. At the recommendation of the Board of Directors of the Association of Independent Directors of Romania, Mr. Neacsu is part of the team of sustainability champions, organized by the European Confederation of Directors (ecoDa), to support the views of the independent directors community, in the context of the European Commission consultations, regarding the Omnibus package to simplify existing European regulations, which intends to reduce reporting requirements, taking into account the excessive bureaucracy associated with the implementation process of the Taxonomy-ESRS-CSDDD trinomial.

In parallel, Mr. Neacsu is the CEO of the GS1 Romania Association, part of an international network that brings together 118 national non-profit associations, with over 50 years of activity in the development and promotion of coding, serialization and traceability standards in business communication.

Between February 2020 and February 2024, Mr. Neacsu held the positions of independent member of the Board of Directors of the Bucharest Stock Exchange S.A., member of the Audit Committee and president of the Exchange's Appeals Committee.

Until October 2019, Mr. Neacsu held the position of Executive General Director, President of the Directorate of SAI Erste Asset Management SA, previously being Director of Financial Services of Deloitte Consultanta SRL. Between February and September 2005, he was Minister Secretary of State, head of the State Treasury within the Ministry of Public Finance. Between July 1998 and February 2005, he held the position of President - General Director of SSIF Raiffeisen Capital & Investment S.A.

Among other relevant positions held by Mr. Neacsu: Member of the Board of Governors EFAMA (European Fund and Asset Management Association, between 2013-2016), Romania's representative in multilateral financial institutions (Council of Europe Bank (BDCE), Black Sea Trade and Development Bank (BSTDB)), Vice-president and then President of the Romanian Association of Asset Managers (AAF, between 2008-2016), founding member and first Vice President of the Board of Romanian Association for Privately Managed Pension Funds (APAPR in 2004), Independent non-executive member of the Supervisory Board of BCR Pensii, Private Pension Fund Management Company S.A. (between 2009-2019), Non-executive member of CEC Bank S.A Board (between 2005-2006), Member of the Stock Exchange Council (between 2001-2004), of the first Board of Directors after demutualization (2005) and between 2021-2024, , Member of the Board of Directors of the Romanian Business Leaders Foundation (2017-2023), member of the Board of the "Merito" project (from 2017-present), Independent non-executive member of the C.A. FINS I.F.N S.A (from 2018-present).

He is part of the first generation (1994-1995) of the Romanian-Canadian MBA program, launched in cooperation by the Canadian universities UQAM and McGill, together with the Bucharest Academy of Economic Studies and is a graduate of the Bucharest Construction Institute (currently the Technical University), class of 1989.

Dragos-Valentin Neacsu is an independent non-executive member of the Board of Directors since April 28, 2021.

He was re-elected by the Ordinary General Meeting of Electrica Shareholders on January 26, 2024

Currently, Mr. Neacsu is an independent non-executive director, Chairman of the Audit and Risk Committee and member of the Climate Governance and Public Policy Committee.

Ion-Cosmin Petrescu is a non-executive director since 28 April 2021, member of the Nomination and Remuneration Committee and member of the Strategy and Corporate Governance Committee.

Born in 1978, Mr. Cosmin Petrescu holds an extensive professional experience in business development, sales and management. Mr. Cosmin Petrescu presently activates in FNGCIMM, where he leads the activity of IT, State Aid and Reporting Divisions. Cosmin Petrescu is also the President of the working groups dedicated to the program IMMINVEST ROMANIA and for the relation with the European Bank of Reconstruction and Development.

Starting February 2021, he holds the position of Adviser within the Chancellery of the Prime Minister, on digitization issues.

Previously, starting with the year 2001, Mr. Petrescu held different positions within companies acting in the Oil & Gas sector where he proved competence in optimizing business processes (Lean Management).

Ion-Cosmin Petrescu is a non-executive director, member of the Board of Directors, starting 28 April 2021. He was re-elected by Electrica's Ordinary General Meeting of Shareholders from 26 January 2024.

Currently Mr. Petrescu is a non-executive director, Member of the Nomination and Remuneration Committee and Member of the Strategy and Corporate Governance Committee.

Mihnea Craciun

Non-executive Independent Interim Director Starting with 01 May 2025, member of the Climate Governance and Public Policy Committee starting 14 May 2025.

Since January 2021, Mr. Mihnea Craciun has been leading Endeavor Romania, the local chapter of Endeavor Network, a global entrepreneurial support organization, facilitating mentorship, education, peer-to-peer networking, and access to financing. Endeavor is home to over 2,500 entrepreneurs from 45 countries, supported by a network of more than 10,000 mentors and 500 investment funds, all dedicated to strengthening local ecosystems for entrepreneur development.

Prior to this, Mr. Craciun had a 20-year career in banking, working with ING and the European Bank for Reconstruction and Development (EBRD), in areas such as structured finance and investment banking.

Between 2007 and 2021, Mr. Craciun worked for EBRD, in his first 8 years as a Power & Energy Utilities sector banker, and from 2015 to 2021 serving as Deputy Director of EBRD Romania. As an energy sector banker, Mihnea led or participated in transactions such as the financing of projects in renewable energy, gas, and coal, as well as in EBRD's investment in distribution utilities, like E.ON Romania (where he served also as a local board member between 2010–2014) or Electrica S.A., and in energy transmission.

In his role as Deputy Director of EBRD Romania, Mr. Craciun led the Bank's local operations in sectors such as industry, commerce and agribusiness, energy and natural resources, infrastructure, real estate, and financial institutions. At the same time, Mihnea contributed to expanding EBRD's activities in supporting the entrepreneurial sector, developing the local venture capital industry, and promoting corporate governance in both public and private institutions.

At Endeavor, since 2021, Mr. Craciun has been supporting the development of Romanian entrepreneurs in their efforts to scale internationally and promoting the growth of the local entrepreneurial ecosystem.

Currently, Mr. Craciun is a non-executive director, Member of the Climate Governance and Public Policy Committee.

Four consultative committees support the activity of the BoD, respectively the Nomination and Remuneration Committee, the Audit and Risk Committee, the Strategy and Corporate Governance Committee and the Climate Governance and Public Policies Committee each of them composed of three directors and chaired by one of them. The majority members of the

Nomination and Remuneration Committee and of the Audit and Risk Committee, as well as their Chairs, are independent directors.

The consultative committees' members are elected for a period of one year. Changes in the composition of the committees during this period may intervene with the vacancy of a Board position. The organization, duties and responsibilities of each committee are set under ELSA's Articles of Association, respectively in the committee Charters and in the Company's Corporate Governance Code.

The composition of the committees during 2024, as it follows:

➤ **01 January – 30 April 2025**

Nomination and Remuneration Committee:

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

Audit and Risk Committee:

- Mrs. Valentina Elena Siclovan - Chairman;
- Mr. Adrian-Florin Lotrean – Member;
- Mr. Ion Cosmin Petrescu – Member.

Strategy and Corporate Governance Committee:

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

Climate Governance and Public Policies Committee

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

➤ **1 May – 13 May 2025**

Nomination and Remuneration Committee:

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

Audit and Risk Committee:

- Mr. Adrian-Florin Lotrean - Chairman;
- Mr. Cosmin Petrescu– Member;
- Mr. Mihai Diaconu – Member.

Strategy and Corporate Governance Committee:

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

Climate Governance and Public Policies Committee

- Mr. Dragos-Valentin Neacsu – Chairman;
- Mrs Georgiana Bogasievici.– Member.
- Mr. Cristian Mocanu – Member;

➤ **14 May – 31 December 2025****Nomination and Remuneration Committee:**

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

Audit and Risk Committee:

- Mr. Dragos-Valentin Neacsu - Chairman;
- Mr. Adrian-Florin Lotrean – Member;
- Mr. Mihai Diaconu – Member.

Strategy and Corporate Governance Committee:

- Mr. Marian - Cristian Mocanu - Chairman;
- Mr. Cosmin Ion Petrescu – Member;
- Mr. Mihai Diaconu – Member.

Climate Governance and Public Policies Committee

- Mrs. Georgiana Bogasievici– Chairman;
- Mr. Mihnea Craciun– Member;
- Mr. Dragos-Valentin Neacsu – Member

At the issue date of this report, the composition of the BoD Committees is as follows:

Nomination and Remuneration Committee:

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

Audit and Risk Committee:

- Mr. Dragos-Valentin Neacsu - Chairman;
- Mr. Adrian-Florin Lotrean – Member;
- Mr. Mihai Diaconu – Member.

Strategy and Corporate Governance Committee:

- Mr. Marian - Cristian Mocanu - Chairman;
- Mr. Cosmin Ion Petrescu – Member;
- Mr. Mihai Diaconu – Member.

Climate Governance and Public Policies Committee

- Mrs. Georgiana Bogasievici– Chairman;
- Mr. Mihnea Craciun– Member;

- Mr. Dragos-Valentin Neacsu – Member.

According to the available information, there is no agreement, understanding or family relation between the directors of the company and another person who may have contributed to their appointment as directors.

As of 31 December 2025, among the BoD members, Mr. Dragos-Valentin Neacsu held a number of 20 ELSA shares and Mr. Cristian Mocanu held 500 ELSA shares, purchased during 2022 -2023.

According to the available information, the BoD members were not involved in litigations or administrative proceedings regarding their activity within the company or regarding their capacity to fulfil their duties within the company in the past five years.

4.5 The activity of ELSA's Board of Directors and of its consultative committees in 2025

In 2025 the Board of Directors met 40 times; of these, 13 meetings were organized with the physical presence of the members, 15 were held by conference call, in accordance with Art. 18 para. 20 of the company's Articles of Association and 12 meetings were organized electronically.

Below are presented the Board members' attendance (in person, by conference call, or by e-mail) in the meetings of the Board of Directors and its committees in 2025.

Table 17. Participation of the BoD members at the meetings and of the committees in 2025

Name	The Board of Directors (no. of meetings 40)	The Audit and Risk Committee (no. of meetings - 21)	The Nomination and Remuneration Committee (no. of meetings - 16)	The Strategy and Corporate Governance Committee (no. of meetings - 18)	Climate Governance and Public Policies Committee (no. of meeting – 6)
Mihai Diaconu	35	12	-	16	-
Valentina Elena Siclovan	12	6	-	-	3
Georgiana Bogasievici	38	-	-	-	5
Adrian-Florin Lotrean	38	18	14	-	-
Cristian Mocanu	35	-	14	16	-
Dragos-Valentin Neacsu	39	15	-	4	6
Ion-Cosmin Petrescu	40	6	16	14	-
Mihnea Craciun	26	-	-	-	3

Source: Electrica

Evaluation of the Board of Directors:

Board evaluates annually its activity and that of its consultative Committees to identify areas of improvement, and to increase its efficiency. The purpose of the evaluation is to provide members of the Board with an overview of their activity, strengths/weaknesses, performance and the potential of collective and individual development, in order to efficiently and effectively fulfil their responsibilities as members of the Board.

According to the established mechanism, the evaluation is conducted either with the support of a consultant or by self-evaluation.

The Board of Directors decided, to conduct the evaluation of its activity and functioning during 2025, internally, using a questionnaire developed internally and updated with the new BVB requirements. The Board of Directors that participated in the evaluation were:

- ✓ Mihai Diaconu - BoDChair;
- ✓ Georgiana Bogasievici - BoD member;
- ✓ Mihnea Craciun – BoD member;
- ✓ Adrian Florin Lotrean- BoD member;
- ✓ Cristian Mocanu - BoD member;
- ✓ Dragos Valentin Neacsu - BoD member;
- ✓ Ion-Cosmin Petrescu - BoD member.

The questionnaire served to perform an assessment of the Board's activities in the following areas:

- Specific KPIs as provided in the mandate agreements (the main objectives defined by the General Meeting of Shareholders: Group strategy, Corporate Governance, Placement of financial investments and Investments achievement in the distribution companies)
- Board Efficiency and Ways of Working of the Board
- Board interactions and activities' dynamics
- Self-Assessment of each Board member
- Functioning of the Board Chair
- Board's interactions with CEO/Management
- Board's interactions with stakeholders.

From the analysis of the results of the questionnaire, it emerged as a general conclusion that the development of the BoD activity during the year 2023 took place in good conditions, the following being highlighted:

1. The majority of respondents assessed the overall activity of the Board during 2025 as good.
2. Regarding the performance indicators of the BoD members, it was assessed that the target regarding the implementation of corporate governance at the group level was achieved, the year 2025 brought a consolidation of the Electrica brand on the market, especially on aspects related to green energy, consolidating the brand and strategic positioning by issuing green bonds, contracting a syndicated loan and advancing projects in the production area, which supported the diversification of the portfolio and the transformation of Electrica into an integrated energy group oriented towards sustainable growth.
3. To streamline the implementation of the strategy, it is necessary to strengthen the executive departments responsible for translating strategic decisions into operational plans, which will allow the Board to maintain its focus on its strategic role. In this context, it is considered necessary to strengthen the executive structure with clear responsibilities regarding the implementation and monitoring of the strategy, by clarifying responsibilities and related performance indicators.

4. Regarding the level of investments made, the volume of investments exceeded the plan approved by ANRE, supporting the modernization of networks and improving operational performance.
5. As in previous years, the Board analyzed the business environment in which the Company operates and the potential opportunities, at the same time, they mentioned that it is necessary to diversify the sources of financing for investment projects and current activity and to complete the projects started that would benefit both the Group and its stakeholders.
6. Regarding the efficiency and working methods of the Board, the members appreciated that their contribution to the company's development is substantial. In addition, the current composition of the Board was appreciated as being good, benefiting from diversified expertise, with improvements being possible in terms of diversity both from a gender and international perspective.
7. Regarding the identification and mitigation of risks, the members of the Board appreciated that the main risks and their management mechanisms have been identified. Both the Board and the Executive team manage to control internal risks and face external challenges, while increased attention is needed in the area of cybersecurity and climate changes.
8. The members of the Board appreciated the personal contribution made by each member in the activity carried out, the involvement and the impact of the decisions adopted.
9. Communication within the Board is considered to have room for improvement, at the same time, it is necessary to reduce the time allocated to physical meetings and streamline the decision-making process, and according to the assessment of the Board members, the atmosphere at the Board level encourages the expression of points of view and open debates, which constitutes one of the bases for substantiating the decisions adopted.
10. Also, the work done by the Chair received positive feedback from respondents, especially regarding the facilitation of an open and constructive dialogue during Board meetings
11. The members of the Board appreciated that the relationship with shareholders, as well as with the general public, is at a fair level and of good quality.

The following aspects for improvement were suggested:

1. In order to accelerate the implementation of the strategic objectives assumed at group level, it is necessary to strengthen the mechanisms of dialogue, coordination and alignment between the Board of Directors of the parent company and the management structures of the subsidiaries;
2. Regarding the consolidation of the Electrica brand, the Board of Directors appreciates that the area of partnerships/investments in research/innovation and the connection with stakeholders in the educational environment (high school and university) can be improved;
3. Regarding the implementation of Corporate Governance, in the context of increasing operational complexity and expanding responsibilities at group level, it is considered appropriate to consolidate and standardize continuous training programs for members of the boards of directors of subsidiaries, in order to ensure a unitary and efficient monitoring of the implementation of the group strategy.
4. Regarding the mandate contracts of the Board members, adjustments are considered necessary to comply with the new provisions of the BVB Governance Code.

The Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of three non-executive BoD members, two of its members are independent.

The role of the Committee is to propose candidates for the BoD, to develop and propose to the Board the selection procedure of candidates for the executive managers' positions and other management positions, to recommend the Board candidates for these positions, to formulate proposals on the managers' and other management positions' remuneration.

The Committee has the following responsibilities **concerning nomination matters**:

- recommends to the Board a nomination policy, including a target Board profile, the process and principles to be considered by the shareholders when proposing candidates for company's directors, and advises the Board regarding the nomination of interim directors in accordance with the policy;
- reviews the implementation of the nomination policy, submits a report to the Board on its implementation and presents a summary of this report in the Directors' Report;
- advises the Board on the appointment and dismissal of the Chief Executive Officer, makes recommendations on the appointment and dismissal of the company's executive management team after consulting with the Chief Executive Officer, and makes proposals on the appointment and dismissal of subsidiaries' board of directors members in accordance with the Group Governance Policy;
- recommends to the Board policies in the human resources field, including those covering recruitment and dismissal, talent management and development and succession planning across the company and its subsidiaries (the Group);
- recommends to the Board a succession policy, both for the members of the board and for the executive team;
- supervises the process of annual evaluation of the effectiveness of the Council and its advisory committees;
- periodically assesses the size, composition and Committee's structure and makes recommendations to the Board with regard to any changes;
- advises the Board on continuous skill development programmes for Board members and executive management;
- oversees the nomination process of the appointment of subsidiaries' CEOs and executive managers according to the nomination and remuneration policy.

The Committee has the following duties **regarding remuneration**:

- advises the Board in relation to the remuneration, incentive and compensation policies of the company;
- advises the Board regarding the periodic review of the remuneration policy for Board members and executive managers;
- advises the Board in relation to the remuneration of the CEO and other executive managers, including the main remuneration components, annual and long term performance objectives and regarding evaluation methodology;
- makes recommendations to the Board on the remuneration of subsidiaries' board members and the general limits of remuneration for subsidiaries' executive management;
- monitors compensation trends within areas relevant to the Group;
- oversees the remuneration process of the subsidiaries' chief executive officer and executive managers according to the nomination and remuneration policy at the Group level;
- verifies at least once a year the number of mandates held in other companies by the members of the Board and by the executive managers, in order to evaluate their independence;
- oversees the annual evaluation process of the Board of Directors' activity.

The Nomination and Remuneration Committee met 16 times during 2025, among the main aspects on which the activity of the Committee focused, were the following:

- ✓ Analysis of ELSA executive managers' KPIs achievement for 2024 and establishing of the KPIs for 2025;
- ✓ Supervising the evaluation process of the Board of Directors' activity during 2024 and 2025;
- ✓ Endorsing the proposals regarding the nomination of subsidiaries' Board members;
- ✓ Analysis of proposals regarding the position of provisional Board member and the proposal to the GMS of the Board members.

■ The Audit and Risk Committee

The Committee is composed of three non-executive BoD members, two of them being independent. The Committee's composition provided the necessary expertise in finance and risk management, according to legal requirements.

The main role of the Committee is to support the Board in fulfilling its duties of verifying the efficiency of company's financial reporting, internal control and risk management. While fulfilling this role, the Committee advises the Board regarding the assessment of the annual report and annual financial statements, whether the documents are accurate, balanced and comprehensive and provide all the necessary information for the shareholders' evaluation of the financial performance.

The Committee has the following duties in **terms of financial reporting**:

- examines and monitors the financial reporting process, the integrity of annual and interim financial statements, at standalone and consolidated levels, or of disclosures made by ELSA and its subsidiaries;
- reviews press releases announcing financial or operational results related to or derived from such financial statements, as well as any financial information or earning guidance, to be provided to financial analysts or rating agencies, by analyzing the fairness and adequacy of the content and presentation of such statements or information;
- regularly reviews the adequacy of the Group's accounting policies;
- reviews the financial forecast policy of the Company and recommends, to approval, towards Board of Directors;
- reviews and advises the Board on whether the content of the annual report, taken as a whole, represents a fair, balanced and understandable account for shareholders and provides them with the information necessary to assess the Company's performance.

Regarding the **audit and internal control matters**, the Committee has the following responsibilities:

- endorses, for the Board's approval, the annual plan at Group level, based on the annual risk assessment, as well as any significant changes to the plan and receives periodic reports on activities, important findings and follow-up of internal audit reports;
- periodically reviews the charter and internal audit manual and submits them to the Board, for approval;
- advises the Board on the appointment, dismissal and remuneration of the Head of Internal Audit Department;
- monitors the adequacy, effectiveness and independence of the internal audit function;
- makes recommendations to the Board on the appointment, rotation or dismissal of the company's external auditor;
- reviews the plan, activity and findings of the external auditor;
- assesses the independence and objectivity of the external auditor and monitors the compliance with relevant ethical and professional guidance, including the requirements on the rotation of audit partners;
- monitors the application of the legal standards and generally accepted internal audit standards;
- endorses the internal audit reports, the recommendations made by the internal auditors and the plans of measures for the implementation of the recommendations;
- performs any other activities established by the Board and the law;
- regularly reviews the adequacy of the key internal control policies, including fraud detection and bribe prevention policies;
- reviews the operations between affiliated parties in accordance with a policy drafted by the Committee and approved by the Board;
- analyzes the annual report prepared by the Internal Audit Department and/or Risk Management, which evaluates the effectiveness of the internal control system within the Group.

The Committee has the following responsibilities concerning **risk management matters**:

- reviews regularly the main risks facing the company and the Group, recommending to the Board adequate policies for risks identification, mapping, management and mitigation;

- monitors the main categories of risks that are recorded annually in the management report in order to reduce them and to evaluate the efficiency of the risk management system within the Group;
- makes recommendations to the Board on financing methods, including proposals for contracting any type of loans and securities associated with these loans;
- makes recommendations to the Board regarding major economic transactions within the authority of the General Meeting of Shareholders and assesses the associated risks regarding such transactions.

The Audit and Risk Committee met 21 times during 2025, among the main aspects on which the activity of the Committee focused, being the following:

- ✓ Analysis of the financial statements of ELSA at standalone and consolidated level for the financial year of 2024, as well as the financial statements of company's subsidiaries for the financial year of 2024, together with the financial auditor report and recommendations, issued during the auditing process;
- ✓ ELSA's budget execution, the consolidated budget execution and the quarterly financial results;
- ✓ Monitoring of the internal audit plan for 2025 and analysis of its achievement, as well as the reports submitted by the Internal Audit Department, proposing recommendations;
- ✓ Monitoring the implementation of the recommendations made by the internal audit department.
- ✓ Analysis and approval of financing proposals at Electrica and the Group level;

The internal audit activity is carried out by a structurally separate organizational unit (the internal audit department), within the Company. To ensure the fulfilment of its main functions, it reports functionally to the BoD through the Audit and Risk Committee and administratively to the CEO.

■ **The Strategy and Corporate Governance Committee**

The Committee is composed of three non-executive BoD members, holding the necessary expertise in performing the committee's specific duties, two of them being independent.

The Committee has the following **duties in terms of strategy**:

- makes proposals to the Board on the development of the medium-term strategic plan, makes recommendations on the strategic direction, priorities and long term objectives of ELSA and its subsidiaries;
- reviews management proposals on the Group's consolidated annual budget, subsidiaries' annual budgets, investment plans of the Group companies and makes relevant recommendations to the Board;
- advises the Board in monitoring and assessing the Group's performance in relation to the approved strategic plan, budgets, investment plans, industry trends, local and regional market trends, company's competitiveness and technological advances;
- periodically reviews the overall strategic planning process, including the process of developing the medium-term strategic plan, makes recommendations on the issues that can be improved in strategic planning and provides feedback to the executive management;
- makes recommendations to the Board regarding the proposed acquisitions, divestments, investment projects, joint-ventures and collaboration projects, especially assessing their alignment with the Group's strategy;
- performs any other activities or assume responsibilities regarding strategic matters which may be delegated periodically to the Committee by the Board.

Regarding the **tasks of the Committee on restructuring**, they mainly relate to the following:

- reviews and makes recommendations to the Board with respect to the development and implementation of the Group's overall restructuring plans and objectives, including any decision regarding the conduct or efficiency of core businesses;

- regularly reviews the organizational structure and chart of the company, and makes recommendations to the Board in this regard;
- performs any other activities or responsibilities on restructuring matters as may be periodically delegated to the Committee by the Board.

Also, the Committee has duties in **terms of corporate governance**:

- oversees and monitors the company's compliance with legal and contractual obligations on corporate governance, as well as other applicable corporate governance principles and makes recommendations to the Board;
- regularly reviews the company's Corporate Governance Code, the Charter of the Board of Directors and the company's Articles of Association and makes recommendations to the Board on relevant amendments to the company's corporate governance policy and documentation;
- submits the Group Governance Policy to the Board for approval and regularly reviews it thereafter;
- reviews the company's Delegation of Authorities policy and the company's Delegation of Authority standard in order to ensure that the delegation of authorities to management allows for effective and efficient decision-making process, and makes recommendations to the Board in this respect;
- reviews the company's policy for corporate social responsibility and stakeholder engagement, and makes recommendations to the Board in this regard;
- makes recommendations to the Board on improving the quality of information flows to the Board, including the improvement of reports sent, key performance indicators presented to them, and guidelines for preparing Board documents and presentations;
- drafts reports or materials related to corporate governance, upon the Board request.

During the year 2025, **the Committee met 18 times**, among the main aspects on which the activity of the Committee focused, being the following:

- ✓ Analysis of the opportunities and the efficiency of investments in different renewable production capacities and participation in various competitive processes in this regard;
- ✓ Endorsement of ELSA's projects
- ✓ Endorsement of the Revenue and Expenditure Budget for the year 2025;
- ✓ Analysis and approval of mandates offered within Electrica S.A. subsidiaries.
- ✓ Endorsement of the changes to the Organization Chart;
- ✓ Analysis and approval of M&A Project stages.

■ Climate Governance and Public Policies Committee

The committee is made up of three non-executive members of the CA, two of them being independent. The Committee component provided expertise and understanding of threats and opportunities arising from climate change.

The committee has the following responsibilities:

- (1) Ensuring the preparation, at Electrica Group (the Group) level, of the framework required for implementing initiatives contributing to compliance with the EU objective of zero greenhouse gas emissions by 2050, at national level;
- (2) Implementing at Group level the Principles of the World Economic Forum for an effective climate governance, while using corporate governance for company transition towards a low carbon emission economy;
- (3) Ensuring long-term resilience for the companies of the Group in terms of potential structural changes of the business environment triggered by the climate changes;
- (4) Providing an optimal mix of know-how, relevant experience, and capacity to justify the debates – all necessary for the decision-making process within the Board, based on a proper knowledge and understanding of the threats and opportunities that arose as a result of the climate changes;

- (5) Establishing the most effective way of integrating considerations pertaining to climate change within the organisational structures of the Company;
- (6) Monitoring the provision of a continuous assessment process by the executive management, as well as the materiality of the risks and opportunities deriving from climate reasons for the Company on a short, medium, and long term;
- (7) Ensuring a permanent exchange of opinions and a continuous dialogue within the industry, with the decision-makers in terms of public policies, with the investors, and the other stakeholders in order to encourage the joint use of relevant methodologies and the exchange of information;
- (8) Ensuring the consistent, transparent communication on the material climate risks identified to all stakeholders, especially to investors and to the regulatory and supervisory authorities, if applicable.
- (9) Defining a set of long-term performance indicators and some key performance indicators to help reaching the goal of "zero impact of the greenhouse gas emissions caused by the Page 2 of 3 Charter of the Climate Governance and Public Affairs Committee business of the Electrica Group on the environment", to be submitted to the Board for approval;
- (10) Conveying some recommendations with respect to setting the annual targets for the key performance indicators set for the executive management, following consultations with the executive management and after having obtained the latter's commitment;
- (11) Ensuring the alignment of the methods for rewarding the executive management in order to promote the Company's sustainability and welfare, on the long term. The Committee shall consider issuing some recommendations to include the key indicators related to climate goals within the reward schemes included in the Remuneration Policy for Directors and Executive Managers;
- (12) Monitoring and assessing the accomplishment rate of the key performance indicators related to the climate goals, and issuing recommendations for the Board with respect to the review of such goals, or to taking sanctioning measures, as applicable;
- (13) Periodically reviewing the internal policies and regulations with an impact on the climate goals, and drafting recommendations intended for the Board in relation to the adequacy of the investment level within the Group, as those are necessary to reach the climate goals within the set timeframe;
- (14) Ensuring a climate of trust, by cooperating with the investors in order to understand their topics of interest and priorities, with the purpose of accomplishing an effective climate governance.

The Climate Governance and Public Policies Committee met **6 times** during the year 2025, among the main aspects on which the Committee's activity was focused, including the following:

- ✓ Supervision and approval of the process of developing and publishing the sustainability statement at the Electrica Group level;
- ✓ Supervision of the process of developing and publishing the Sustainability Statement at the Group level; Analysis of the 2025–2026 action plan for alignment with sustainability requirements and integration of stakeholder requests in the context of sustainable financing.

4.6 ELSA's Executive management

In accordance with ELSA's Articles of Association, the Board of Directors (BoD) appoints and revokes the CEO, as well as the other executives with mandates and also approves their empowerments.

The duties of the company's directors (including those of the Managing Director) are laid down in the mandate contracts on the basis of which the directors carry out their activities within ELSA, ELSA's internal rules of organisation and operation and the applicable legal provisions.

During the meetings held on 22 January 2024 and 25 March 2024, the ELSA Board of Directors decided to extend the term of office granted to Mr. Alexandru - Aurelian Chirita, as General Manager, under the same conditions. On November 26, 2024, the ELSA Board of Directors decided to grant a term of office as General Manager until December 31, 2026 (inclusive).

During the same meeting, the ELSA Board of Directors decided to grant a mandate as Chief Financial Officer to Mr. Stefan - Alexandru Frangulea, from February 28, 2025 until December 31, 2026 (inclusive).

On January 31, 2025, the second mandate contract of Ms. Livioara Sujdea, Executive Director of the Distribution Department, effectively ended, upon reaching the four-year term.

On 26 February 2026, the Board of Directors decided to revoke Mr. Stefan Alexandru Frangulea from the position of Chief Financial Officer (CFO) without cause, starting with 26 February 2026, this being the last day when the mandate contract took effect.

Following these changes, during 2025 and until the date of this report, ELSA's executive directors, appointed under the terms of office, are presented in the table below.

Table 18. ELSA's Executive management during 2025, appointed on the basis of mandate contracts

Name	Function	The Executive Manager's mandate
Alexandru-Aurelian Chirita	Chief Executive Officer	17 May 2022 – 31 December 2026
Stefan Alexandru Frangulea	Chief Financial Officer	4 January 2022 – 26 February 2026
Livioara Sujdea	Chief Distribution Officer	1 February 2017 – 31 January 2025
Ioana Andreea Lambru	Business Development Officer	15 March 2023 – 14 March 2027

Source: Electrica

More details on the in place executive managers' biographies can be found on ELSA's website in the section <https://www.electrica.ro/en/investors/corporate-governance/executive-management/>.

According to the information held by ELSA, there is no contract, understanding or family relationship between the executive managers of the Company and another person who may have contributed to their appointment as executive managers.

According to available information, ELSA's executive managers mentioned in this chapter have not been involved, in the last five years, in any litigations or administrative proceedings related to their activity within the company and neither to their capacity to fulfil their work-related duties in the Group.

4.7 Remuneration of the Directors and of the Executive Managers with mandate agreements

The remuneration of administrators and executive directors within Electrica is carried out in accordance with the provisions of the Remuneration Policy for Administrators and Executive Directors (Policy) which was approved by the Ordinary General Meeting of Shareholders (AGOA).

The last revision of the Policy was approved during the AGOA on 27 April 2023 without any changes to the remuneration limits previously established by the GMS for Directors and Executive Directors. The amendments cover some additions, in order to present in a transparent manner, the elements of fixed and variable remuneration, including financial and non-financial benefits, in any form, which are granted to the directors.

In developing the Remuneration Policy, good practices used internationally and nationally for similar companies were taken into account, as identified after the listing of the company.

[The remuneration policy for directors and executives](#) is reviewed annually by the CNR and describes the main pillars of remuneration, as well as the terms, conditions and non-financial benefits approved by ELSA's corporate bodies.

The **remuneration policy** has the following objectives:

- setting clear remuneration thresholds and guidelines;
- establishing the remuneration structure;
- ensuring the correlation between the remuneration levels within ELSA.

Starting with 2022, the Company has prepared and published annually the Remuneration [Report for Directors and Executive Directors](#), in accordance with the provisions of Law 24/2017 on issuers of Financial instruments and market operations. The annual Report is approved at the Electrica Ordinary General Meeting of Shareholders (OGMS) (<https://www.electrica.ro/en/investors/general-meetings-of-shareholders/>), with the aim of presenting an overview of the remuneration and benefits granted and/or owed during the last financial year, to the managers individually, including new recruits and former managers in accordance with the Company's remuneration Policy.

4.8 Statement regarding the corporate governance “Comply or Explain”

The present Statement reflects ELSA’s status of compliance with the new BSE Corporate Governance Code as of 31 December 2025.

Table 19. ELSA’s compliance with the provisions of the BVB Corporate Governance Code

Comply or Explain Statement (DAE)	Company Name: Societatea Energetica Electrica S.A.
Report date: 27 March 2026	

Section	Principle	Prov No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)	Website Link
A: GOVERNING BODIES								
A: GOVERNING BODIES	A.1. The Board should ensure the Company’s long-term success and sustainability for the best interest of the Company and its shareholders and taking into account the interests of other stakeholders. The Board should clearly define and disclose the full scope of its roles and responsibilities.	A.1.1	The Board should have an internal regulation that formalises and clearly states its roles and responsibilities. The articles of association, Board’s internal regulation and other internal regulations should clearly delineate the roles and competencies among the Board, general meeting of shareholders (GMS) and executive management.	X			The Articles of Association clearly set out the responsibilities and competencies of the GMS, the Board and the executive management. Furthermore, the Board operates in accordance with the Charter of the Board of Directors, which outlines its role and responsibilities, as well as its competencies.	https://www.elsa.ro/wp-content/uploads/2026/03/20260227_ELSA_EN_BoD_Charter.pdf
A: GOVERNING BODIES	A.1. The Board should ensure the Company’s long-term success and sustainability for the best interest of the Company and its shareholders and taking into account the interests of other stakeholders. The Board should clearly define and disclose the full scope of its roles and responsibilities.	A.1.2	Board’s internal regulation should include, among others, the Board’s responsibilities as well as fiduciary duties of directors to act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Company, its shareholders and taking into account the interests of other stakeholders in line with legal requirements.	X			The Charter of the Board of Directors fully complies with the provision.	https://www.elsa.ro/wp-content/uploads/2026/03/20260227_ELSA_EN_BoD_Charter.pdf

Section	Principle	Prov No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)	Website Link
A: GOVERNING BODIES	A.1. The Board should ensure the Company's long-term success and sustainability for the best interest of the Company and its shareholders and taking into account the interests of other stakeholders. The Board should clearly define and disclose the full scope of its roles and responsibilities.	A.1.3	To sustain the Company's long-term viability and success, the Board should: · Oversee the development and approve the Company's strategy and ensure that it also integrates sustainability aspects, including environmental and social (E&S) considerations and climate-related risks and opportunities; · Appoint and dismiss CEO and other executives to whom executive management responsibilities were delegated (called executive management) and ensure their succession planning; · Oversee the management performance, management role in addressing material sustainability risks and opportunities and align the remuneration of executive management with the long-term interests and sustainability of the Company, according to the provisions of the Company's remuneration policy; · Ensure there is a sound framework for internal controls and risk management; · Ensure that the Company has in place procedures to enable effective communication with shareholders and other stakeholders.	X			All responsibilities are formalised in the Charter of the Board of Directors, as follows: overseeing and approving the strategy with ESG/climate integration (with the support of the CGPPC), appointing/revoking the executive management and succession planning (with the support of the NRC), overseeing performance and aligning remuneration with long-term objectives, ensuring the internal control and risk management framework (with the support of the ARC), and ensuring effective communication with shareholders and stakeholders. Furthermore, the charters of the advisory committees strengthen the governance framework and expand upon the responsibilities according to their own competencies. Succession planning is also supported by the Succession Policy in force since 2021. Additionally, the Company has procedures in place that enable effective communication with shareholders and other stakeholders, such as the 2020 Investor Communication Policy.	https://www.electrica.ro/en/investors/corporate-governance/corporate-policies/
A: GOVERNING BODIES	A.1. The Board should ensure the Company's long-term success and sustainability for the best interest of the Company and its shareholders and taking into account the interests of other stakeholders. The Board should clearly define and disclose the full scope of its roles and responsibilities.	A.1.4	Duration of appointment of Board and executive management should be set clearly and should, to the extent possible, foster stability and predictability.	X			The Board of Directors and the executive managers are appointed in accordance with the legal provisions, specifying certain dates for their appointment.	https://www.electrica.ro/en/investors/corporate-governance/board-of-directors/ https://www.electrica.ro/en/investors/corporate-governance/corporate-policies/

Section	Principle	Prov No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)	Website Link
								e-governance/executive-management/
A: GOVERNING BODIES	A.2. The Board should have an appropriate balance of skills, experience, gender diversity, knowledge and independence to enable it to effectively perform its duties and responsibilities.	A.2.1	The Board should have at least five members.	X			The Board is composed of seven members, of whom four are independent according to the provisions of the Articles of Association. The ELSA Board has been composed of seven members since 14 December 2015.	https://www.eletrica.ro/wp-content/uploads/2025/02/ELSA_EN_Articles-of-Association-Electrica_05Feb2025.pdf
A: GOVERNING BODIES	A.2. The Board should have an appropriate balance of skills, experience, gender diversity, knowledge and independence to enable it to effectively perform its duties and responsibilities.	A.2.2	The Board should have in place a policy on Board and executive management diversity and should ensure that diversity requirements in terms of gender, age, experiences and skills are incorporated in the Nomination Policy.	X			Electrica has both a dedicated diversity policy and diversity provisions integrated into the Nomination Policy. The Diversity, Equality and Inclusion Policy covers the executive and administrative management structures. The Selection/Nomination and Suitability Policy for the members of the Board of Directors explicitly incorporates diversity — gender, age, professional experience and competencies, whilst also setting targets for gender balance.	https://www.eletrica.ro/en/investors/corporate-governance/corporate-policies/
A: GOVERNING BODIES	A.2. The Board should have an appropriate balance of skills, experience, gender diversity, knowledge and independence to enable it to effectively perform its duties and responsibilities.	A.2.3	The Board should develop a Board profile which specifies the desired characteristics and traits of its members including factors such as independence, diversity, integrity, specific skills and experience, industry knowledge, ability and willingness to devote adequate time and effort to Board responsibilities in the context of the needs of the Board and its committees and their exercise of the Board's strategic and oversight roles. The Board profile can be part of the Nomination Policy.	X			ELSA has established a Board of Directors profile, approved since 2015, which has been applied within the Board-level nomination procedures. The Board approved, upon the recommendation of the NRC, the distinct "Board of Directors Profile" document, which specifies both the collective profile and the individual profile of the members — including independence, diversity, integrity, specific competencies and experience, industry knowledge, and the ability to devote adequate time and effort to the responsibilities of the Board and its committees. The Profile is an integral part of the Selection/Nomination and Suitability Policy; it is periodically reviewed by the NRC whenever relevant legislative, strategic, or structural changes occur and is published on the Company's website to be accessible to shareholders.	https://www.eletrica.ro/wp-content/uploads/2026/03/20260227_ELSA_EN_BoD_Profile.pdf

Section	Principle	Prov No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)	Website Link
A: GOVERNING BODIES	A.2. The Board should have an appropriate balance of skills, experience, gender diversity, knowledge and independence to enable it to effectively perform its duties and responsibilities.	A.2.4	The majority of the members of the Board should be non-executives. At least a third of the Board members should be independent. Each independent member of the Board should submit a declaration regarding his/her independence at the time of his/her nomination for election or re-election as well as when any change in his/her status arises, as per the criteria of independence defined in law and in Appendix A to the Code.	X			All ELSA Board members are non-executive directors. According to the Articles of Association, at least four of the seven members must be independent. The independence criteria stipulated in the Articles of Association are similar to and even more restrictive than those in the BVB corporate governance code. Currently, four of the seven members are independent. All independent members submitted a declaration of independence at the time of their appointment by the OGMS. Details can be found in their biographies, available on the Company's website, in the Investors > Corporate Governance > Board of Directors section, as well as on the related GMS pages.	https://www.elsa.ro/wp-content/uploads/2026/03/20260227_ELSA_EN_BOD_Charter.pdf
A: GOVERNING BODIES	A.2. The Board should have an appropriate balance of skills, experience, gender diversity, knowledge and independence to enable it to effectively perform its duties and responsibilities.	A.2.5	The Nomination and Remuneration Committee (or the entire Board if there is no Nomination and Remuneration Committee) should assess whether the directors can be considered independent under the factors taken into account, by examining whether there are any business or other personal relationships that could materially affect the independence and objectivity of the director and his/her ability to act in the best interests of the Company, its shareholders and stakeholders.	X			According to the provisions of the Charter of the Nomination and Remuneration Committee, the independence of the Board members is assessed by the NRC.	https://www.elsa.ro/wp-content/uploads/2026/03/20260227_ELSA_EN_BOD_NRC_Charter.pdf
A: GOVERNING BODIES	A.2. The Board should have an appropriate balance of skills, experience, gender diversity, knowledge and independence to enable it to effectively perform its duties and responsibilities.	A.2.6	The positions of Chairperson and Chief Executive Officer (CEO) are recommended to be held by different individuals.	X			Societatea Energetica Electrica S.A. is managed under a one-tier corporate governance system. The Board of Directors is composed solely of non-executive members. Thus, the positions of Chairman of the Board and Chief Executive Officer are held by different individuals.	https://www.elsa.ro/wp-content/uploads/2025/02/ELSA_EN_Articles-of-Association-Electrica_05Feb2025.pdf

Section	Principle	Prov No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)	Website Link
A: GOVERNING BODIES	A.2. The Board should have an appropriate balance of skills, experience, gender diversity, knowledge and independence to enable it to effectively perform its duties and responsibilities.	A.2.7	If the Chairperson and CEO functions are performed by the same person, it is recommended that the Board appoints an independent Vice-Chairperson.	X			Societatea Energetica Electrica S.A. is managed under a one-tier corporate governance system; thus, the positions of Chairman of the Board and Chief Executive Officer are held by different individuals.	https://www.eletrica.ro/wp-content/uploads/2025/02/ELSA_EN_Articles-of-Association-Electrica_05Feb2025.pdf
A: GOVERNING BODIES	A.3. The Board should ensure that a formal, rigorous and transparent procedure is put into place regarding the nomination of new members to the Board.	A.3.1	The Company should develop and disclose a board nomination policy ("Nomination Policy") that should define the processes and procedures for the nomination, election or replacement of a director. The Nomination Policy, approved by the competent governance body, shall describe how the Company receives and evaluates nominations from shareholders (including minority shareholders) or from members of the Board, including in relation to the board profile, independence and diversity.	X			The Selection/Nomination and Suitability Policy for the members of the Board of Directors explicitly details the processes and procedures for the nomination, election or replacement of a Board member. It also clearly outlines the procedure for receiving and evaluating nominations, as well as considerations regarding the profile, independence and diversity.	https://www.eletrica.ro/wp-content/uploads/2026/03/20260227_ELSA_EN_BoD_Selection_Nomination_Suitability_Policy.pdf
A: GOVERNING BODIES	A.3. The Board should ensure that a formal, rigorous and transparent procedure is put into place regarding the nomination of new members to the Board.	A.3.2	The Board, through its Nomination and Remuneration Committee, if established, should monitor the nomination process of candidates for the position of Board member.	X			ELSA has a functional Nomination and Remuneration Committee (NRC), which continuously monitors the nomination process of candidates for the position of Board member, in accordance with the provisions of the Articles of Association, the NRC Charter and internal corporate documents. The monitoring of the nomination process is exercised both normatively and factually, as documented in the Directors' Report for the 2025 financial year - chapter 4.4.	https://www.eletrica.ro/en/investors/corporate-governance/corporate-policies/

Section	Principle	Prov No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)	Website Link
A: GOVERNING BODIES	A.3. The Board should ensure that a formal, rigorous and transparent procedure is put into place regarding the nomination of new members to the Board.	A.3.3	The Company should disclose to shareholders information on the experiences and CV of the director candidates that they require to make an informed decision on the appointment or reappointment of the directors including the following: · candidates' professional commitments and engagements, including executive and non-executive positions in companies, public authorities, not-for-profit bodies or other organisations; · any existing or potential conflicts of interest including whether they have business, family or other relationships that could affect their performance as directors on the Board; · which shareholder or member of the Board proposed each candidate for the Board positions.	X			Electrica publishes on its website, prior to each GMS, the detailed CV of each candidate — including executive and non-executive positions in companies, public authorities and non-profit organisations — any existing or potential conflicts of interest (business, family or other relationships) and the identity of the shareholder or Board member who formulated each candidacy proposal, in accordance with the Selection/Nomination and Suitability Policy for the members of the Board of Directors. Please see the Electrica website and the related GMS pages that included the election of the Board members on the agenda.	https://www.electrica.ro/wp-content/uploads/2026/03/20260227_ELSA_EN_BoD_Selection_Nomination_Suitability_Policy.pdf
A: GOVERNING BODIES	A.4. The Board should establish committees which should assist the Board in the performance of its key responsibilities, dealing with strategic challenges and in managing sensitive issues with high potential for conflicts of interest.	A.4.1	The Board shall establish an Audit Committee to enhance its oversight capability over the financial reporting, internal control framework, internal and external audit processes, and compliance with applicable laws and regulations. Where a separate risk management committee is not required by law or already established, the Audit Committee will also include oversight responsibilities for the efficiency of the risk management framework.	X			The Articles of Association and the ELSA Corporate Governance Code stipulate the existence of this committee (the Audit and Risk Committee - ARC), its structure and responsibilities. According to the provisions of the Articles of Association and the Charter of the Audit and Risk Committee, the ARC has clear responsibilities regarding the monitoring of the risk management framework.	https://www.electrica.ro/en/investors/corporate-governance/corporate-policies/
A: GOVERNING BODIES	A.4. The Board should establish committees which should assist the Board in the performance of its key responsibilities, dealing with strategic challenges and in managing sensitive issues with high	A.4.2	The Audit Committee is recommended to be composed of non-executive directors. The majority of the Committee members is recommended to be independent, including the Committee chairperson. The Audit Committee, as a whole, should have competencies relevant to the	X			The composition of the ARC is reviewed annually, according to the provisions of the ARC Charter and at the beginning of each new Board mandate. The Committee is composed of three non-executive members of the Board, two of whom are independent. Details are presented in chapter 4.4. of the 2025 Annual Report. As of the date of this Report, the Chairman of the Audit and Risk Committee is Mr Dragoş-Valentin Neacşu – an	https://www.electrica.ro/wp-content/uploads/2026/03/20260227_ELSA_EN_BoD_NRC_Charte

Section	Principle	Prov No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)	Website Link
	potential for conflicts of interest.		Company's area of operations. The Committee and its members should comply with the applicable national and European legislation.				independent non-executive director, starting from 14 May 2025.	r.pdf
A: GOVERNING BODIES	A.4. The Board should establish committees which should assist the Board in the performance of its key responsibilities, dealing with strategic challenges and in managing sensitive issues with high potential for conflicts of interest.	A.4.3	The Boards of Premium Tier companies should set up a Nomination and Remuneration Committee formed of non-executive directors. The majority of the Committee members is recommended to be independent, including the Committee chairperson. The Board may also establish a separate Nomination Committee and a separate Remuneration Committee if the Board composition accommodates it and if this is justified given the Company's size and complexity of its business and governance structures.	X			The Articles of Association and the ELSA Corporate Governance Code stipulate the existence of this committee (the Nomination and Remuneration Committee - NRC), its structure and responsibilities. The option to separate it into two committees was not chosen, a practice justified by the current size and structure of the Board. The Committee is composed of three non-executive members of the Board, two of whom are independent. Details are presented in chapter 4.4. of the 2025 Annual Report. As of the date of this Report, the Chairman of the Nomination and Remuneration Committee is Mr Adrian-Florin Lotrean – an independent non-executive director, starting from 1 January 2025.	https://www.elsa.ro/en/investors/corporate-governance/board-of-directors/
A: GOVERNING BODIES	A.4. The Board should establish committees which should assist the Board in the performance of its key responsibilities, dealing with strategic challenges and in managing sensitive issues with high potential for conflicts of interest.	A.4.4	In addition to its specific responsibilities as provided under this Code, the Nomination and Remuneration Committee should: i. Review and recommend to the Board the size and composition of the Board and lead the development and ongoing review of the Board profile; ii. Identify individuals qualified to become Board members and members of the executive management, if requested; evaluate the candidates for executive management roles; evaluate the candidates proposed by the shareholders or by Board members for a director role and inform the GMS accordingly; iii. Make recommendations to the Board concerning committee appointments (other than the	X			The responsibilities stipulated for the Nomination and Remuneration Committee are explicitly reflected in the NRC Charter. The Charter contains clear provisions in this regard concerning the size, composition and profile of the Board; the succession and evaluation of candidates; appointments to the Committees and the evaluation of the Board/Committees; responsibilities regarding remuneration, succession plans, the recruitment of the Chief Executive Officer and the oversight of compensation/benefits plans.	https://www.elsa.ro/wp-content/uploads/2026/03/20260227_ELSA_EN_BoD_NRC_Charter.pdf

Section	Principle	Prov No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)	Website Link
			Nomination and Remuneration Committee); iv. Coordinate an annual evaluation of the Board, directors and committees in line with provisions set out in Principle A.5.; v. Assist the Board in fulfilling its responsibilities related to the Company's remuneration policy; vi. Assist the Board in the development of the succession plans for executive management, as well as the emergency succession plans and CEO search process, as required; vii. Oversee the administration of the Company's compensation and benefits plans.					
A: GOVERNING BODIES	A.4. The Board should establish committees which should assist the Board in the performance of its key responsibilities, dealing with strategic challenges and in managing sensitive issues with high potential for conflicts of interest.	A.4.5	The role and responsibilities of Board committees should be defined in separate internal regulation (operating regulations) and disclosed on the Company's website. If the Company chooses not to establish any of the Board committees not required by law, the corresponding tasks and responsibilities shall be done by the Board and should be adequately stated in the Board's internal regulation.	X			ELSA has established four advisory committees of the Board, each governed by its own operating regulation (Charter), as follows: NRC — Charter of the Nomination and Remuneration Committee ARC — Charter of the Audit and Risk Committee SCGC — Charter of the Strategy and Corporate Governance Committee CGPPC — Charter of the Climate Governance and Public Policy Committee All four charters are publicly available on the Electrica website, in the Investors → Corporate Governance → Policies and other corporate documents section.	https://www.electrica.ro/en/investors/corporate-governance/corporate-policies/
A: GOVERNING BODIES	A.4. The Board should establish committees which should assist the Board in the performance of its key responsibilities, dealing with strategic challenges and in managing sensitive issues with high potential for conflicts of interest.	A.4.6	The evaluation of independence for the members of the committees, including when the members of the committees are appointed by the GMS, shall be carried out according to the same procedure applicable to the independent members of the Board.	X			The ELSA Articles of Association set out the mandatory independence criteria applicable to the Board members, the criteria being mandatory for any independent candidate, regardless of whether they are proposed by shareholders or appointed by the Board and represent the reference standard against which the committee members are also assessed. Furthermore, according to the Articles of Association, the Board may establish advisory committees and determines that the majority of the members of the audit and risk committee and of the nomination and remuneration committee must be represented by independent directors, which makes the assessment of independence a structural and permanent	https://www.electrica.ro/en/investors/corporate-governance/corporate-policies/

Section	Principle	Prov No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)	Website Link
							condition. Additionally, the NRC Charter explicitly stipulates that "the independence of the Committee members shall be assessed in accordance with the criteria and procedure established in the Charter of the Board of Directors and in the Articles of Association of the Company", confirming that there is no separate procedure for committee members compared to the independent members of the Board. The NRC has the responsibility to assess, at least once a year, the independence of the Board members and of the members of the specialised committees.	
A: GOVERNING BODIES	A.4. The Board should establish committees which should assist the Board in the performance of its key responsibilities, dealing with strategic challenges and in managing sensitive issues with high potential for conflicts of interest.	A.4.7	The chairpersons of the Audit Committee and Nomination and Remuneration Committee should not be the Chairperson of the Board or of any other committee, unless this is justified by the size of the Board.	X			The Chairman of the Audit and Risk Committee and the Chairman of the Nomination and Remuneration Committee do not hold the position of Chairman of the Board of Directors and do not concurrently hold the position of Chairman of another advisory committee of the Board.	https://www.elsa.ro/en/investors/corporate-governance/board-of-directors/
A: GOVERNING BODIES	A.5. The Board should set up robust Board operating procedures as well as Board evaluation and continuous development mechanisms to improve directors' skills and their ability to effectively deliver their responsibilities.	A.5.1	The Board Chairperson is primarily responsible for ensuring that the Board functions properly. The Board's internal regulation should contain the role and responsibilities of the Board Chairperson and the Board Chairperson, at a minimum, should: • Determine the agenda of the Board meetings, chair such meetings and ensure that minutes are kept of such meetings; • Ensure the Board receives accurate, timely, useful, succinct information to enable the Board to make sound decisions; • Ensure the Board has sufficient time for consultation and decision-making; • Enable the Committees to function properly and that there is effective communication with Board committees, including actionable,	X			The Charter of the ELSA Board of Directors explicitly contains, in Article 4, the role and responsibilities of the Board Chairman, including: - organising and directing the Board meetings, setting the agenda and ensuring that minutes are drawn up; - ensuring that Board members receive high-quality information and have sufficient time to make informed decisions; - enabling the effective functioning of the advisory committees and the flow of operative reports to the Board; - coordinating the annual evaluation process of the Board and publishing the results on the Company's website; - maintaining a regular and constructive working relationship with the Chief Executive Officer and the executive management; - managing internal disputes and conflicts of interest concerning Board members.	https://www.elsa.ro/wp-content/uploads/2026/03/20260227_ELSA_EN_BoD_Charter.pdf

Section	Principle	Prov No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)	Website Link
			insightful reports of committees back to the full Board; • Ensure the performance of the Board is evaluated and discussed at least once a year and disclosed as per provision D.1.3; • Ensure that the Board has proper working relationship with the executive management. The CEO and the Chairman of the Board (if positions are held by different individuals) shall meet regularly; • Address and manage internal disputes and conflicts of interest concerning Board members.					
A: GOVERNING BODIES	A.5. The Board should set up robust Board operating procedures as well as Board evaluation and continuous development mechanisms to improve directors' skills and their ability to effectively deliver their responsibilities.	A.5.2	The Board should meet as often as necessary but not less than six (6) times a year.	X			The Charter of the Board of Directors stipulates that the Board meets as often as necessary, but no less than 8 (eight) times a year — a frequency higher than the minimum of 6 meetings required by the Code. During 2025, the ELSA Board of Directors met 40 times — 13 in-person meetings, 15 by telephone conference and 12 electronically — far exceeding both the BVB Code threshold and the internal minimum established by the Charter of the Board of Directors, as documented in the Directors' Report for the 2025 financial year - chapter 4.5.	https://www.elsa.ro/wp-content/uploads/2026/03/20260227_ELSA_EN_BoD_Charter.pdf
A: GOVERNING BODIES	A.5. The Board should set up robust Board operating procedures as well as Board evaluation and continuous development mechanisms to improve directors' skills and their ability to effectively deliver their responsibilities.	A.5.3	The Board can request to designate the Corporate Secretary who should assist the Board in complying with its obligations under law, Board internal regulation and other policies. The Corporate Secretary should be a senior officer in the Company tasked with assisting the Board and its committees in organising their activities, in preparing for the meetings, annual Board and committee performance	X			ELSA established the General Secretary Department, which has been directly subordinated to the Board of Directors since 2015. The Charter of the Board of Directors provides for the General Secretary Department as a dedicated support structure for the Board, with duties that fully cover the requirements of the Code. The General Secretary Department is composed of senior experts of the Company, and its activity is reported directly to the Board Chairman, ensuring the operational	https://www.elsa.ro/wp-content/uploads/2026/03/20260227_ELSA_EN_BoD_Charter.pdf

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			evaluation and director training programs, if the case.				independence necessary to fulfil its role of assisting corporate governance.	
A: GOVERNING BODIES	A.5. The Board should set up robust Board operating procedures as well as Board evaluation and continuous development mechanisms to improve directors' skills and their ability to effectively deliver their responsibilities.	A.5.4	The Board should clearly define the rights and responsibilities, scope of authority and other issues related to the Corporate Secretary.	X			The Charter of the Board of Directors clearly defines the rights, responsibilities and scope of authority of the General Secretary Department: Responsibilities: assisting the Board in complying with legal obligations and internal regulations; supporting the effective functioning of the Board and its committees; managing the flow of information between the Board and the other governing bodies; keeping the corporate governance registers and documents; assisting in the organisation of the GMS and Board meetings; coordinating the annual evaluation and the training programmes. Scope of authority: the General Secretary Department may communicate directly throughout the organisation. Subordination: reports functionally directly to the Board Chairman and administratively to the Chief Executive Officer.	https://www.elsectrica.ro/wp-content/uploads/2026/03/20260227_ELSA_EN_BoD_Charter.pdf
A: GOVERNING BODIES	A.5. The Board should set up robust Board operating procedures as well as Board evaluation and continuous development mechanisms to improve directors' skills and their ability to effectively deliver their responsibilities.	A.5.5	The Board and its committees should develop and approve an annual internal work plan identifying topics to address during the year before the end of the previous year. The plan should take into account decisions that need to be proposed to the GMS, reporting by management and internal control functions, the required frequency of Board and Committee meetings, and should be reviewed by the Chairperson, assisted by the Corporate Secretary.	X			The Board of Directors Charter provides that the Board approves annually an Internal Work Plan, developed during the fourth quarter and approved before the end of the preceding calendar year. The Plan takes into account: - the decisions and documents to be submitted for approval to the General Meeting of Shareholders (GMS); - the periodic reports of the executive management; - the reports of the internal control functions; - the necessary frequency of the meetings of the Board and of its committees. The Plan is reviewed by the Chairman of the Board with the support of the General Secretary Department. The same mechanism applies at the level of each committee, which prepares annually its own Internal Work Plan, aligned with the Board's Work Plan and approved before the end of the preceding year.	https://www.elsectrica.ro/wp-content/uploads/2026/03/20260227_ELSA_EN_BoD_Charter.pdf

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A: GOVERNING BODIES	A.5. The Board should set up robust Board operating procedures as well as Board evaluation and continuous development mechanisms to improve directors' skills and their ability to effectively deliver their responsibilities.	A.5.6	The Board should conduct an annual evaluation of the composition, activity and dynamics of the Board and its committees, individually and as a whole, and which should be coordinated by the Nomination and the Remuneration Committee.	X			The Board of Directors Charter provides that, under the coordination of the Chairman of the Board, the Board carries out annually an evaluation of its performance and that of its advisory committees, both individually and collectively, presenting a summary of the results in the corporate governance section of the annual report. The Nomination and Remuneration Committee (NRC) coordinates the oversight of this process and may be assisted by external consultants. The purpose of the evaluation is to provide Board members with an overall view of the activities carried out, the strengths and weaknesses, the performance and the potential for collective and individual development, with a view to ensuring the efficient and effective fulfilment of the Board's responsibilities. During 2025, the evaluation was carried out through an internal questionnaire updated in line with the new requirements of the Bucharest Stock Exchange Corporate Governance Code, covering aspects such as the efficiency and the working practices of the Board, the dynamics of its activities, the individual self-assessment of each member, the activity of the Chairman and the interaction with the executive management. All 7 Board members participated in the process. The evaluation process is documented in the Directors' Report for the financial year 2025 – Chapter 4.5.	https://www.elctrice.ro/wp-content/uploads/2026/03/20260227_ELSA_EN_BoD_Charter.pdf
A: GOVERNING BODIES	A.5. The Board should set up robust Board operating procedures as well as Board evaluation and continuous development mechanisms to improve directors' skills and their ability to effectively deliver their responsibilities.	A.5.7	The Nomination and Remuneration Committee should share the results of the Board evaluation with the whole Board and should then set follow up actions, if any, including professional development and training plans for the Board to fill gaps.	X			The NRC Charter explicitly provides that the NRC coordinates the annual evaluation process of the Board and of its committees and that it "shall share the results of the Board evaluation with the entire Board and determine follow-up actions, where necessary, including professional development and training plans for the Board, in order to address any identified gaps". In addition, the NRC makes recommendations to the Board regarding programmes for the continuous development of competences for Board members and for the directors with mandate agreements. During 2025, the results of the annual evaluation were shared with the entire Board, with follow-up actions being identified and clearly specified. These are	https://www.elctrice.ro/wp-content/uploads/2026/03/20260227_ELSA_EN_BoD_NRC_Charter.pdf

Section	Principle	Prov No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)	Website Link
							presented in the Directors' Report for the financial year 2025 – Chapter 4.5.	
A: GOVERNING BODIES	A.5. The Board should set up robust Board operating procedures as well as Board evaluation and continuous development mechanisms to improve directors' skills and their ability to effectively deliver their responsibilities.	A.5.8	The Board's internal regulation should require Company orientation (induction) programmes for newly appointed directors, ensured by internal staff of the Company. The Board's internal regulation can also include references for ongoing director education program, if needed. The implementation of any orientation and ongoing trainings programmes for directors (as per the Board decision) is made under the oversight of the Nomination and Remuneration Committee, with the support of the Corporate Secretary. Based on the results of the annual board evaluation, the Nomination and Remuneration Committee jointly with the Board Chairperson shall develop professional development programmes focusing on the areas where capacity should be built among Board members.	X			The Board of Directors Charter explicitly provides that the Company ensures an induction programme for new Board members, coordinated by the General Secretary Department, which may include meetings with the executive management and visits within the Group. Board members may also benefit from periodic training on key aspects of the business, corporate governance and the applicable regulatory framework, delivered by internal or external experts. The NRC oversees the implementation of these programmes and makes recommendations to the Board regarding the continuous development of members' competences, including based on the results of the annual evaluation. The General Secretary Department assists with the organisation and planning of the induction and training programmes. During 2025, following the annual evaluation, the NRC and the Chairman of the Board identified as a follow-up action the strengthening and standardisation of continuous training programmes, including at the level of the boards of directors of subsidiaries. These aspects are presented in the Directors' Report for the financial year 2025 – Chapter 4.5.	https://www.elsa.ro/wp-content/uploads/2026/03/20260227_ELSA_EN_BoD_Charter.pdf

Section	Principle	Prov No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)	Website Link
A: GOVERNING BODIES	A.6. Executive management is responsible for day-to-day management of the Company. The Board should ensure that the executive management is capable of effectively running the Company and that its composition, competence, roles and management incentives support the successful implementation of Company's strategy and plans.	A.6.1	Executive management should run the Company and be accountable to the Board. Division of responsibilities between the Board and the executive management and between different members of the executive management should be clearly articulated in the Company's by-laws and the internal regulations of the Company.	X			The allocation of responsibilities between the Board and the executive management is clearly articulated both in the Articles of Association and in the Company's internal regulations: The Articles of Association establish that the Board delegates the day-to-day management of the Company to the Chief Executive Officer, who is accountable to the Board, and define the limits of authority of the executive management vis-à-vis the Board. The Board of Directors Charter explicitly details the relationship between the Board and the Chief Executive Officer, the responsibilities delegated to the latter, the reporting mechanisms and the limits of intervention of Board members in the operational management, based on the principle that Board members act exclusively within the limits of their mandates. The Delegation of Authority Policy and the associated Standard, approved by the Board, define the competences delegated to the executive management and the approval mechanisms at the level of the Company, ensuring a clear delineation of authority between the Board and each director having a mandate agreement.	https://www.elerctrice.ro/en/investors/corporate-governance/corporate-policies/
A: GOVERNING BODIES	A.6. Executive management is responsible for day-to-day management of the Company. The Board should ensure that the executive management is capable of effectively running the Company and that its composition, competence, roles and management incentives support the successful implementation of Company's strategy and plans.	A.6.2	When Board Chairperson and CEO roles are exercised by one individual, the different responsibilities of the Board Chairperson and CEO should be clearly defined and distinguished in the Company by-laws.	X			The Articles of Association of ELSA and the Board of Directors Charter provide that the positions of Chairman of the Board (a non-executive director) and Chief Executive Officer are held by different persons, thereby eliminating the need for a formal differentiation of responsibilities in the event of a combination of roles. The Board of Directors Charter explicitly regulates the relationship between the Chairman of the Board and the Chief Executive Officer as two distinct and separate roles, with clearly defined responsibilities: the Chairman leads the activity of the Board and ensures oversight, while the Chief Executive Officer conducts the day-to-day operational management of the Company and is accountable to the Board. This separation is considered a good corporate governance practice and is permanently maintained at the level of ELSA.	https://www.elerctrice.ro/en/investors/corporate-governance/corporate-policies/

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A: GOVERNING BODIES	A.6. Executive management is responsible for day-to-day management of the Company. The Board should ensure that the executive management is capable of effectively running the Company and that its composition, competence, roles and management incentives support the successful implementation of Company's strategy and plans.	A.6.3	The Board should ensure that the executive management is comprised of persons with adequate knowledge, skills, diversity and experience to support successful Company performance and that there are measures in place to provide for the orderly succession of executive management.	X			The Board ensures that the executive management is composed of persons with the appropriate competences, diversity and experience through several established mechanisms. The Nomination and Remuneration Committee (NRC) assists the Board in the appointment and dismissal of the Chief Executive Officer and formulates recommendations regarding the directors with mandate agreements, ensuring the application of the suitability criteria. Orderly succession is ensured through the obligation of the Board, with the support of the NRC, to maintain succession plans both for the executive management and for emergency situations, including a recruitment process for the Chief Executive Officer, where appropriate. In addition, the Succession Policy (approved in 2021) establishes the principles and rules for planning the succession of executive management positions, including multi-stage assessments over time and tailored development plans for successors. The Board annually oversees the performance of the executive management and aligns its remuneration with the long-term interests of the Company, in accordance with the Remuneration Policy for Directors and Executive Managers, approved by the General Meeting of Shareholders.	https://www.elerica.ro/en/investors/corporate-governance/corporate-policies/
A: GOVERNING BODIES	A.6. Executive management is responsible for day-to-day management of the Company. The Board should ensure that the executive management is capable of effectively running the Company and that its composition, competence, roles and management incentives support the successful implementation of Company's strategy and plans.	A.6.4	The Board, with the support of the Nomination and Remuneration Committee, should annually evaluate executive management's performance, the effectiveness of its cooperation with the Board, including the information provided to the Board.	X			The Board ensures that the executive management is capable of leading the Company effectively through several mechanisms. The Articles of Association and the Board of Directors Charter provide that the Chief Executive Officer and the executive managers are appointed by the Board on the basis of mandate agreements, with clearly defined responsibilities. The NRC evaluates candidates for executive positions, annually analyses the performance of the directors and aligns their variable remuneration with the performance indicators and the long-term strategy of the Group. In 2025, the NRC met 16 times, focusing, inter alia, on the performance of the executive management and on the establishment and evaluation of the achievement of performance indicators, a process documented in the	https://www.elerica.ro/en/investors/corporate-governance/corporate-policies/

Section	Principle	Prov No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)	Website Link
							Directors' Report for the financial year 2025 – Chapter 4.5.	
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK								
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	B.1. The Company should have an adequate and effective internal control framework and an enterprise risk management framework, taking into account its strategy, size, complexity of operations and risk profile including potential environmental and social impact of its activities.	B.1.1	The Board determines the nature and extent of the risks the Company is willing to take necessary for the achievement of Company's strategic objectives (i.e., the Company's risk appetite) and should ensure there are clear structures, policies and procedures in place that identify, evaluate, report, manage and monitor significant and emerging risks, including risks related to sustainability, cybersecurity and the use of digital technologies. The Board should explain in the annual report the mechanisms and processes in place to identify and manage risks.	X			The Board adopts a formal risk management policy and ensures that adequate structures and procedures are in place for the identification, assessment, reporting and monitoring of significant and emerging risks. The Audit and Risk Committee (ARC) assists the Board in establishing and reviewing the risk appetite, periodically reviews the main risks, monitors and performs an annual assessment of the adequacy and effectiveness of the risk management framework and reports annually. All categories of risks are monitored, and the Risk Management Procedure was updated in December 2025 in order to distinctly highlight within the Group's taxonomy the risks related to sustainability, cybersecurity and digital technologies. Following the transposition of the NIS 2 Directive through Government Emergency Ordinance no. 155/2024, cyber risk has become a top priority. The first cyber risk simulations and the first assessments of critical infrastructures were carried out in accordance with the NIS 2 Directive and the orders issued by the National Cyber Security Directorate (DNSC). In 2025, the first joint iteration of the risk and ESG structures took place in the finalisation of the Double Materiality Analysis (DMA), ensuring the integration of sustainability risks into the risk management instruments.	

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B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	B.1. The Company should have an adequate and effective internal control framework and an enterprise risk management framework, taking into account its strategy, size, complexity of operations and risk profile including potential environmental and social impact of its activities.	B.1.2	The Board should adopt a formal risk management policy, to ensure accurate, complete and timely identification, measurement and reporting of risks, adequate and feasible risk control measures as well as integration of an E&S risks into the risk management framework in support of the Company's strategy implementation.	X			The Board has adopted a formal policy on risk management, ensuring the correct, complete and timely identification, measurement and reporting of risks, as well as the integration of environmental and social (E&S) risks. The Board of Directors Charter explicitly provides this obligation, and the Risk Management Policy and Procedure are in place. In 2025, the first joint iteration of the risk and ESG structures took place in the finalisation of the Double Materiality Analysis (DMA). The outcome will be reflected in the sustainability reporting and the related working approach will be incorporated into the relevant internal procedures. The Audit and Risk Committee monitors and periodically evaluates all relevant categories of risks, including ESG, climate and cyber risks, assisting the Board in reviewing the risk appetite.	
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	B.1. The Company should have an adequate and effective internal control framework and an enterprise risk management framework, taking into account its strategy, size, complexity of operations and risk profile including potential environmental and social impact of its activities.	B.1.3	The Board and Audit Committee should understand emerging information technology and artificial intelligence-related changes so to mitigate cybersecurity risks. Time should be given to the AI risks and opportunities and cybersecurity on Board agenda to ensure understanding of cyber protection.	X			The Board and the Audit and Risk Committee actively understand and monitor emerging developments related to information technology, artificial intelligence and cybersecurity. The ARC Charter explicitly provides that the ARC monitors risks related to information technologies, artificial intelligence and cybersecurity and makes recommendations to the Board regarding the necessary control and prevention measures. Cybersecurity risks and those related to artificial intelligence are included as distinct emerging risks within the Group's updated taxonomy in 2025. The first cyber risk simulations were carried out following the recommendation of the ISO 27001 recertification auditor. The first assessments were also conducted regarding the risks to which critical infrastructures are exposed, in accordance with the NIS Directive and the orders issued by the National Cyber Security Directorate (DNSC).	
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	B.1. The Company should have an adequate and effective internal control framework and an enterprise risk management framework, taking into account its strategy, size, complexity of	B.1.4	The Company is recommended to establish a risk management function responsible for ensuring accurate, complete and timely identification of the risks, ensuring that adequate and feasible risk control measures are in	X			The function, the methodological framework and the internal competences are in place. The reporting level in each entity within the Group differs depending on its specific characteristics and size. ELSA has initiated the project for the implementation of an integrated risk management platform at Group level,	

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	operations and risk profile including potential environmental and social impact of its activities.		place and monitoring the risk management procedures. The risk management function, through the Chief Risk Officer (CRO), where present, should have a direct communication and functional reporting to the Board and Audit Committee (if there is no separate Risk Committee).				aimed at the automation and centralisation of processes, with the operational stages scheduled for 2026.	
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	B.1. The Company should have an adequate and effective internal control framework and an enterprise risk management framework, taking into account its strategy, size, complexity of operations and risk profile including potential environmental and social impact of its activities.	B.1.5	The Board with the assistance from the Audit Committee should at least annually assess the adequacy and effectiveness of Company's risk management and internal control framework (including operational and compliance controls) and make relevant recommendations. The assessment should consider the effectiveness and scope of the internal audit function, the adequacy of risk management and compliance, internal control reports, if they are required by applicable legislation, to the Audit Committee, management's responsiveness and effectiveness in dealing with identified internal control failings or weaknesses and submission of relevant reports to the Board.	X			The Board, assisted by the Audit and Risk Committee (ARC), evaluates at least annually the adequacy and effectiveness of the Company's risk management and internal control framework. Annual reporting is in place and interim reports may also be provided. A procurement procedure is currently underway for the acquisition of an Enterprise Risk Management (ERM) application, so that access for Board members and executive managers to any workflow or deliverable within the risk management process may be ensured in real time. With regard to the manner and degree of implementation of the measures resulting from control reports, an annual reporting is submitted to the ARC. During 2025, the ARC held 21 meetings and monitored, inter alia, the internal audit plan, analysed its fulfilment, followed up on the implementation of the recommendations formulated by the Internal Audit Department and reviewed the periodic reports submitted by it, formulating recommendations to the Board.	
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	B.1. The Company should have an adequate and effective internal control framework and an enterprise risk management framework, taking into account its strategy, size, complexity of operations and risk profile including potential environmental and social impact of its activities.	B.1.6	The Company should develop and make available on a free of charge basis on the Company's website a whistle-blowing mechanism which would enable employees and stakeholders to make reports about suspected breaches or wrongdoings as per the applicable legislation in place.	X			Electrica S.A. has implemented, since 2015, an integrity whistleblowing mechanism available both to employees and to third parties, including through a dedicated channel on the Company's website. The procedure for handling reports is approved by the Board of Directors and provides for confidentiality, the possibility of anonymous reporting and the prohibition of retaliation. The relevant documents are published on the Electrica S.A. website.	https://www.electrica.ro/en/whistleblowing/

Section	Principle	Prov No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)	Website Link
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	B.2. The Audit Committee should assist the Board with ensuring the integrity of financial and non-financial reporting, establishing an effective risk management and internal control framework and maintaining an appropriate relationship with the Company's external auditors.	B.2.1	In addition to its responsibilities mentioned in legislation and elsewhere in the Code, the Audit Committee should: · Review the Company's internal controls and risk management frameworks; · Oversee the development and application of the Company's policies on conflicts of interests and related party transactions; · Ensure independence and review the effectiveness of the Company's internal audit function and make a recommendation to the Board; · Oversee the internal audit function; · Oversee the preparation of sustainability-related reports and information included in them, unless this task is assigned to another committee; · Oversee the framework for ensuring the Company's compliance with applicable legal and regulatory requirements and internal regulations of the Company (like the procedures for reporting breaches of the law or the Company's Code of Conduct), unless this task is assigned to another committee.	X			According to the Audit and Risk Committee Charter approved by the Board of Directors, the Audit Committee has an advisory role and assists the Board in the performance of its duties related to the oversight of financial reporting, the internal and external audit process, internal control and risk management, the monitoring of policies regarding conflicts of interest and related party transactions, and the oversight of the compliance framework (including procedures for reporting breaches of the law or of the Code of Ethics and Professional Conduct). With regard to ESG aspects and sustainability risks, the Audit and Risk Committee monitors these within the overall risk management framework, while the reporting component is explicitly assigned to the Climate Governance and Public Policy Committee (CGCPP).	https://www.elerica.ro/en/investors/corporate-governance/corporate-policies/
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	B.2. The Audit Committee should assist the Board with ensuring the integrity of financial and non-financial reporting, establishing an effective risk management and internal control framework and maintaining an appropriate relationship with the Company's external auditors.	B.2.2	Whenever the Code mentions reviews or analysis to be exercised by the Audit Committee, these should be followed by regular (at least annual) or ad-hoc reports to the Board.	X			According to the Audit and Risk Committee Charter, the minutes and the documents of the Committee meetings are made available to all Board members. The Committee submits periodic reports to the Board regarding its meetings and activities. The Committee prepares a report which forms part of the Company's annual report.	https://www.elerica.ro/wp-content/uploads/2026/03/20260227_ELSA_EN_BoD_CAR_Charter.pdf
B: RISK MANAGEMENT	B.2. The Audit Committee should assist the Board with	B.2.3	The annual internal audit plan is developed based on a risk assessment	X			According to the Audit and Risk Committee Charter, one of the responsibilities of the Audit Committee is to assess	https://www.elerica.ro/wp-content/uploads/2026/03/20260227_ELSA_EN_BoD_CAR_Charter.pdf

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AND INTERNAL CONTROL FRAMEWORK	ensuring the integrity of financial and non-financial reporting, establishing an effective risk management and internal control framework and maintaining an appropriate relationship with the Company's external auditors.		carried out at the level of the Electrica Group and is approved by the Audit Committee and the Board of Directors. The implementation of the internal audit recommendations is periodically monitored, and the status of the related actions is reported to the Audit Committee.				the independence and objectivity of the external auditor, as well as to monitor compliance with the relevant ethical and professional rules.	content/uploads/2026/03/20260227_ELSA_EN_BoD_CAR_Charter.pdf
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	B.2. The Audit Committee should assist the Board with ensuring the integrity of financial and non-financial reporting, establishing an effective risk management and internal control framework and maintaining an appropriate relationship with the Company's external auditors.	B.2.4	The Audit Committee should discuss the annual audit work plan with the external auditor covering the scope and materiality of the activities to be audited. The audit committee should meet the external auditor as needed to discuss issues identified and to monitor the quality of the services provided.	X			According to the Audit and Risk Committee Charter, one of the responsibilities of the Audit Committee is to review the plan, work and findings of the external auditor.	https://www.electrica.ro/wp-content/uploads/2026/03/20260227_ELSA_EN_BoD_CAR_Charter.pdf
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	B.3. The Board should ensure the independence of the internal audit function. Company's internal audit function should provide independent and objective assurance on the effectiveness of risk management framework and internal control framework.	B.3.1	The Board should ensure that the internal audit has the authority, resources and procedures adequate to assist the Board in ensuring effectiveness and efficiency of the Company's risk management and internal control framework.	X			The Board of Directors of Electrica S.A. ensures that the internal audit function has the authority, resources and procedural framework necessary to perform its activity, in accordance with the Internal Audit Charter and the Rules of Organisation and Functioning approved by the Board.	https://www.electrica.ro/en/the-group/internal-audit/internal-audit-charter/
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	B.3. The Board should ensure the independence of the internal audit function. Company's internal audit function should provide independent and objective assurance on the effectiveness of risk management framework and internal control framework.	B.3.2	To ensure fulfillment of the core functions of the internal audit function, the head of the function should be appointed by and report functionally directly to the Board via the Audit Committee, who shall be tasked with approving his/her appointment and dismissal. This is without prejudice to administrative reporting to the CEO and sharing information with the Company's executive management, in line with legal requirements and professional standards.	X			The Head of the Internal Audit function of Electrica S.A. is appointed by the Board of Directors, upon the proposal of the Audit Committee, and reports functionally to the Audit Committee and administratively to the Chief Executive Officer, in accordance with the applicable legislation and professional standards. These aspects are provided for in the Internal Audit Charter and in the Audit Committee Charter.	https://www.electrica.ro/en/investors/corporate-governance/corporate-policies/

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B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	B.3. The Board should ensure the independence of the internal audit function. Company's internal audit function should provide independent and objective assurance on the effectiveness of risk management framework and internal control framework.	B.3.3	The internal audit function should be established in line with applicable legal requirements and industry standards (e.g., Institute of Internal Auditors). The internal audit authority, composition, remuneration, annual budget, working procedures and other relevant matters shall be regulated in separate internal audit's internal regulation approved by the Board, following the recommendation of the Audit Committee.	X			The independence of the internal audit function is ensured through the direct functional reporting line to the Audit Committee, the unrestricted right of access to information, and the fact that management cannot limit the scope of audit engagements or alter the conclusions of the audit reports. The provisions regarding independence are included in the Internal Audit Charter and in the corporate governance documents published on the Electrica S.A. website.	https://www.electrica.ro/en/investors/corporate-governance/corporate-policies/
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	B.3. The Board should ensure the independence of the internal audit function. Company's internal audit function should provide independent and objective assurance on the effectiveness of risk management framework and internal control framework.	B.3.4	The Audit Committee should agree an annual internal audit work plan with the internal auditor, receive internal audit reports, updates on key audit issues, monitor implementation of recommendations of the internal audit and provide necessary guidance.	X			The annual internal audit plan is developed based on a risk assessment carried out at the level of the Electrica Group and is approved by the Audit Committee and the Board of Directors. The implementation of the internal audit recommendations is periodically monitored, and the status of the related actions is reported to the Audit Committee.	

Section	Principle	Prov No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)	Website Link
C: PERFORMANCE, MOTIVATION AND REWARD								
C: PERFORMANCE, MOTIVATION AND REWARD	C.1. Members of the Board shall receive remuneration corresponding to the volume and weight of powers and their responsibilities, rather than the performance of management or the Company. The structure and amount of director's remuneration should enable the Company to attract, retain and motivate the competent and qualified directors.	C.1.1	Board members should receive remuneration, as per the Remuneration Policy of the Company. Members who also serve on Board committees should receive additional remuneration for this work. But in no circumstances should the remuneration be linked to the number of board or committee meetings.		X		The Board of Directors Charter provides that the Board recommends to the General Meeting of Shareholders (GMS), with the support of the Nomination and Remuneration Committee (NRC), the remuneration policy for the members of the Board and for the directors with mandate agreements. The GMS is the body that approves the Policy. The current remuneration of the Board members is regulated by the Remuneration Policy for Directors and Executive Managers (approved by GMS Resolution no. 1 of 27 April 2023). The Remuneration Policy in force establishes a fixed remuneration component for directors, independent of the number of meetings. Directors do not benefit from variable remuneration. The Policy includes provisions regarding the attendance allowance for participation in the meetings of the Board and of the committees. The number of such meetings for which the allowance may be granted is limited in accordance with the Policy in force, the allowance having the specific role of recognising the effort required for the contribution and support provided during the meetings. For illustration purposes, the maximum number of meetings per year for which the allowance may be granted is 12 for the Board and 6 for the Committees (in exceptional cases 7 – only one additional meeting may be remunerated). In 2025, 40 Board meetings, 21 ARC meetings, 16 NRC meetings, 18 SCGC meetings and 6 CGCPP meetings took place. This remuneration system was proposed to the General Meeting of Shareholders and approved by it since 2016, taking into account the need for a balanced approach between fixed remuneration and remuneration linked to the involvement and participation of Board members in the meetings of the Board and its committees and, as a direct consequence, their efficient and competent contribution to the sustainable, long-term development of the Company, both from a business and a corporate governance perspective, while at the same time discouraging remuneration based on short-term results.	https://www.eletrica.ro/en/investors/corporate-governance/corporate-policies/

Section	Principle	Prov No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)	Website Link
C: PERFORMANCE, MOTIVATION AND REWARD	C.2. The Board shall ensure there is a formal and transparent policy and procedure for determining the remuneration of executive management that aligns with the long-term interests of the Company and the Company's strategy. This policy shall be presented, subject for approval, to the GMS in line with legal requirements.	C.2.1	The Board should determine the annual remuneration of the executive management, based on the recommendations of the Nomination and Remuneration Committee and in accordance with the Company's remuneration policy. The remuneration policy should be prepared in accordance with the relevant legal requirements.	X			The Board of Directors Charter explicitly provides that the Board establishes the remuneration of the Chief Executive Officer and of the directors with mandate agreements, as well as the annual and long-term performance indicators, with the support of the NRC. The Board determines the annual remuneration of the executive management based on the recommendations of the NRC and in accordance with the Remuneration Policy for Directors and Executive Managers (approved by GMS Resolution no. 1 of 27 April 2023). The Policy is drafted in accordance with national and European legal requirements and establishes the structure and the principles governing the remuneration of the Chief Executive Officer and the Executive Managers.	https://www.electrica.ro/en/investors/corporate-governance/corporate-policies/
C: PERFORMANCE, MOTIVATION AND REWARD	C.2. The Board shall ensure there is a formal and transparent policy and procedure for determining the remuneration of executive management that aligns with the long-term interests of the Company and the Company's strategy. This policy shall be presented, subject for approval, to the GMS in line with legal requirements.	C.2.2	Levels of remuneration for executive management members and key performance indicators taken into account when determining variable (performance-based) part of the remuneration should be set in advance and be measurable and appropriate in relation to the agreed strategy and risk appetite, the economic environment within which the Company operates, and the pay and conditions of employees within the Company. In particular, they should include indicators related to non-financial performance and appropriate sustainability objectives.	X			Societatea Energetică Electrica S.A. has implemented a Remuneration Policy approved by the General Meeting of Shareholders, which establishes in advance the remuneration levels for members of the executive management, as well as the structure of the performance-based variable component. The key performance indicators (KPIs) are clearly defined, measurable and aligned with the approved strategy, the risk appetite and the economic context. The Policy includes both financial and non-financial indicators, including sustainability objectives.	https://www.electrica.ro/wp-content/uploads/2023/06/ELSA_EN_Rem-Policy-for-Directors-and-Executive-Managers_Apr2023.pdf
C: PERFORMANCE, MOTIVATION AND REWARD	C.2. The Board shall ensure there is a formal and transparent policy and procedure for determining the remuneration of executive management that aligns with the long-term interests of the Company and the Company's strategy. This policy shall be presented, subject for approval, to the GMS in line with legal requirements.	C.2.3	Company's shares and/or share purchase options should represent a significant part (e.g., not less than 10%) of the executive management member's total variable remuneration.	X			Electrica S.A. grants members of the executive management a significant long-term variable remuneration component in the form of virtual share options (OAVT), in accordance with the Remuneration Policy approved by the GMS. The value of the OAVT package ranges between 60% and 200% of the annual fixed remuneration.	https://www.electrica.ro/wp-content/uploads/2023/06/ELSA_EN_Rem-Policy-for-Directors-and-Executive-Managers_Apr2023.pdf

Section	Principle	Prov No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)	Website Link
D: DISCLOSURE AND INVESTOR RELATIONS								
D: DISCLOSURE AND INVESTOR RELATIONS	D.1. The Company should ensure adequate communications with shareholders, investors, regulators and other stakeholders and establish adequate systems for financial and sustainability reporting.	D.1.1	The Company should make sure to provide accurate, complete and timely financial and operational information, including quarterly, half-yearly and annual reports, as well as current reports. Companies should ensure all relevant information is easily accessible to investors, including through the Company website and other public information sources, as the case may be.	X			Electrica's reporting on the capital market is based on a legislative framework both national (in accordance with Law no. 24/2017, Regulation no. 5/2018, the Company's Corporate Governance Code and the BVB Corporate Governance Code, the BVB Operator Code, as well as other ASF regulations) and international (EU Regulation 596, UK MAR, UK LR, UK DTR and the CSSF Luxembourg regulations). The Investor Relations Department (IR) of ELSA continuously monitors legislative changes, collaborating with both internal and external legal advisers when necessary, in order to ensure that ELSA's reporting as an issuer on the capital market is carried out in compliance with the applicable regulations and best practices. In this context, current reports are disseminated in the standard format regulated by Annex no. 12 to Regulation no. 5/2018, as well as announcements regarding matters not specifically regulated. This information is transmitted and published through several channels: Bucharest Stock Exchange (BVB): through the IRIS system, in Word, PDF and ESEF formats. Financial Supervisory Authority (ASF): through the online platform and, alternatively, by e-mail. London Stock Exchange (LSE) / RNS and FCA / NSM: through the online platforms dedicated to the UK regulatory framework. Luxembourg Stock Exchange (First). ELSA website: for updating current reports, presentations and other relevant information for investors. Electrica publishes financial results on a quarterly basis and holds conference calls within a maximum of two working days after their publication. These are available on the Company's website in the section Investors > Results and Reports.	

Section	Principle	Prov No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)	Website Link
D: DISCLOSURE AND INVESTOR RELATIONS	D.1. The Company should ensure adequate communications with shareholders, investors, regulators and other stakeholders and establish adequate systems for financial and sustainability reporting.	D.1.1	The Company should make sure to provide accurate, complete and timely financial and operational information, including quarterly, half-yearly and annual reports, as well as current reports. Companies should ensure all relevant information is easily accessible to investors, including through the Company website and other public information sources, as the case may be.	X			Electrica complies with the obligations applicable to issuers on the capital market and reports regularly in accordance with Law no. 24/2017. These reports are available on the Company's website in the section Investors > Results and Reports > Current Reports. Electrica holds at least four conference calls per year for investors and shareholders in order to present, explain and answer questions regarding financial results. These are available on the Company's website in the section Investors > Results and Reports > Presentations and other information. Until 2025, Electrica published the sustainability report separately on the Company's official website. Starting with 2025, in accordance with the applicable provisions, the sustainability statement has been integrated into the annual report. These documents are available on the Company's website in the section Investors > Results and Reports > Annual Reports. Each year, Electrica publishes the annual report in April both on the Company's website and through the required reporting channels.	https://www.electrica.ro/en/investors/results-and-reports/

Section	Principle	Prov No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)	Website Link
D: DISCLOSURE AND INVESTOR RELATIONS	D.1. The Company should ensure adequate communications with shareholders, investors, regulators and other stakeholders and establish adequate systems for financial and sustainability reporting.	D.1.2	The Company is recommended to have an Investor Relations (IR) function and should appoint a dedicated person in charge of IR function. The contact details of the person or persons charged of the IR function shall be available on the Company's website. The IR function will report directly to the CEO/CFO, underscoring its significance within the Company's hierarchy and emphasizing its central role in managing and communicating the Company's capital market engagements and status. The Company should organise induction and regular training/courses, if needed, for the IR function, tailored to its specific needs and responsibilities.	X			Since its listing in 2014, the Company has had both an Investor Relations Department and a dedicated investors section on the Company's official website (in Romanian and English). The Investors section of the Company's website contains all information of interest for investors, analysts and the capital market, including those referred to in this section. The contact details of the person responsible for the Investor Relations function are available on the Company's website. Electrica was awarded, for the fifth consecutive year in 2025, the maximum score in the Vektor evaluation — the investor communication indicator for listed companies calculated by the Romanian Investor Relations Association (ARIR) and published by the BVB. All members of the department attended specialised Investor Relations courses organised by ARIR during 2025.	https://www.electrica.ro/en/investors/investors-assistance/
D: DISCLOSURE AND INVESTOR RELATIONS	D.1. The Company should ensure adequate communications with shareholders, investors, regulators and other stakeholders and establish adequate systems for financial and sustainability reporting.	D.1.3	The Company should include on its corporate website a dedicated Investor Relations section, with all relevant information of interest for investors, available both in Romanian and English.	X			Since its listing in 2014, the Company has maintained a dedicated investors section on its official website (in Romanian and English). The Investors section of the ELSA website contains all information of interest for investors, analysts and the capital market, including those referred to in this section. All information and documents are available both in Romanian and in English.	https://www.electrica.ro/en/investors/
D: DISCLOSURE AND INVESTOR RELATIONS	D.1. The Company should ensure adequate communications with shareholders, investors, regulators and other stakeholders and establish adequate systems for financial and sustainability reporting.	D.1.3	The company should include on its Investor Relations section: • Main corporate regulations: updated articles of association, GMS procedures, board's internal regulation and board committees' internal regulations.	X			Since its listing in 2014, the Company has maintained a dedicated investors section on its official website (in Romanian and English). The Investors section of the ELSA website contains all information of interest to investors, analysts and the capital market, including those referred to in this section. All information and documents are available both in Romanian and in English. The main corporate governance regulations, such as the updated Articles of Association, the GMS procedures, the Board of Directors Charter and the internal regulations of the Board committees, are available on the Company's official website in the section Investors > Corporate Governance > Policies and other corporate documents.	https://www.electrica.ro/en/investors/corporate-governance/corporate-policies/

Section	Principle	Prov No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)	Website Link
D: DISCLOSURE AND INVESTOR RELATIONS	D.1. The Company should ensure adequate communications with shareholders, investors, regulators and other stakeholders and establish adequate systems for financial and sustainability reporting.	D.1.3	The company should include on its Investor Relations section: List of current members of the Board, Board's Committees and executive management, providing an up-to-date information on independence status , professional CVs (containing at least: name, surname, gender, nationality, age; work experience by year, position and Company; studies, field of study and academic or professional institution granting the diploma), other professional commitments, including executive and non-executive Board positions in companies, not-for-profit institutions and state institutions; relationship with shareholders holding at least 5% of the voting rights/shares issued by the Company; the duration of the appointment of the members of the Board, the Committees and the executive management, specifying the date from which they were appointed.	X			The list of the current members of the Board of Directors and of the Board committees is available on the Electrica official website in the section Group > About > Board of Directors. The description of each member includes their updated independence status, professional CVs (including at least: name, gender, nationality, age; professional experience by years, position and company; education, field of study and the academic or professional institution awarding the diploma), as well as other professional engagements, including executive and non-executive positions held in boards of directors of companies, non-profit organisations and public institutions. These details are included in the individual description of each member of the Board of Directors. The list of the current members of the executive management is available on the Electrica official website in the section Group > Corporate Governance > Executive Management.	https://www.electrica.ro/en/investors/corporate-governance/board-of-directors/
D: DISCLOSURE AND INVESTOR RELATIONS	D.1. The Company should ensure adequate communications with shareholders, investors, regulators and other stakeholders and establish adequate systems for financial and sustainability reporting.	D.1.3	The company should include on its Investor Relations section: Current reports and periodic reports (quarterly, semi-annual and annual reports).	X			These documents are available on the Company's website in the section Investors > Results and Reports, where current reports are organised by year, quarterly reports are published in the Financial Results section and annual reports have a dedicated section for a more efficient organisation.	https://www.electrica.ro/en/investors/results-and-reports/

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D: DISCLOSURE AND INVESTOR RELATIONS	D.1. The Company should ensure adequate communications with shareholders, investors, regulators and other stakeholders and establish adequate systems for financial and sustainability reporting.	D.1.3	The company should include on its Investor Relations section: • Information related to GMS: the agenda, supporting materials and the decisions taken; procedure for running the GMS; the Nomination Policy; candidates' professional CVs (containing at least: name, surname, gender, nationality, age; work experience by year, position and Company; studies, field of study and academic or professional institution granting the diploma), as well as any other information presented at A.3.3; communication channel(s) for shareholders to address questions; answers to shareholders' questions related to the agenda; declarations of independence for board candidates and evaluations made by Nomination and Remuneration Committee/Board for candidates, including their compliance with independence criteria.	X			The Nomination and Remuneration Committee (NRC) recommends to the Board a nomination policy, including a target profile for the Board, as well as the process and principles to be applied by shareholders when proposing candidates for the positions of directors of the Company. The NRC also makes recommendations to the Board regarding the appointment of interim directors, in accordance with the Selection/Nomination and Suitability Policy for members of the Board of Directors of ELSA. A secret vote is mandatory for the appointment or revocation of members of the Board of Directors. These provisions are reflected in the GMS organisation policy and in the Nomination and Remuneration Committee Charter. The independence declarations of candidates for the Board are submitted in the form of a recommendation made internally by the Committee to the Board and to the GMS, indicating whether a candidate has submitted a declaration of independence and how the NRC evaluates that declaration.	https://www.eltica.ro/en/investors/general-meetings-of-shareholders/
D: DISCLOSURE AND INVESTOR RELATIONS	D.1. The Company should ensure adequate communications with shareholders, investors, regulators and other stakeholders and establish adequate systems for financial and sustainability reporting.	D.1.3	The company should include on its Investor Relations section: • Information on Board evaluation, made as per Provision A.5.7, including evaluation criteria and process, as well as a summary result of the evaluation and actions that have been or will be undertaken as a result of the evaluation.	X			Under the coordination of the Chairman of the Board and in line with best practices, the Board carries out an annual evaluation of its own performance and that of its committees and presents a summary of the results of this evaluation in the corporate governance section of the annual report. The Nomination and Remuneration Committee (NRC) is responsible for overseeing the annual evaluation of the Board and may be assisted by external consultants, if necessary. The directors meet at least once a year without the presence of the Chairman of the Board in order to evaluate the Chairman's performance.	https://www.eltica.ro/en/investors/results-and-reports/annual-reports/

Section	Principle	Prov No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)	Website Link
D: DISCLOSURE AND INVESTOR RELATIONS	D.1. The Company should ensure adequate communications with shareholders, investors, regulators and other stakeholders and establish adequate systems for financial and sustainability reporting.	D.1.3	The company should include on its Investor Relations section: • Information on corporate events, such as payment of dividends and other distributions to shareholders, or other events leading to the acquisition or limitation of rights of a shareholder, including the deadlines and principles applied to such operations. Such information should be published within a timeframe that enables investors to make investment decisions.	X			Information regarding corporate events is available on the Company's official website in the Investors section. Information regarding dividends, their payment and distribution is available on the Company's official website in the section Investors > Shares and Shareholders > Dividends, as well as in the current reports through which Electrica communicates annually the date and the modalities for dividend payments. This report is published through all relevant communication channels with investors and shareholders in order to facilitate access to information and is also published in the news section of the Company's website. Information regarding shareholders' rights is available on the official website in the section Investors > Shares and Shareholders > Shareholders' Rights.	https://www.electrica.ro/en/investors/shares-and-shareholders/ https://www.electrica.ro/en/investors/results-and-reports/ir-events/
D: DISCLOSURE AND INVESTOR RELATIONS	D.1. The Company should ensure adequate communications with shareholders, investors, regulators and other stakeholders and establish adequate systems for financial and sustainability reporting.	D.1.3	The company should include on its Investor Relations section: • Corporate policies, among which code of conduct, dividend policy, remuneration policy, forecast policy, policy for communication with investors, the corporate social responsibility (CSR)/sponsorship policy, policy for related parties' transactions, policy for diversity, equity and inclusion, and whistleblowing policy (if not already part of the Code of Conduct).	X			All the policies mentioned can be found in the section Investors > Corporate Governance > Policies and other corporate documents. For reference: Electrica carries out corporate social responsibility and sponsorship activities through the Electrica Foundation. Instructions and guidelines for CSR and sponsorship activities are available on the Company's official website in the main menu under CSR > Social Responsibility. A Diversity and Inclusion Policy was adopted in October 2025. This can be found on the Company's website in the section Investors > Corporate Governance > Policies and other corporate documents. The Whistleblowing Policy is available on the Electrica website in the main menu under Integrity Whistleblower > Policy on Reporting Ethical Misconduct. In the same section, there is also a page redirecting users to the official reporting portal under the "Avertizează!" tab, enabling the submission of whistleblowing reports where applicable.	https://www.electrica.ro/en/investors/corporate-governance/corporate-policies/

Section	Principle	Prov No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)	Website Link
D: DISCLOSURE AND INVESTOR RELATIONS	D.1. The Company should ensure adequate communications with shareholders, investors, regulators and other stakeholders and establish adequate systems for financial and sustainability reporting.	D.1.4	The Company should organise at least two meetings/conference calls with analysts and investors each year. The information presented on these occasions should be published in the IR section of the Company website at the time of the meetings/conference calls.	X			The Company organises events for analysts and investors, the most important of which are the four conference calls held each year, as well as participation in events organised by the Bucharest Stock Exchange and/or brokers/fund managers at both international and national level. The Company also participates in other events such as those organised by ARIR (forums, awards, breakfast meetings with investors, meetings with influencers, etc.). Presentations, audio recordings and transcripts of the conference calls are published on the Company's website in the section Investors > Results and Reports > Presentations and other information. In addition, ELSA publishes the presentations used in other investor events in the section Investors > Results and Reports > IR Events.	https://www.electrica.ro/wp-content/uploads/2020/08/EN_Corporate-Disclosure-Policy-Electrica_25.08.2020.pdf https://www.electrica.ro/en/investors/results-and-reports/analyst-presentations/
D: DISCLOSURE AND INVESTOR RELATIONS	D.1. The Company should ensure adequate communications with shareholders, investors, regulators and other stakeholders and establish adequate systems for financial and sustainability reporting.	D.1.5	The Company should disclose the material and reportable non-financial and sustainability issues with emphasis on the disclosure of environmental, social and governance (ESG) issues of its business and operations in line with the recognized standard of sustainability reporting. The Company's sustainability statements shall be disclosed on its website.	X			The current strategy, approved in December 2024, is based on three main pillars: sustainable growth of the Company's value, transformation and sustainability through the implementation of ESG principles and organisational excellence programmes, and efficiency through increased network security, digitalisation and improved business resilience. The efforts already initiated to achieve the strategic objectives of the Electrica Group will continue, namely: development of energy generation and storage capacity, development and modernisation of distribution infrastructure, diversification of services offered to customers, operational optimisation, digitalisation, development of skills and employee retention, as well as the development and implementation of ESG practices. Further information regarding sustainability aspects is available in the section Investors > Results and Reports > Annual Report. Sustainability reports are also available on the Company's website and, starting with 2024, they are included in the annual report in accordance with the obligations applicable to capital market companies.	https://www.electrica.ro/en/investors/results-and-reports/annual-reports/

Section	Principle	Prov No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)	Website Link
D: DISCLOSURE AND INVESTOR RELATIONS	D.1. The Company should ensure adequate communications with shareholders, investors, regulators and other stakeholders and establish adequate systems for financial and sustainability reporting.	D.1.6	The Company should have a CSR/sponsorship policy to guide the activity in the area of supporting CSR activities and sponsorship.	X			Electrica carries out corporate social responsibility and sponsorship activities through the Electrica Foundation, and the Corporate Governance Code confirms that these CSR initiatives are managed through the Foundation. On the Company's official website, in the section CSR / Social Responsibility, instructions and guidelines are available to support CSR and sponsorship activities. These are available in the main menu under CSR > Social Responsibility: https://www.electrica.ro/csr/	https://www.electrica.ro/en/category/nonfinancials-reporting/
D: DISCLOSURE AND INVESTOR RELATIONS	D.2. The Company should ensure fair and equitable treatment of all its shareholders, as well as availability of all needed tools and information to allow shareholders to exercise their rights in relation to the Company.	D.2.1	The Company should have a dividend policy as a set of directions the Company intends to follow regarding the distribution of net profit.	X			The dividend policy of Societatea Energetică Electrica S.A. ("Electrica" or the "Company") aims to establish the principles governing the distribution of net profit as dividends and is complemented by the provisions of the Articles of Association and by the applicable legal provisions regarding profit distribution, the declaration and payment of dividends. Electrica S.A. dividends are distributed from distributable net profit based on the annual audited individual financial statements and/or from other elements of equity (e.g. retained earnings) established at the level of the Company, in compliance with the applicable legal requirements, and not from the net profit reported in the annual audited consolidated financial statements. Further details are available on the Company's official website in the main menu under Investors > Corporate Governance > Policies and other corporate documents.	https://www.electrica.ro/en/investors/corporate-governance/corporate-policies/
D: DISCLOSURE AND INVESTOR RELATIONS	D.2. The Company should ensure fair and equitable treatment of all its shareholders, as well as availability of all needed tools and information to allow shareholders to exercise their rights in relation to the Company.	D.2.2	The procedure for running the GMS should not restrict the participation of shareholders in GMS and the exercise of their rights. Amendments of the procedure for running the GMS should take effect, at the earliest, as of the next GMS.	X			Electrica has implemented all the participation methods and the exercise of rights in the General Meeting of Shareholders (GMS) provided by the applicable legislation and regulations, both physically and remotely through electronic means, including voting by e-mail as well as live online voting through an electronic voting platform and mobile application. All these aspects are regulated by the GMS Policy and Procedure approved by the Board of Directors and are also mentioned in all GMS convening notices.	https://www.electrica.ro/wp-content/uploads/2025/03/20250306_ELSA_EN_Procedure_GMS_online_voting_platform_vf.pdf

Section	Principle	Prov No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)	Website Link
D: DISCLOSURE AND INVESTOR RELATIONS	D.2. The Company should ensure fair and equitable treatment of all its shareholders, as well as availability of all needed tools and information to allow shareholders to exercise their rights in relation to the Company.	D.2.3	The external auditors should attend the shareholders' meetings where their reports are presented, in order to respond to shareholders' questions.	X			Representatives of Electrica or of collaborators/consultants may be invited to attend the meeting where deemed necessary. External auditors are mandatorily present at the GMS when the annual financial statements are submitted for approval. This information is included in the Policy on the Organisation and Conduct of the GMS, available in the section Investors > Corporate Governance > Policies and other corporate documents. External auditors always attend the GMS and their participation is recorded in the minutes of the meeting.	https://www.electrica.ro/wp-content/uploads/2024/09/20240919_ELSA_EN_GMS_Policy.pdf
D: DISCLOSURE AND INVESTOR RELATIONS	D.2. The Company should ensure fair and equitable treatment of all its shareholders, as well as availability of all needed tools and information to allow shareholders to exercise their rights in relation to the Company.	D.2.4	The Board should present to the annual GMS a summary of the assessment of the adequacy and effectiveness of the risk management and internal control framework, as per the related information included in the annual report.	X			The Board presents to the annual GMS a summary of the assessment of the adequacy and effectiveness of the risk management and internal control framework through the information included in the Board of Directors' Annual Report. The Board of Directors' Report for the financial year 2025 includes a dedicated section — Annual Report on the Risk Management System within the Electrica Group in 2025 — which summarises the iterative risk management process, the categories of significant and emerging risks monitored, the mitigation measures adopted and the conclusions of the annual assessment of the adequacy and effectiveness of the internal control framework. This section forms an integral part of the Annual Report submitted for approval to the GMS.	https://www.electrica.ro/en/investors/results-and-reports/annual-reports/
D: DISCLOSURE AND INVESTOR RELATIONS	D.2. The Company should ensure fair and equitable treatment of all its shareholders, as well as availability of all needed tools and information to allow shareholders to exercise their rights in relation to the Company.	D.2.5	The Company should stimulate engagement with shareholders and investors by: • Encouraging active shareholder participation in GMS, like ensuring conditions for virtual participation. • Holding regular briefings and updates for investors, especially during significant corporate events. • Establishing channels for shareholders to provide feedback and ask questions, ensuring responses are timely and comprehensive.	X			Within the Policy on the Organisation and Conduct of the GMS, as well as in the GMS procedure available on the Company's website in the main menu Investors > General Meeting of Shareholders, information, explanations and guidelines for shareholders' participation and voting in the GMS are provided. The Company allows all participation methods, including electronic voting both remotely and in the meeting room during the GMS. Starting with 2025, Electrica has also launched the Electrica IR mobile application for smartphones and tablets in order to encourage proactive participation and voting in GMS meetings. According to the Investor Communication Policy, available in the section Investors > Corporate Governance > Policies and other corporate documents, the Company communicates transparently, factually and	https://www.electrica.ro/en/investors/corporate-governance/corporate-policies/ https://www.electrica.ro/en/investors/general-meetings-of-shareholders/ https://play.google.com/store/apps/details?id=com.electrica.ir&hl=ro

Section	Principle	Prov No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)	Website Link
							without speculation periodic information and updates for investors both on its website and on the capital markets where it is listed (Bucharest, London and Luxembourg). The channels available for communication with investors are listed on the Company's website in the section Investors > Investor Assistance, as well as on the stock exchanges (in person, by telephone or by e-mail). Since April 2025, questions and feedback may also be submitted through the Electrica IR application, available on iOS, Android and ChromeOS mobile devices.	https://apps.apple.com/ro/app/electrica-ir/id6745591157 https://www.electrica.ro/en/investors/investors-assistance/
D: DISCLOSURE AND INVESTOR RELATIONS	D.2. The Company should ensure fair and equitable treatment of all its shareholders, as well as availability of all needed tools and information to allow shareholders to exercise their rights in relation to the Company.	D.2.6	Any professional, consultant, expert or financial analyst may participate in the shareholders' meeting upon prior invitation from the Chairperson of the Board. Accredited journalists may also participate in the GMS, unless the Chairperson decides otherwise.	X			Regarding access of other persons to the meeting room, any specialist, consultant, expert or financial analyst may attend the GMS based on a prior invitation from the Board of Directors. Accredited journalists may also attend the general meeting of shareholders, unless the Chairman of the Board decides otherwise. Journalists may participate based on their identity card and a credential confirming their status as journalists, while specialists, consultants, experts or financial analysts may attend based on an invitation issued by the Board of Directors. All these provisions are available on the Company's official website in the main menu Investors > General Meeting of Shareholders, within the Policy on the Organisation and Conduct of the GMS.	https://www.electrica.ro/en/investors/general-meetings-of-shareholders/

Section	Principle	Prov No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)	Website Link
E: SUSTAINABILITY AND STAKEHOLDERS								
E: SUSTAINABILITY AND STAKEHOLDERS	E.1. The Company should integrate sustainability aspects in its strategy and mitigate any material negative environmental and social impacts of its operations, to the possible extent.	E.1.1	The Board should ensure that sustainability, environmental and social considerations are integrated in the Company's strategy and operations, risk management and remuneration practices and shall oversee this integration. A specialised sustainability committee or one of the standing committees of the Board shall assist the Board with these tasks.	X			Electrica S.A. integrates sustainability factors (ESG) into its business strategy and operational processes, aiming to mitigate negative social and environmental impacts and maximise long-term value creation. The Board of Directors exercises active oversight of this process, being assisted by the Climate Governance and Public Policy Committee, which has specific responsibilities in monitoring the implementation of the Sustainability Strategy 2025–2030. The integration of sustainability aspects is reflected throughout the entire governance ecosystem: 1. Strategy and Risk: ESG factors are included in the strategic planning process and in the risk management matrix, ensuring the resilience of the business model in the face of climate change. 2. Remuneration: Non-financial key performance indicators (KPIs) and sustainability criteria are integrated into the variable remuneration structure of executive management, aligning management interests with the Company's sustainable development objectives. 3. Monitoring: The Board approves climate performance indicators and oversees reported progress, ensuring increased transparency towards investors and stakeholders.	

Section	Principle	Prov No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)	Website Link
E: SUSTAINABILITY AND STAKEHOLDERS	E.1. The Company should integrate sustainability aspects in its strategy and mitigate any material negative environmental and social impacts of its operations, to the possible extent.	E.1.2	The Board should ensure that Company's operations run according to the national and international E&S standards and Company's E&S policies are consistent with its long-term objectives. In particular, the Company shall have internal acts relating to its responsibilities for environmental and social issues and policies and procedures that enable it to identify material factors and assess the impact on the Company's activities.	X			Electrica operates under a robust governance framework that ensures alignment of its activities with national and international environmental and social (E&S) standards. The Board of Directors ensures consistency between sustainability policies and long-term strategic objectives, through the following formal mechanisms: 1. Regulatory Framework and Certifications: Operations are governed by integrated management systems certified in accordance with ISO 14001 (Environment), ISO 45001 (Occupational Health and Safety) and ISO 9001 (Quality). These are complemented by fundamental internal documents such as the Code of Ethics and Professional Conduct and the Sustainability Policy. 2. Governance Structure: Responsibilities regarding ESG matters are defined through the Board of Directors Charter and through the specific mandate of the Climate Governance and Public Policy Committee. This structure ensures oversight from the strategic level down to the operational level (subsidiaries). 3. Double Materiality: The Company has implemented assessment processes based on the concept of double materiality, in accordance with the CSRD Directive and the ESRS standards. This process enables the identification of significant ESG factors (the impact of the Company's operations on the environment and society) as well as the financial risks that these factors may generate for the Company. 4. Strategic Integration: The results of impact assessments are integrated into the Sustainability Strategy 2025–2030 and into the Risk Register, ensuring the proactive mitigation of negative externalities and compliance with non-financial reporting requirements.	

Section	Principle	Prov No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)	Website Link
E: SUSTAINABILITY AND STAKEHOLDERS	E.1. The Company should integrate sustainability aspects in its strategy and mitigate any material negative environmental and social impacts of its operations, to the possible extent.	E.1.3	Whenever a decision to be approved by the Board has potential material and negative E&S impact, the Board should receive from the executive management (i) an analysis on how this decision is aligned with the Company's sustainability objectives and E&S policies or (ii) proposal of the measures to mitigate negative E&S impacts.	X			Electrica has formalised the process of integrating ESG factors into high-level decision-making. In accordance with internal regulations, for any decision with a material impact on environmental and social matters (E&S), the Board of Directors requests and receives specialised analyses from executive management to support the decision from a sustainability perspective. The process is structured as follows: 1. Alignment Analysis: Executive management presents assessments regarding the compliance of proposed decisions with the Sustainability Strategy 2025–2030 and the Group's E&S policies, using the conclusions of due-diligence and double materiality processes. 2. Mitigation Measures: Where a potential negative impact is identified, the documentation submitted for the Board's approval includes mandatory action plans for preventing, minimising or compensating such impacts. 3. Governance Filter: These analyses are validated in advance by the advisory committees (the Climate Governance and Public Policy Committee and the Audit and Risk Committee), ensuring that non-financial risk factors are treated with the same rigour as financial risks. 4. Documentation: The results of ESG assessments form an integral part of the supporting documentation for the items included on the Board's agenda, ensuring a responsible and traceable decision-making process.	

Section	Principle	Prov No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)	Website Link
E: SUSTAINABILITY AND STAKEHOLDERS	E.2. The Company should have in place a process for identifying the stakeholders affected by Company's operations. The Board should take into consideration stakeholders' interests and ensure there is active communication between the Company and its stakeholders.	E.2.1	The Board should ensure that there is a formal stakeholder identification process for Company's stakeholders including investors, creditors, clients, employees and suppliers, as well as targeted approaches for engaging with its priority stakeholders.	X			Electrica applies a formal and systematic process for identifying, mapping and prioritising stakeholders (Stakeholder Engagement), integrated into the Group's governance mechanism and aligned with the European sustainability reporting standards (ESRS). The key elements of this process include: 1. Identification Methodology: The Company uses a stakeholder prioritisation matrix (investors, creditors, customers, employees, suppliers and regulators), based on the analysis of impact, dependency and mutual influence. This process is periodically updated as part of the double materiality assessment. 2. Dialogue and Consultation Channels: The Board ensures active and bidirectional communication through dedicated mechanisms such as materiality questionnaires, direct consultations with trade unions, periodic meetings with investors and analysts, feedback platforms for customers and supplier assessments. 3. Board Oversight: The results of the stakeholder engagement process are aggregated and presented to the Board of Directors and the advisory committees. The Board integrates stakeholder expectations and interests when defining strategic objectives, ensuring a balance between profitability and value creation for society. 4. Priority Approaches: For high-impact stakeholders, the Company undertakes engagement actions aimed at identifying reputational or operational risks at an early stage and validating the Group's sustainability directions.	

Section	Principle	Prov No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)	Website Link
E: SUSTAINABILITY AND STAKEHOLDERS	E.3. The Board should adopt a Code of Conduct with adequate scope including guiding principles which reflect the Company's commitment to ethics, integrity and quality of performance.	E.3.1	The Board should develop a purpose statement and a vision statement as well as articulate Company's values, so the entire organisation understands the Company's strategic direction.	X			The Board of Directors of Electrica S.A. has defined and adopted a governance framework that also includes the Mission (Statement of Purpose), Vision and Values, ensuring a unified strategic compass for the entire organisation. This framework is designed to facilitate understanding of the strategic direction at all hierarchical levels and to support the corporate culture. Identity and Direction: The Mission and Vision statements reflect the Company's commitment to the energy transition and sustainability and are integrated into the strategic planning process and communicated transparently to all stakeholders. Code of Ethics and Professional Conduct: Complementing this framework, the Board has adopted a robust Code of Ethics establishing standards of integrity, business ethics and performance quality. The Code has a broad scope of application and is mandatory for members of the Board, executive management and all employees of the Group. Implementation and Adherence: The Company's values are disseminated through internal training and communication programmes, ensuring that guiding principles shape operational decisions and interactions with business partners. The Board oversees compliance with these standards, promoting a culture of accountability and a strong "tone at the top".	

Section	Principle	Prov No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)	Website Link
E: SUSTAINABILITY AND STAKEHOLDERS	E.3. The Board should adopt a Code of Conduct with adequate scope including guiding principles which reflect the Company's commitment to ethics, integrity and quality of performance.	E.3.2	The Board should adopt a Code of Conduct for Board members, executive management and Company employees, with clear provisions aimed at preventing and sanctioning fraud and bribery. The Board should not permit any waiver of any ethics requirement by any director, executive manager or employee.	X			Electrica S.A. operates under a rigorous ethics and integrity framework, with the Code of Ethics and Professional Conduct, approved by the Board of Directors, as its central pillar. The Code applies without exception to all members of the Board, executive management and employees, ensuring a uniform standard of conduct across all organisational levels. The Code includes explicit provisions and control procedures designed to prevent and sanction fraud, bribery and corruption. These are supported by complementary policies such as the Anti-Corruption Policy (Zero Tolerance) and the Conflict of Interest Management Policy. The Company maintains a strict zero-derogation policy. No member of the governing, management or supervisory bodies and no employee may be exempted from complying with the principles of ethics and integrity. Any breach is subject to disciplinary investigation and sanctions in accordance with internal regulations and applicable legislation. The commitment to integrity is operationalised through secure reporting channels (whistleblowing), which enable the early identification of ethical risks while protecting confidentiality and ensuring non-retaliation. In addition, the Code incorporates principles that go beyond mere legal compliance, promoting quality and professionalism as fundamental standards for the Company's long-term success.	

Section	Principle	Prov No.	Provision (detailed)	Yes	Partial	No	Explanation (text and url link if document is on website)	Website Link
E: SUSTAINABILITY AND STAKEHOLDERS	E.3. The Board should adopt a Code of Conduct with adequate scope including guiding principles which reflect the Company's commitment to ethics, integrity and quality of performance.	E.3.3	The Board should ensure that the Code of Conduct policies are integrated into Company's practices and incorporated into the onboarding process for new hires. The Board should ensure the efficient implementation and monitoring of compliance with the Code of Conduct and periodically review it.	X			The Board of Directors of Electrica S.A. ensures that ethical principles are embedded in the organisational culture through robust mechanisms for implementation, monitoring and continuous updating. Compliance with the Code of Ethics and Professional Conduct is a mandatory and ongoing condition for all employees. The onboarding process for new employees includes mandatory training on the provisions of the Code and its formal acknowledgement by signature. In addition, the Group conducts periodic refresher programmes and knowledge assessments for all staff. Under the Board's oversight, executive management has implemented a rigorous compliance monitoring system. This includes periodic internal audits, secure whistleblowing channels and a clear procedural framework for internal investigations. Any breach of the Code triggers the strict application of the sanctioning regime, ensuring the effectiveness of ethical standards. The Board of Directors periodically reviews the Code. This update process ensures continuous alignment with best corporate governance practices, developments in the legal framework and stakeholder expectations. Furthermore, the results of ethics monitoring and the status of compliance are periodically reported to the Board through the advisory committees, facilitating informed and proactive oversight.	

Source: Electrica

4.9 Implementing action plans undertaken by signing the framework agreement with EBRD

The company's initial public offering and dual listing process involved the signing of a framework agreement with the European Bank for Reconstruction and Development (EBRD), which includes action plans aiming at key dimensions for the company's transformation: developing a culture of integrity and compliance, adopting best practices regarding corporate governance and incorporating the sustainability principles at Group level. This framework agreement was in force from the moment of the listing in 2014 until the date on which EBRD exited the shareholding of Electrica, during the month of June 2025

As for the development of a culture of integrity and compliance at Electrica Group level, in line with the EBRD standards, the year 2025 meant maintaining the compliance framework from an ethical perspective and updating it in accordance with the evolutions of the social and legal context in which the organization operates, through concerted actions on the following main directions:

- maintaining the organizational structures dedicated to ethics and compliance;
- monitoring the compliance in relation to the framework defined by the *Code of Ethics and Professional Conduct* and subsequent policies and procedures.

Having mainly a preventive role in relation to the risks to which the organization is exposed, compliance adds value to each business, but in order to be effective, the compliance framework must be adapted to the organization transformations and to be aligned permanently with legislative changes, external environment trends and business ethics' best practices.

The information and awareness activities regarding the provisions of the compliance framework from the ethical perspective of the organization's staff were carried out exclusively through the online environment.

Regarding the organizational structures dedicated to ethics and compliance, these exist at each company level from the Group.

The action plan regarding corporate governance

The implementation of the Corporate Governance Action Plan, assumed as part of the Framework Agreement with EBRD, has been considered since the IPO and the company's listing. The standards and measures it envisaged have been implemented, maintained and continuously monitored.

Selection of independent directors

The EBRD guidelines were included in ELSA's Articles of Association adopted on 4 July 2014, being maintained in the context of increasing the total number of directors from five to seven, by adopting the Extraordinary General Meeting of Shareholders decision from 10 November 2015; out of the seven directors, four must meet the independence criteria.

For details about ELSA's Board of Directors, its members and the election of its members, please see *chapter 4.4*.

Nomination and Remuneration Policies

ELSA uses nomination and remuneration principles in accordance with best practices for the appointment and remuneration of directors and executive management. In this respect, the Profile of the Board of Directors and the Policy for recruiting and nomination of the candidates for executive management were elaborated.

The remuneration policy for directors and executives of ELSA (Policy) is reviewed periodically by the nomination and remuneration Committee and describes the main pillars of remuneration as well as the terms, conditions and non-financial benefits approved by ELSA's corporate representatives.

As a result of the change of the European and national legal framework, according to the European Directive no. 828/2017, transposed into national legislation by Law no. 24/2017, as it was subsequently amended and supplemented by Law no. 158/2020 (Art.92¹). The Policy was revised and approved at the ordinary General meeting of shareholders (OGMS), presenting transparently the elements of fixed and variable remuneration, including financial and non-financial benefits, in any form, that may be granted to Directors, while ensuring the alignment of the interests of administrators with those of shareholders.

In the year 2025, no changes were made to the Policy; the remuneration limits previously established by the General Shareholders' Meeting (AGA) for Administrators and Executive Directors remain unchanged.

Starting from 2023, the company has published the Remuneration Report for Administrators and Executive Directors, in accordance with the provisions of Law 24/2017 regarding issuers of financial instruments and market operations. The remuneration reports have been approved by the Ordinary General Meetings of Shareholders (AGOA) of Electrica (<https://www.electrica.ro/investitori/rezultate-si-raportari/>), with the aim of presenting an overview of the remunerations and benefits granted and/or due during the last financial year, to individual managers, including newly recruited and former managers in accordance with the Company Policy. By preparing and publishing them, the Company maintains a high level of transparency and accountability in the management of remunerations.

For details regarding the remuneration of the Board members and of the executive management of ELSA, please see *chapter 4.7*.

Advisory Committees of the Board of Directors

In order to increase the effectiveness of its activity, ELSA's Board of Directors has established the following committees with advisory role: the Nomination and Remuneration Committee, the Audit and Risk Committee, the Strategy and Corporate Governance Committee and The Climate Governance and Public Affairs Committee. For details, please see *chapter 4.5*.

Internal Control and Audit Framework

During 2025, the documentation governing the internal audit activity at Electrica Group level approved in November 2019 was maintained and applied. This documentation was approved in its first version by the BoD at the beginning of 2015 and includes the Internal Audit Charter, the Audit Manual and the Auditor's Code of Ethics, its last update dating from 2019. The documents are available on ELSA's website in the section *The group > Internal Audit*. For details about the internal audit please see *chapter 4.10*. and for more details on the internal control, please see *chapter 6.8*.

ELSA's Articles of Association

EBRD guidelines were included in the Articles of Association of ELSA adopted on 4 July 2014.

In 2025, ELSA's Articles of Association were updated according to ELSA Board of Directors' decisions from 5 February 2025. All versions of the ELSA Articles of Association adopted since the listing of the company are available on its website in the section *The group > About > Articles of Association*.

Clear lines of competence and responsibility

In the documentation of our own IMS (Integrated Management System) developed at the level of ELSA and its subsidiaries, which documents the processes, subprocesses, and activities conducted, the workflow for reporting, and the establishment of responsibilities and dedicated competencies are described.

Code of Conduct

EBRD requirements are covered by the Code of Ethics and professional Conduct. Regarding the Whistleblowing Policy, it has been updated and is available on the company's website.

During 2025, follow-up actions were carried out in relation to the provisions of the Code at group level, or to prevent the occurrence of any forms of conduct contrary to the provisions of the Code and subsequent policies applicable at Group level.

Compliance with BSE Corporate Governance Code

On 4 January 2016, the new BSE Corporate Governance Code entered into force and, on this occasion, ELSA published on 8 January 2016 the "Corporate Governance Code Apply or Explain" statement according to the new provisions. ELSA publishes the updated statement yearly and reports promptly to the capital market any update of its compliance.

On its turn, ELSA adopted its own Corporate Governance Code since the beginning of 2015, its last update being approved by the BoD on 23 June 2020. This version, as well as the policies and other corporate documents referred to by the Corporate Governance Code of ELSA are available on the company's website in the *Investors > Corporate Governance* section (<https://www.electrica.ro/en/investors/corporate-governance/>). For details, please consider *chapters 4.8 and 4.1*.

At the same time, at the level of the Electrica Group, a *Market Abuse Policy* was developed, adopted by all subsidiaries.

The Environmental and Social Action Plan (ESAP)

During 2022 the Environmental and Social Action Plan was updated by SAP as part of the Loan Agreement signed by DEER with EBRD and guaranteed by Electrica S.A. for financing DEER's CAPEX Plan 2021 – 2023. The revised ESAP includes the following actions, their status of implementation being also mentioned in the following section.

Environmental, health, safety management structure and updated information on certification

Mapping the organizational structure of environmental and social management from group level to territorial structure level within DEER. Presentation of this structure on the Group's intranet portal, along with the environmental and social policy/policies presented on the page regarding the implemented management systems and its communication to all staff.

During 2025, DEER's organizational structure includes the SSM Department, with SSM Zonal Offices (MN, TN and TS) and the Quality and Environmental Management Office.

The recertification of DEER's environmental management system in accordance with the ISO 14001:2015 standard was obtained in April 2024.

During 2023, the Company maintained its certification according to the requirements of the reference standards ISO 14001:2015, ISO 45001:2018, granted by the external certification body SRAC Cert.

Project-Specific Risk Assessments

Development and implementation of a standardized instrument for the assessment of social and environmental risks (methodology) and its application for the categories of works/works included in the CAPEX Plan 2021-2023.

Social, environmental and SSM risks, as well as mitigation measures are included in DEER technical projects for investment works, a methodology being developed to ensure a unitary approach across all technical projects.

Environmental impact studies

Continue to implement the legal requirements in the field of environment regarding the impact assessment for the investment projects included in the CAPEX Plan. If DEER is to develop and implement impact assessments under national legislation for investment projects targeting certain installations, which are not initially foreseen (including cutting protected tree species), they must be developed according to EU standards.

The EBRD will be informed about the environmental impact studies related to investment projects carried out at the level of DEER by sending the post link on their website.

The inclusion in the Electrica Group's Annual Sustainability Report of a summary of environmental impact studies with reference to non-technical summaries for CAPEX investment projects posted on DEER's website.

No Environmental impact Studies were required under Law 292/2018 Annex 5E for the development of the distribution infrastructure included in DEER Investment Plan until now.

Permits

DEER will ensure that it obtains all necessary authorizations/certificates from the Ministry of Culture, as well as environmental ones from local authorities with competence in the field, according to the Urban planning Certificate for the investment projects carried out.

All the necessary authorizations/certificates according to the Urban planning Certificate were obtained for all the investment projects included in the CAPEX Plan at DEER level.

Obtaining the building permit is conditioned by obtaining all the approvals required in the Urban planning Certificate.

Stunning environmental and social requirements

Environmental management plans for the works must be developed by contractors before starting work, based on the risk assessments carried out at the level of Electrica group and the specific instructions of the group companies. These plans must be stunned by the contractor (general contractor) to all sub-contractors.

Technical projects including the section on social, environmental and SSM risks and measures to reduce them are part of the contract signed with contractors and are binding on them and their subcontractors.

Ensuring the accommodation of workers

Check the accommodation conditions provided to workers who cannot return home daily (where relevant), ensuring it at an adequate level of quality and in accordance with the EBRD/IFC guidelines.

The accommodation conditions for its staff are checked and controlled at the time of the accommodation.

In the year 2023, at the DEER level, the procedure regarding the On-site Environmental Control was revised, introducing the mandatory verification of accommodation conditions in the control activities for contracted investment works.

Restructuring with reduced personnel

The company will develop and maintain provisions on personnel reduction (collective/individual redundancies) in the collective Labour Agreement and will plan restructuring initiatives in alignment with the EBRD guidelines in the field, so as to minimize the social and economic impact of staff reductions, if necessary. These initiatives will be designed in accordance with good practice and in compliance with national law. The Company shall inform the Bank of any major restructuring (more than 500 affected employees) and shall submit a plan for tarding/reducing the impact at least 1 month before the CIM is terminated. Restructuring programs that will affect more than 100 employees, but less than 500 employees will be presented in the Annual Report.

The provisions on restructuring/reorganisation with staff reduction at group level are included in the Collective Labour Agreement signed with the trade unions and renegotiated every two years.

In the case of reorganisation decisions, such initiatives will be designed in accordance with best practice and in compliance with national legislation. In 2025 there were NO restructurings and NO collective redundancies.

Analysis of greenhouse gas emissions

The development of a study on greenhouse gas (GHG) emissions at the level of Electrica Group's operations and the identification of areas with potential emission reduction, with the publication of results in the Electrica Group's Sustainability Report. An annual presentation of the implementation status of measures and progress made in reducing emissions is included in the Sustainability Report.

The determination of the level of greenhouse gas (GHG) emissions for the activities of the Electrica Group in the year 2025 and the identification of areas with potential emission reduction were carried out at the level of each company within the Group. The results are published in the Electrica Group's Sustainability Report for the year 2025.

At the DEER level, the measures taken aimed at reducing both direct and indirect emissions include:

- *Analysis and increase in the percentage of distributed electrical energy purchased from renewable sources.*
- *Modernization of energy facilities.*
- *Implementation of a program to reduce Specific Energy Consumption (NL).*
- *Installation of own renewable energy sources (photovoltaic panels).*
- *Application/adherence to regulations for optimizing and improving energy consumption in DEER's administrative and technological spaces.*
- *Reduction of operating time through the appropriate use of ITC equipment.*
- *Increased selective collection and recovery of recyclable waste.*
- *Installation of GPS, GPS monitoring (via the SafeFleet platform), route optimization, fuel consumption monitoring, periodic technical maintenance of the vehicle fleet.*
- *Reduction in the number of business-related trips.*
- *Staff awareness through the inclusion of carbon footprint reduction aspects in the topics covered in the IMS - Environmental Protection training.*

Energy management

Implementation and certification of the Energy Management System, in accordance with the requirements of ISO 50001 standard at the level of the Electrica Group.

The implementation of the Energy Management System at DEER level is foreseen after the completion of the organizational transformation project following the merger of distribution operators, so that the certification will be obtained in 2025.

PCBs

Continuation at DEER level of the program to eliminate PCBs (polychlorinated biphenyls) from electrical installations in operation, the deadline for complete disposal being 2028, with annual reporting to the EBRD.

According to the PCB Capacitor elimination Plans approved at the level of the Territorial Environmental Agencies, in December 2025 all PCB capacitors were eliminated at the DEER level.

Health and Safety System and Policy

Maintaining the certification of the SSO Management System according to ISO 45001:2018 for DEER. Revision of OSH policy

The certification of the Occupational Health and Safety Management System in accordance with the ISO 45001:2018 standard was maintained at the DEER level in the year 2024, with no major non-conformities recorded by the external certification body SRAC Cert.

Asbestos

Carrying out a study on asbestos-containing materials for the targeted transformation stations (by the CAPEX Plan) and developing an *asbestos management plan* for the locations included in the CAPEX Plan, in order to facilitate a comprehensive investigation, DEER must also ensure that, all electrical equipment is insulated and safe during the study. Waste management procedures during investment works documented by environmental management plans during work should include preventive measures/approaches to situations where asbestos is identified during work and should comply with the asbestos Management Plan. Maintain a plan to assess and eliminate asbestos risk.

DEER continued in 2025 to monitor the state of degradation of the asbestos-cement coating for the posts, transformation stations and administrative buildings, being replaced with other materials by third-party companies during the restoration/modernization works.

Community Health & Safety

After the implementation of the CAPEX Plan, the distribution infrastructure must be inspected periodically to verify that the equipment is properly installed and that the elements that ensure the protection of the community (for example, when electrocution) are functional/applied as part of the infrastructure maintenance plan. Any unprotected equipment that could cause damage to the local community must be reported and repaired/replaced.

During the implementation of the Maintenance Plan, DEER teams constantly check the distribution infrastructure to ensure that the equipment is installed properly/correctly and that the elements that ensure the protection of the community (e.g. against electrocution) are functional/applied. Any situation where it is found that there is an unprotected equipment that could cause damage to local communities is immediately remedied.

Working at Height and Lockout/Grounding Instruction

Ensuring that the SSM documentation providing rules for the voltage removal and ensuring the working area for electricity distribution networks and installations complies with the regulations in force at national level. Completion of the electrical separation and working at height instruction/instructions.

The SSM instructions on the de-voltage and the provision of the working area for networks and distribution installations, as well as on working at height, are in force and comply with national regulations.

Visual Impacts

Assessing the visual impact for new networks in the design phase and establishing mitigation measures, e.g. moving lines underground, changing routes by taking into account local communities' perception of their construction (through environmental and social management plans) in compliance with national legislation in this field.

At the design stage DEER adopts technical solutions taking into account the visual impact of its future distribution installations (replacement of overhead power lines with underground cables), in accordance with the applicable legal provisions, especially at the community level.

Emergency Preparedness and Response

Checking the emergency plans and ensuring the endowment of all locations with extinguishers within the validity term, in accordance with the provisions of the legislation in force.

For all locations owned by DEER, there are defined fire prevention plans. Preventive measures are implemented and consist of: Control of compliance with legal regulations by own authorized personnel; regular entry for all categories of employees, in accordance with the approved annual training programs; evacuation and intervention exercises in case of emergency situations; maintenance of fire prevention and extinguishing equipment and facilities for each location with authorized providers; maintenance of unobstructed access on evacuation routes; additional actions to prevent fires for the hot and cold season.

Noise monitoring

Monitoring the noise level for areas with high sensitivity (residential, hospitals, schools) that claim the noise level generated by DEER equipment and establishing and implementing mitigation/reduction measures, if necessary (if measurements indicate overruns of the legislated level).

According to the instruction "DEER-I3-PS-06 - Environmental Protection Control", a "Noise Measurement Program" is drawn up annually. Sound level meters are available at each branch level, and the noise measurement program is planned and implemented during 2024. There is evidence of these noise measurements in the "Noise Level Monitoring Register", found at the branch level.

Electromagnetic Fields

Continue monitoring potential impacts from electromagnetic fields (EMF) from transformer stations and transmission lines in compliance with National legislation with respect to EMF.

There are studies on electromagnetic fields for the distribution infrastructure of DEER indicating that they are within the limits of national legislation. DEER analyzes options for including electromagnetic field measurements for new installations in the commissioning process and for independent studies.

Land Acquisition Framework

If it will be necessary to purchase land for the implementation of the CAPEX Program, a document will be developed to define the Land acquisition Framework (LAF), which will present the Electrica policy on fair compensation and compliance of the procurement process with the relevant national legislation and RP5. It will ensure compliance with this framework for installations part of the CAPEX program.

No new land surveys were required for the development of the distribution infrastructure that is the subject of the Investment Plan so far.

In accordance with the applicable ANRE regulations, the lands are not recognized in the RAB.

Bird death monitoring

Develop and implement a system for monitoring mortality among birds due to their collision with LEA, providing annual estimates of mortality. The monitoring will be done by on-site trips with search on the ground.

DEER has developed and approved the DEER-I5-PS-06 instruction regarding "Monitoring bird mortality following interaction with electrical installations" based on SCADA system alerts and field trips for carcass identification. In accordance with the provisions of Annex 1 of the instruction, the "Register for monitoring bird mortality following interaction with electrical installations" was developed for the year 2025 at the level of each branch.

The bird mortality situation in 2025 at the DEER level is presented as follows:

- *210 incidents following bird interaction with electrical installations (collision/electrocution);*
- *242 deceased birds (mostly crows, storks, and starlings).*

Avoiding and mitigating against bird deaths

The continuation of the replacement of the lines with classical (uninsulated) conductor with twisted (insulated) conductors, within the investment projects carried out in areas with significant activity of birds, defined by the relevant NGOs and environmental authorities. It will continue the installation of stork nests on the low and medium voltage LEA poles and the installation of electroinsulating sheaths to protect all these species that have their habitats in DEER activity areas. Mapping sensitive areas from a biodiversity perspective. If necessary, bird markers shall be used and the risk of electric shock of birds shall be reduced by a suitable design of the insulation of electrical installations. It will be considered for all new or modernized LEA to have safety elements that will lead to the avoidance of mortality among birds.

In the design phase for new networks or the modernization of existing electrical networks, DEER adopts technical solutions designed to ensure the protection of biodiversity and considers the replacement of overhead lines with underground lines, of non-insulated conductors with twisted conductor, the installation of insulating sheaths, for the protection of all bird species.

The procedure for random discoveries (cultural values)

Adoption of a **Protocol on random discoveries** in order to identify and effectively manage any discoveries with cultural value that occurred during the implementation of the projects. This protocol should define the internal communication/escalation chain, the notification of relevant institutions with regard to discovered objects/sites, the information of the personnel involved in the projects on the possibility of such discoveries and the way of surrounding the area in order to protect against destruction or alteration of the discoveries, where necessary. The protocol will be aligned with the rules for the application of Law 50/1991 on the authorization of construction works.

The accidental Discovery Protocol is part of all DEER contracts as a separate section/clause.

Update Stakeholder Engagement Policy (SEP)

Updating the engagement methods used in accordance with the policy in order to align with what is actually done and developing the section on complaints and integrity warnings.

The policy Regarding transactions with affiliated parties has been updated: DEER-POL- ET-7.

Stakeholder Engagement for the 2021-2023 CAPEX Plan

Development of a stakeholder engagement plan dedicated to the CAPEX Program 2021 – 2023 to ensure that all the necessary involvement/consultation activities are carried out during the implementation of the following projects included in the CAPEX Program financed by the EBRD.

DEER has a series of internal procedures and work instructions for each party involved in the implementation of the Investment Programs. Also, on the company's website there is the company's Development Plan approved for a period of 10 years.

A unitary mechanism for monitoring complaints/complaints

Development and implementation of a unitary IT system at DEER level of registration, analysis, resolution in their legal framework in accordance with the legal requirements (ANRE). The complaints registered directly with DEER will be recognized and resolved in accordance with the regulations in force (ANRE) (between 15 days and 30 days to respond, depending on the nature of the complaint/complaint).

The mechanism for monitoring complaints is defined according to the regulations in force and available on DEER website. Records of complaints and complaints are kept and submitted to ANRE regulator upon request or during the performed controls.

Starting with May 2021, there is, at the DEER level, the RUR application, the Single Application Register.

Community Guide to Security

Develop a guide that contains relevant information about the process of electricity distribution. The guide addresses with priority the local communities served by DEER activity and presents details regarding: DEER's emergency procedure for the safe erection of the fallen LEA poles; the activities of involvement of the interested parties and the mechanism for submitting complaints/complaints; Determination of the levels of electromagnetic fields in transformer and LEA stations and its impact on health; risk related to theft of electricity, etc. Consideration will also be given to the implementation of other mechanisms to raise awareness of the local community about the safety in the use of electricity energy (through the European Commission's "Energy saving" program ("Economie la energie"), for example.

The DEER Guide was created, an informative material regarding DEER's activities, as well as aspects related to electricity theft and safety measures in the vicinity of electrical installations.

Following the surveys conducted among users in 2025, their level of information regarding the distribution operator's activity is increasing year-on-year. The Guide is updated annually with key data and the information contained therein

Ensuring reporting in line with the provisions of the EU Directive on non-financial reporting and including in the Sustainability Report relevant information on the climate impact produced in accordance with the Green and Social Taxonomy adopted since 2022.

The Electrica Group publishes its annual sustainability report in accordance with the provisions of the EU Directive on non-financial reporting.

4.10 Internal audit activity report for 2025

The Internal Audit Department is responsible for conducting risk-based audit missions at Group companies' level.

The Internal Audit Department performs its activity based on an annual audit plan, which is endorsed by the Audit and Risk Committee, and subsequently approved by the Board of Directors. The 2025 Audit Plan included assurance and operational missions, as well as ad-hoc audit missions started after their validation by the Audit and Risk Committee. The Audit Plan is aligned with the risk register at Group level and prioritizes the main risks identified for the major business areas.

During 2025, assurance audit missions were carried out, as well as various ad-hoc missions on the most important business activities. Audit missions were carried out on major projects or events within the Group, as well as missions aimed at Access Rights management in systems and Human Resources (payroll and benefits activities). The Audit and Risk Committee together with the Board of Directors analyzed the audit reports regarding the findings identified, as well as the action plans established to remedy them.

Throughout 2025, the Internal Audit Department team consisted of one person with management role, one person with a full – time role and two persons with part time work (2h/week).

Among the most important audit missions carried out in 2025 are:

1. Assessment and audit of activities related to access rights in systems. The audit report contains 4 findings of which 0 with high impact;
2. Assessment and audit of payroll and benefits activities. An audit report was issued containing 5 findings, of which 0 were high impact;
3. Three “follow-up” missions were carried out, which were aimed to identify and monitor the implementation degree of the audit recommendations related to the issued reports;
4. At the request of the FISE Board of Directors, three ad-hoc missions were carried out following integrity whistleblowing reports within the ELSA–FISE joint team.
5. In accordance with the integrity whistleblowing analysis procedure, 20 whistleblowing reports were received through the “whistleblower” system. Of the total number received in 2025, 16 were assessed, 1 was classified as “ranked” in accordance with the provisions of Law 361/2022, and 3 reports received towards the end of the year are still under review by the designated internal responsible structures.

The audit reports are agreed by executive management and further submitted to the Audit and Risk Committee of ELSA, as well as to the Board of Directors. Following the conclusion of the audit engagements and after agreeing the audit recommendations with the responsible persons, the Internal Audit Department works together with the audited structures in order to draw up the action plans aimed to reduce or eliminate the identified risks.

5 Operating activity of Electrica in 2025

5.1 Operating segments

The operations of each reportable segment are summarized below.

Table 20. Operating segments

Segments	Operations
Electricity and gas supply	Purchasing and supplying electricity and gas to end consumers (EFSA, including the trading and representation activity on the Balancing Market as Balance Responsible Party – BRP)
Electricity distribution	Electricity distribution service (include DEER and activity performed by SERV within distribution segment)
Electricity generation	Production of electricity from renewable sources (photovoltaic panels and wind turbines)
External electricity network services	Repairs, maintenance, and other services for electricity networks owned by other distributors (includes Electrica SERV SA activity without the one mentioned above for the distribution segment)
Headquarters	Includes corporate services at parent level

Source: Electrica

The figure below shows the areas covered by the Group subsidiaries and the number of customers/users they serve.

Figure 32: The geographical coverage of the companies in the Electrica Group in 2025



Source: Electrica

Note: The figure refers to the company's number of consumption places/users at 31 December 2025

DISTRIBUTION SEGMENT

Electrica Group's distribution segment, starting with 1st of January 2021 refers to the activity of DEER (with the following network areas: Transylvania North, Transylvania South and Muntenia North) and SERV.

The electricity distribution segment is a regulated area of activity, in which operations are conducted in a geographically limited area in accordance with the concession agreement, the nature of the services provided, and the specific obligations are stipulated in the license conditions of the concessionaire operator. Thus, the electricity distribution subsidiary of Electrica Group is the energy distribution operator in Transylvania North (Cluj, Maramures, Satu Mare, Salaj, Bihor and Bistrita-Nasaud counties), Transylvania South (Brasov, Alba, Sibiu, Mures, Harghita and Covasna counties) and Muntenia North (Prahova, Buzau, Dambovita, Braila, Galati and Vrancea counties), operating electrical installation with voltages between 0.4 kV and 110 kV.

DEER holds the exclusive electricity distribution license in these regions of network areas valid until the year 2027, with an extension clause for another 25 years. Within its service for distribution activity, SERV provides maintenance, repair and various services to group companies (car rental, rental of buildings etc.) as well as repairs and other related services to third parties.

The specific tariffs are determined and approved by ANRE through the "price cap basket" method, as established by ANRE Order no. 67/17 September 2024 regarding the approval of the methodology for establishing electricity distribution service tariffs (applicable in the fifth regulatory period 2025 - 2029), with subsequent amendments and completions, and respectively ANRE Order no. 55/6 August 2024 regarding the establishment of the RRR (Regulated Rate of Return) applied to the approval of tariffs for the electricity distribution service.

The regulatory method "tariff basket cap" aims to avoid significant fluctuations in the tariffs applied to the users for electricity distribution. The model for determining the regulated income is based on the principle of remunerating in tariffs the justifiable costs recorded by the distribution system operator, the main source of profit of the distribution company being the rate of return of capital invested in the distribution activity.

The tariffs are adjusted annually, taking into account the operational performance achieved, the quantities of electricity distributed, the quantities and the purchase price of electricity needed to cover network losses (NL), controllable and noncontrollable costs, the change in reactive energy revenues from forecasted values, the depreciation and carrying out expected capitalizable expenses, the changes in actual gross profit from other activities compared to the forecasted one, as well as the corrections in previous periods carried out according to the methodology.

At 31 December 2025, the Group was in a surplus position, estimated at a value of approximately RON 400 mn. (representing corrections related to the year 2025, without the NL capitalization component), which will be returned through the distribution tariffs of the following years.

The fifth regulatory period – RP5 – began on 1 January 2025 and will conclude on 31 December 2029.

ANRE establishes the necessary annual regulated revenue for each year of the regulatory period based on the projections submitted by the distribution operators in accordance with the methodological requirements at the beginning of the regulatory period.

The electricity distribution tariffs approved by **ANRE Order no. 77/ 16.12.2025**, valid as of 1 January 2026, are as follows (RON/MWh)

Table 21. The electricity distribution tariffs approved by ANRE starting with 1 January 2026

The concessionaire distribution operator	Voltage level	U.M.	The specific tariff composed of:	non NL Component	NL util Component	NL util_sc Component
Distributie Energie Electrica Romania S.A.	HT	lei/MWh	31.96	23.04	7.15	1.77
	MT	lei/MWh	83.36	43.61	31.86	7.89
	LT	lei/MWh	240.02	139.45	80.60	19.97

SUPPLY SEGMENT

The electricity and natural gas supply segment includes **Electrica Furnizare S.A. ("EFSA")**, whose main activity is supplying electricity to final customers, both under the universal service and supplier-of-last-resort regime, as well as on the competitive market throughout Romania.

The Group holds an electricity supply license covering the entire Romanian territory, valid until 2031. In order to expand EFSA's economic activities in Hungary, the Hungarian Energy and Public Utility Regulatory Authority (MEKH) granted Electrica Furnizare an electricity trading license through Decision no. H879/2022. EFSA also holds a natural gas supply license valid until 2032.

The electricity market is divided into the **supplier-of-last-resort (SoLR) and universal service market** and the **competitive market**. On both markets, electricity may be sold/purchased either wholesale or retail.

Universal Service and Supplier-of-Last-Resort Market

As of 31 December 2025, EFSA served approximately **1.539 million consumption points** under the universal service and supplier-of-last-resort regime.

Competitive Market

In 2025, wholesale electricity trading was carried out transparently on centralized markets operated by **OPCOM** and **BRM**, based on directly negotiated bilateral contracts. For spot markets, trading transitioned to BRM during February.

PRE Electrica – Balancing Responsible Party

EFSA also performed balancing market representation as a **Balancing Responsible Party (PRE)**.

The PRE EFSA customer portfolio is diversified and includes producers (hydro, thermal, wind, photovoltaic, biogas, biomass), suppliers, and distribution operators.

At the end of 2025, **92 licensed participants** had transferred balancing responsibility to PRE EFSA, as follows:

- **14 suppliers**, representing **15.22%** of total PRE;
- **7 distribution operators**, representing **7.61%** of total PRE;
- **71 producers**, representing **77.17%** of total PRE.

The distribution company within the Electrica Group delegated its balancing responsibility to PRE EFSA.

The Balancing Market, a component of the wholesale electricity market, requires each licensed entity either to assume its own balancing responsibility or transfer it to a PRE. Transferring this responsibility enables the aggregation of imbalances in dual-price intervals, thereby reducing balancing costs compared with individual participation.

ELECTRICITY PRODUCTION FROM RENEWABLE SOURCES

Projects in development/implementation

Have been initiated the procedures of elaboration of the documentation and the planning related necessary for the selection through competitive procedure for the project Crucea Power Plant S.R.L. - the project wind farm Crucea with P=121 MWp (up to 138 MW) and 60 MWh storage, for the lots:

- ✓ *The supply of wind turbines (and auxiliary equipment) and maintenance services of type long term service agreement;*
- ✓ *Civil construction works: foundations, platforms and roads;*
- ✓ *Electrical works / Balance-of-Plant: the internal electrical network, the substation 110/33 kV and connection LES 110 kV;*
- ✓ *On the basis of the connection contract concluded with Transelectrica: the realization of the Common Installation of connection to the RET (includes the common connection station 110/400 kV).*

Investment projects in progress of acquisition

Investment projects in progress

The competitive procedures of selection of the contractors are in the course of unfolding for:

- ✓ New Trend Energy S.R.L. - the project CEF Satu Mare 3 with P=62.5 MWp;
- ✓ Foton Energy S.R.L. - the project CEF Bihor 1 with P=77.5 MWp;
- ELSA S.A. - Storage project with capacity of 35/70 MWh - Fantanele, developed internally.

Ongoing investment projects

- **Sunwind Energy S.R.L.** — The Project Satu Mare 2, where Electrica S.A. holds 100% of the social parts, for the project CEF Satu Mare 2 with P=27 MWp, having a non-reimbursable co-financing from the PNRR program, at the date of this report the project is finalized from the constructive point of view and was signed the PVRTL (Minutes of reception at the completion of works) on the date of 4 July 2025 (PV park inside-the-fences finalized). Also, were finalized the works of connection on the date of 19 September 2025 by the Operator of distribution of the installation of connection. Were realized the steps necessary for the obtaining of approvals for putting under tension and the realization of tests of conformity. Was initiated the functioning in the period of trials at the beginning of the month of October. In this period the energy produced will be delivered in the system and remunerated on the basis of the regulation applicable. After the completion of tests will be obtained the license of commercial exploitation of the capacity of production, in accordance with the norms in force.
- **ELSA S.A.** - The Project of the Storage Station Fantanele, with a capacity installed of approx. 70 MWh, on the date of 18.12.2025 was concluded the EPC contract and was initiated the phase of implementation.

Operational project

- ELSA - Photovoltaic power plant Stanesti, with a capacity of 7.5 MWp;
- ELSA - The Vulturul Project with P=12 MWp (installed capacity).

5.2 Fixed assets

5.2.1 Tangible assets – summarize key aspects of their location and main characteristics

The number of users and the volume of installations as of 31 December 2025 for the entirety of DEER (Romania Electrical Energy Distribution) are quantified as follows:

Table 22. Number of users and volume of installations as of 31 December 2025

	UM	DEER (Total)
Geographical coverage	km²	97,196
Number of users, of which:	no.	4,011,269
High voltage (HV -110Kv)	no.	146
Medium voltage (MV)	no.	13,200
Low voltage (LV)	no.	3,997,923
Overhead power lines length, out of which:	km	159,777
High voltage (HV -110Kv)	km	7,483
Medium voltage (MV)	km	35,103
Low voltage (LV)	km	117,190
<i>Out of which connections</i>	<i>km</i>	<i>60,879</i>
Underground power lines length, out of which:	km	46,042
High voltage (HV -110Kv)	km	127
Medium voltage (MV)	km	12,256
Low voltage (LV)	km	33,660
<i>Out of which connections</i>	<i>km</i>	<i>14,729</i>
Cumulative power of transformers/power AT	MVA	22,591
In HV/MV power stations	MVA	13,636
In MV/MV power stations	MVA	405
Switching stations/ Transformer stations	MVA	8,550
No. of substations, out of which:	pcs	444
HV/MT power stations	pcs	324
MT/MT power stations	pcs	120
Number of switching stations and transformer stations	pcs	30,617

Source: DEER

5.2.2 Tangible assets – summarize key aspects of their attrition

Most of the distribution installations currently in the patrimony of the electricity distribution company within Electrica Group, about 80% of the total volume, was built in the period 1960-2000, in the successive stages of development of the National Energy System. This has led to a wide variety of equipment currently in operation. These represent installations made with Romanian technology in the period 1960 - 2000, where there is a high degree of physical and moral wear and tear. It should be noted that the installations put into operation between 1980 - 2000 (approximately 10%) gradually exceed the normal operating time.

A relatively small category, representing about 20% of the total installations, is represented by the new installations, put into operation after 2000 and which are made to technical standards that meet the current requirements.

Depending on the voltage level, categories of installations, the year of commissioning and the specific operating conditions, the degree of attrition of the installations can be assessed as follows:

Table 23: Degree of attrition of the installations

Type	Description	% of attrition
High voltage power lines (110 kV)	Underground power lines	40%
	Overhead power lines	70%
Medium voltage power lines	Underground power lines	57%
	Overhead power lines	56%
Low voltage power lines	Underground power lines	64%
	Overhead power lines	61%
Substations		67%
Secondary Substations	Pole – mounted	47%
	Concrete enclosure	64%
	Pad - mounted	56%
	Underground	65%
	Concrete base	10%

Source: DEER

The lands on which the existing electrical distribution networks are located at the entry into force of Law 13/2007 are and remain the public property of the state.

In general, electric distribution networks are developed on public land of the state (public roads, land of the Administrative-Territorial Units) and partly on private land (those that serve mainly the user who owns the property) for the location of transformer substations and/or individual connections.

In most cases the location of new distribution networks/installations is made in compliance with the urban regulations of the area. It is intended that the delimitation of the operator/user installations to be carried out at the limit of the private domain, with access from the public road.

Maintenance of tangible assets, modernization and development of new assets is carried out on the basis of the annual maintenance plans and annual investment plans approved by ANRE.

The annual investment plans are approved both as a total value cap, with a minimum required level, to be achieved, at the value of the annual depreciation, as well as detailed covering every investment goal.

The annual maintenance plans are approved by value by ANRE and must be carried out in the amount of at least 95%.

5.2.3 Investments

The investments at Electrica Group level have been prioritized considering especially the distribution company's assets degree of wear, and on the improvement of the distribution service quality, the safety in operations, as well as the increase in efficiency.

The Group will continue to modernize and to develop the smart distribution network by installing smart network infrastructure systems, such as SCADA, SAD, electricity measurement systems, WFM (workforce management), OMS (outage management system), VPP (Virtual Power Plant), in order to improve energy and operational efficiency, to improve the network flexibility, the distribution service quality and to ensure the continuity in the electricity supply and the networks' safety.

In the investments program implementation, the Group's strategy and in particular the following criteria are ensured:

- tracking the inclusion of regulated investments in the RAB;
- non-regulated investments of the Group must provide an internal rate of return higher than the weighted average cost of capital;
- the proposed investment program must follow the Group's financial strategy of maintaining a solid capital structure.

Thus, those categories of capital expenses that contribute to the development of a profitable and sustainable distribution activity, as well as to the creation of the conditions of access to the electricity distribution network for the consumers and electricity producers and scaling capacity for renewables, battery storage and EV infrastructure, in accordance with market requirements, based in particular on:

- expansion of modern systems for measuring electricity consumption and transmitting consumption data;
- electricity network digitalization and cybersecurity;
- distribution automation by integrating of the installation in SCADA, SAD, DMS etc.;
- modernizing the equipment from the substations and the medium voltage network;
- introducing equipment with reduced technological losses, higher operating efficiencies and environmentally friendly;
- modernizing of the medium and low voltage distribution network and connections.

At the same time, the Group is considering investments in the upgrade of IT infrastructure and IT systems, considering both the legal requirements regarding data protection and the positive effect on the quality of the services provided.

The following table presents the investment program approved by ANRE for the distribution area within Electrica Group for the period 2025 - 2029 (in 2024 real terms):

Table 24: Investment program approved by ANRE for the year 2025 and 2026-2029 period (RON mn.)

	Commissioning program approved by ANRE for the 5th period (2025 – 2029)					Total
	2025	2026	2027	2028	2029	
DEER	706	727	747	754	768	3,702

Source: ANRE

In 2025, Electrica Group companies realized the following investments, compared to the planned values approved by the Board of Directors.

Table 25: Consolidated investments planned 2025 vs achieved 2025 IFRS-EU (RON mn.)

Electrica Group subsidiary (RON mn.)	Planned 2025	Achieved 2025	Achieved %
DEER	970.8	965.9	99.5%
EFSA	52.8	28.0	53.0%
ELSA standalone	20.0	5.5	27.5%
ELSA production segment	46.6	13.0	27.9%
SERV	13.5	9.5	70.4%
SWE	31,0	32.5	104.8%
NTE	83,0	1.4	1.7%
FPE	126,9	0.0	0.0%
CPP	236,3	1.7	0.7%
TOTAL	1.580,9	1.057.5	66.9%

Source: Electrica

At Electrica Group level, in 2025, the consolidated CAPEX plan was achieved at a rate of 66.9% compared to the plan approved by the Board of Directors of ELSA in April 2025 and subsequently supplemented in June 2025.

The synthetic structure of investments achieved (CAPEX) by the distribution subsidiary in 2025 is presented in the table below (for details of the most important investments see Appendix 2).

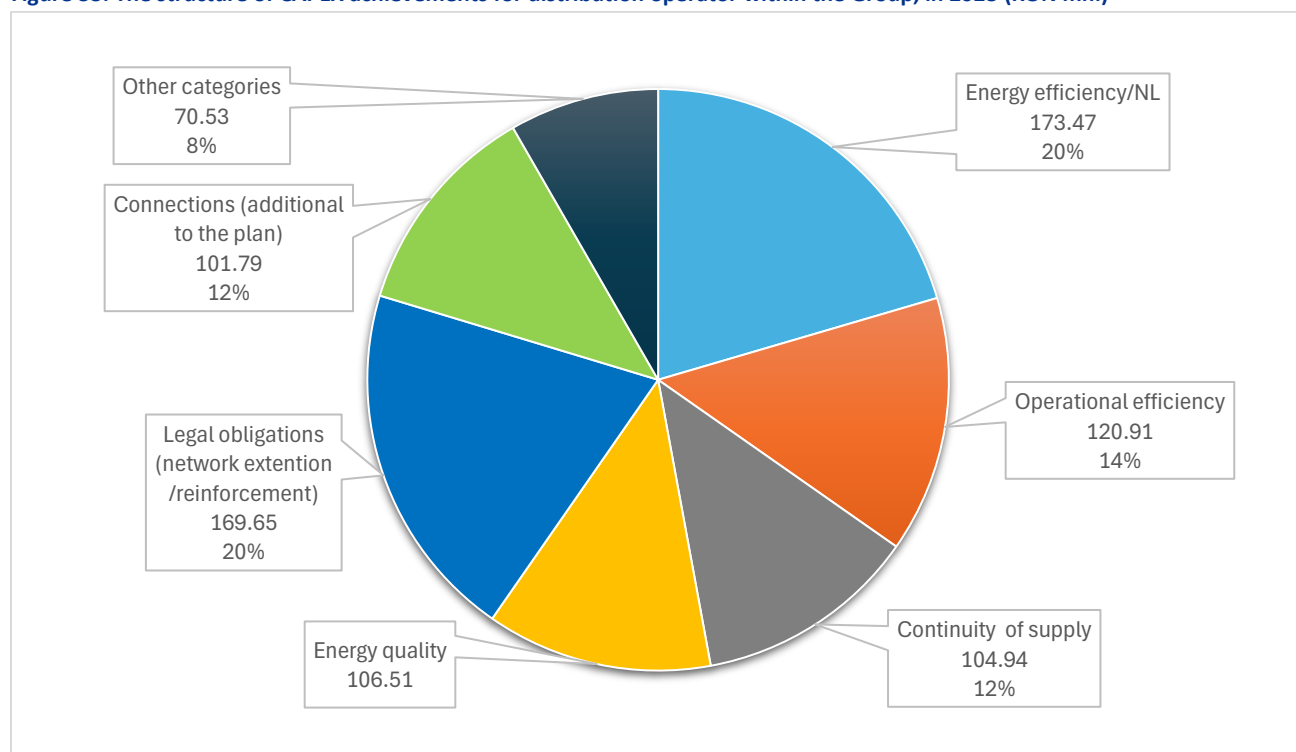
Table 26: The synthetic structure of investments achieved by distribution subsidiary in 2025 (RON mn.)

Category of works (RON mn.)	Total	%
Efficiency, out of which:	294.4	35
Energy efficiency/NL	173.5	21
Operational efficiency	120.9	14
Quality of distribution service, out of which:	483.4	57
Continuity of supply	104.9	12
Energy quality	106.5	13
Legal obligations (network extension/reinforcement)	169.7	20
Connections (additional to the plan)	101.8	12
Other categories, from which	70.6	8
Endowments (including auto)	54.9	6
Projects and studies	3.0	0
Modernization of buildings, premises	12.7	2
Total	848.3	100%

Source: Electrica

The main investments of the Electrica Group were focused in 2025 on improving the quality of the distribution service, as well as on increasing the energy and operational efficiency.

Figure 33: The structure of CAPEX achievements for distribution operator within the Group, in 2025 (RON mn.)



Source: Electrica

The approved plan of investments to be commissioned in 2025 for Societatea Distributie Energie Electrica (DEER), the distribution company within Electrica group, was in total amount of RON 797.8 mn., this value also including investments carried forward, for the year 2024 (RON 63.6 mn.). It was also estimated that additional works would be carried out beyond the plan due to legal obligations, amounting RON~ 160.7 mn..

The total value of the investments carried out and commissioned in 2025 by DEER is RON 878.4 mn. representing an average percentage of 110% compared to the total planned value.

From the total of RON 878.4 mn. investments carried out and commissioned, RON 844 mn. are related to 2025 plan, and RON 34.4 mn. represent investments carried forward from 2024 plan.

Table 27: PIF planned vs achieved 2025 for DEER (mil. RON)

DEER (RON mn.)	Total ANRE 2025 plan	Total achieved 2025	Total percentage of achievement %
Plan + Additional works 2025	734.2	844.0	115%
Works carried forward 2024	63.6	34.4	54%
Total	797.8	878,4	110%

Source: Electrica

As a result of the investments made during the 2014 – 2025 period, the value of the Regulated Asset Base (RAB) of the distribution operators within the Electrica Group portfolio has changed progressively, following an upward trend, and is presented in the following table:

Table 28: PIF RAB Evolution 2014 – 2025 (RON mn.)

RAB (RON mn.)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024*	2025**
SDTN	1.331	1.420	1.519	1.624	1.728	1.854	1.925	2.100	2.423	2.614	2.770	-
SDTS	1.333	1.377	1.388	1.475	1.521	1.682	1.760	1.915	2.183	2.397	2.549	-
SDMN	1.486	1.543	1.581	1.679	1.769	1.913	2.016	2.184	2.489	2.685	2.848	-
Total	4.150	4.340	4.488	4.778	5.018	5.449	5.702	6.199	7.095	7.695	8.155	8.606

* The value has undergone changes as a result of the final closing of 2024 and the analysis performed by ANRE.

** The value is preliminary and may undergo changes as a result of the final closing of 2025 and the analysis performed by ANRE.

Source: Electrica

Given the significant volume of investments required for the upcoming period, efforts have intensified to access non-reimbursable financing schemes from the Modernization Fund and the NRRP (National Recovery and Resilience Plan).

In 2024, DEER finalized five projects within the Large Infrastructure Operational Programme (LIOP) 2014-2020, with an eligible value of RON 201.0 mn.

By the end of 2024, 31 projects were submitted for financing from the Modernization Fund (MF), Key Programme 3 – Support for the expansion and modernization of the electricity distribution network, with a total value of approx. EUR 1.3 bn (excluding VAT), of which the eligible value for MF financing is approx. EUR 0.95 bn. Of these, by the end of 2025, eighteen had signed financing contracts and were in progress. The projects aim to increase the reliability and capacity of the distribution network, improve the quality of the electricity distribution service and energy efficiency, increase the security of electricity supply for existing users, and ensure the possibility of connecting future consumers and producers.

DEER submitted three other projects for financing from the Modernization Fund – Self-consumption, for the installation of photovoltaic panel systems to cover internal consumption needs for two transformer stations and the central headquarters.

DEER submitted financing requests for the Sustainable Development Programme (SDP) – Action 4.5 - Smart energy systems and networks/ Priority 4/ SDP. Two projects were submitted aiming at the digitalization of the distribution network, with a total value excluding VAT of approx. EUR 69.0 mn (RON 347.0 mn), of which the eligible value for financing is approx. EUR 50.0 mn (RON 248.0 mn). The projects are under review by the Managing Authority for the Sustainable Development Programme 2021-2027.

5.2.4 Aspects of ownership of tangible assets

The operation of assets is realized:

- i) under the concession contract, by which the Concendent (Ministry of Energy) has transmitted to the concessionaire (distribution operator) the right and obligation to operate the activities and service of electricity distribution;
- ii) based on the distribution license - Ordin ANRE 73/2014 - regarding the approval of the general conditions associated with the licenses for the provision of the electricity distribution service.

During the period of validity of the license, the license holder has the exclusive right to provide the electricity distribution service, under the conditions of the regulations in force, in the area defined under the specific conditions associated with the license, using the electrical distribution network that it holds as owner or with any other legal title, provided under the specific conditions associated with the license, in compliance with the provisions of the concession contract concluded with the contracting authority.

In order to ensure the normal functioning of the distribution network that it operates, the license holder has the right to exercise, under the conditions of the Law, the rights provided by the law for the holders of licenses on land and public or private property of other natural or legal persons and on the activities carried out by natural and legal persons in the vicinity of the components of the electrical distribution network, as well as the right of access to public utilities.

Obligations of the distribution license holder:

- The obligation to allow the use of the electrical distribution network;
- Ensuring the connection to public interest electricity networks;

At the request of any natural or legal person, the license holder is obliged to provide access to the distribution network provided under the specific conditions associated with the license, in order to make a new connection or to modify an existing connection.

- Development of the electrical distribution network.

The license holder is obliged to carry out planning and development works of the distribution electrical networks, under conditions of technical and economic efficiency, according to the provisions of the law and in compliance with the technical regulations in force.

5.3 Procurement

The acquisition activity at the level of ELSA and its subsidiaries is carried out in accordance with the legal provisions in force, as well as its own procedures and regulations as the case may be, aiming to cover the needs of goods, services and works for the smooth running of the Group's activities.

In the case of distribution subsidiary DEER, the sectoral procurement legislation is observed, mainly Law no. 99/2016 on sector acquisitions and GD no. 394/2016 approving the methodological norms for the application of the provisions regarding the award of the sectoral contract/framework agreement of Law no. 99/2016 on sector acquisitions.

In some cases, the acquisitions are carried out and centralized by delegating the coordination of the acquisition to a group company, with the primary objective of reducing costs, optimizing the acquisition and ensuring a unitary policy within the Group. Among the purchases made centrally, we mention D&O insurance services.

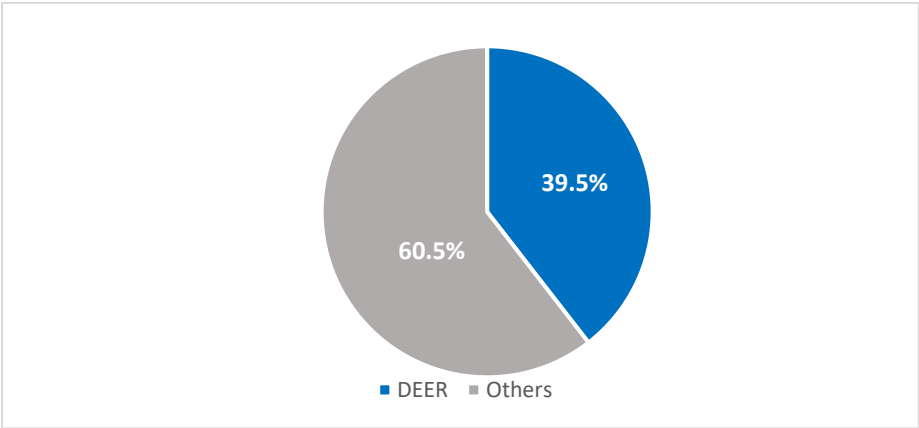
5.4 Sales activity

Electrica Group’s revenues are influenced mainly by the distribution and supply segments. The contribution of the distribution segment to the total revenues was 27.0% in 2025, while the contribution of the supply segment was 72.2%.

The Group’s distribution operators (one operator from 1 January 2021) are natural monopolies in their respective markets and as such, they hold a dominant position. In addition, the Group’s distribution operators have a legal monopoly in their relevant regions; hence, other entities cannot set up a competing electricity distribution business.

The following figure shows the national market share (based on the quantities of distributed electricity) held by the Group’s subsidiaries in the electricity distribution segment, according to the 2024 ANRE report for performance indicators’ monitoring.

Figure 34: Market share of distribution segment in 2024



Source: ANRE Report for performance indicators’ monitoring 2024, the 2025 data not available at the date of this report.

In the supply segment, although EFSA holds a significant market position, it faces increasing competitive intensity.

The figures below show Electrica Group’s market shares in the supply segment as of 30 September 2025 (based on supplied quantities).

Figure 35: Total market shares, 2025

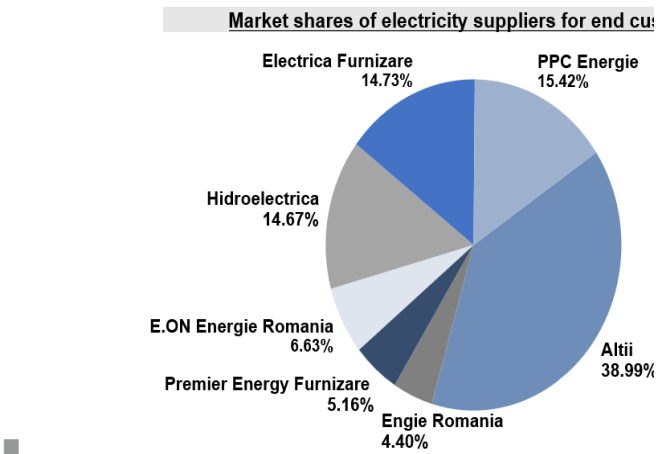
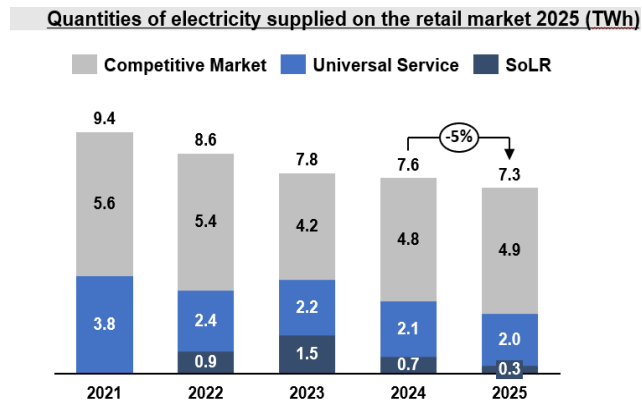
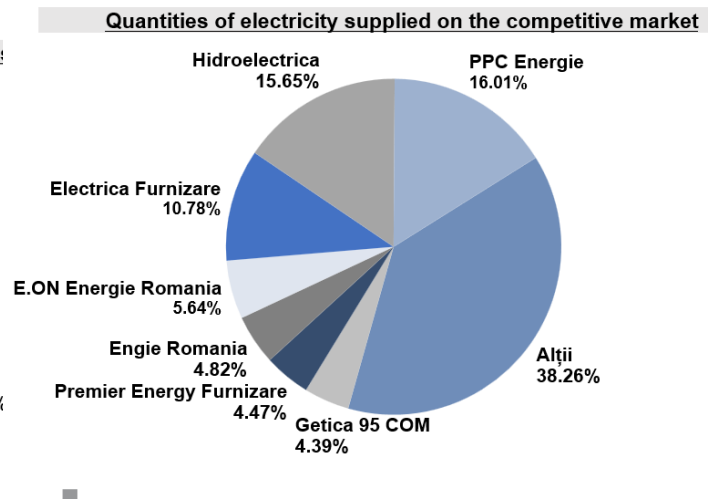


Figure 37: Quantity of electricity supplied to the retail market (TWh)



Source: Electrica

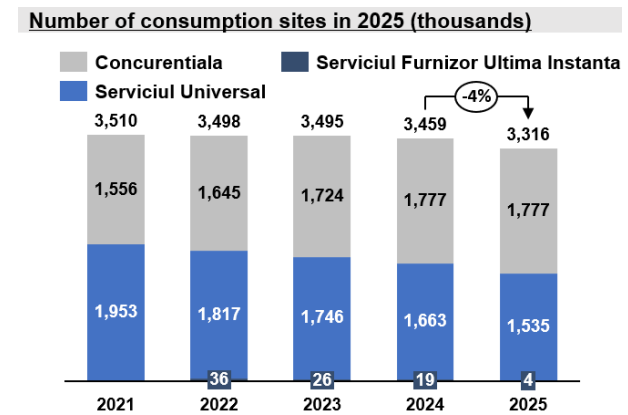
Figure 36: Competitive market shares, 2025



Sursa: ANRE (November 2025 report)

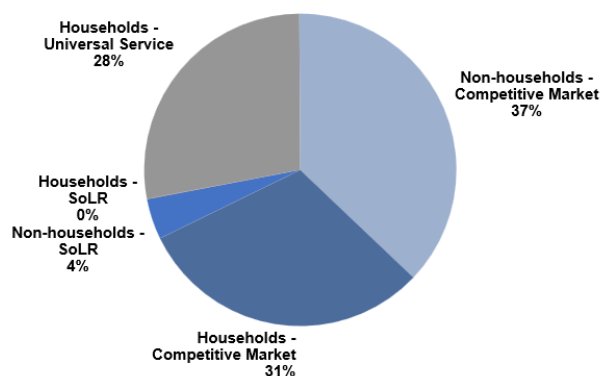
Note: "Others" includes suppliers with individual market shares below 4%.

Figure 38: Evolution of consumer numbers (ths.)



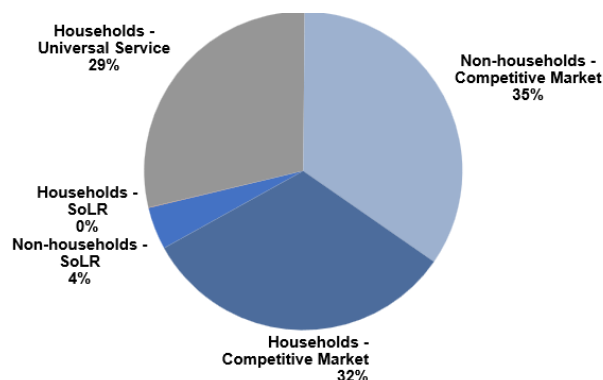
Source: Electrica

Figure 39: The structure of consumers in terms of the amount of electricity supplied in 2025



Source: Electrica

Figure 40: The structure of consumers in terms of income generated in 2025



Source: Electrica

Major Customer Exposure

EFSA does not have significant exposure to any single industrial sector that could materially affect its activity. Its market-leading position provides the inherent advantage of a large and diversified customer portfolio, reducing concentration risk. This advantage became evident during the pandemic, when severely affected economic sectors did not pose systemic risks at the portfolio level. EFSA also benefits from a substantial household customer base.

Certain consumer categories—such as hospitals, ambulance stations, schools, nurseries and kindergartens, and air/naval traffic services—are considered critical and cannot be disconnected by the electricity distributor, as they are classified as vulnerable consumers.

Customers subject to insolvency legislation may benefit from protection against creditors, potentially including electricity suppliers for contracts active at the insolvency opening date.

PRE Electrica – Balancing Responsible Party

The balancing market representation activity, carried out by Electrica Furnizare SA as a **Balancing Responsible Party (PRE Electrica Furnizare)**, is performed based on electricity supply license no. **2279/04.08.2021**.

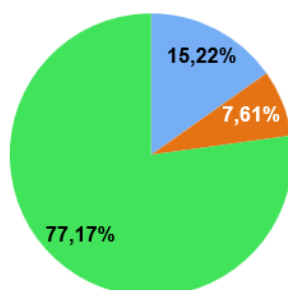
The PRE EFSA customer portfolio is diversified, consisting of producers (hydro, thermal, wind, photovoltaic, biogas, biomass), suppliers, and distribution operators.

At the end of 2025, a total of **92 licensed participants** had transferred their balancing responsibility to PRE EFSA, as follows:

- **14 suppliers**, representing **15.22%** of the total PRE;
- **7 distribution operators**, representing **7.61%** of the total PRE;
- **71 producers**, representing **77.17%** of the total PRE.

PRE ELECTRICA FURNIZARE MEMBERS

Suppliers Distributors Producers



Source: Electrica

In 2025, an average of over 300 bilateral contracts and exchanges with OPCOM were notified daily to Transelectrica (OTS).

Since February 2021, balancing settlement has been performed in 15-minute intervals, using the single-price methodology (ANRE Order no. 127/2021). In intervals meeting specific conditions, the single price becomes a dual price (surplus and deficit).

PRE EFSA uses an internal imbalance allocation method, allowing PRE members to benefit from lower costs or higher revenues in dual-price intervals (single-price intervals do not allow compensation).

Between January and November 2025, out of a total of 32,064 intervals, the dual-price mechanism was applied in 5,528 intervals (17.24%). As a result of the internal allocation of imbalances within PRE EFSA, an improvement of 17.68 RON/MWh was obtained for both surplus and deficit prices compared with the imbalance prices calculated by the OTS, representing a compensation rate of approximately 44.37%.

January – November 2025	
Excess Average Price OTS	Excess Average Price EFSA PRE
442.65	460.33
Loss Average Price OTS	Loss Average Price EFSA PRE
520.29	502.61

Electrica Furnizare SA, through its PRE Service, has been active on the Intraday Market (PI) since February 2021 in order to buy/sell the energy quantities not traded on the Day-Ahead Market (DAM/PZU).

For the period January–October 2025, the Intraday Market trading results are as follows:

- Purchases – a quantity of 33,710.550 MWh at an average price of 690.58 RON/MWh;
- Sales – a quantity of 30,686.100 MWh at an average price of 527.00 RON/MWh.

Out of a total PI purchase volume (OPCOM + BRM) of 475,270.980 MWh (at an average price of 690.75 RON/MWh), EFSA traded 33,710.550 MWh, representing approximately 7.09%.

Out of a total PI sales volume (OPCOM + BRM) of 486,008.580 MWh (at an average price of 468.34 RON/MWh), EFSA traded 30,686.100 MWh, representing approximately 6.31%.

5.5 Personnel

On 31 December 2025, Electrica Group had 7,484 employees. The table below provides an overview of the employment in the Group, by business segments, at the end of the specified years. Starting with 2020, the figures include also the mandate contracts.

Table 29. Number of employees evolution 2025 – 2021

Segment	2025*	2024*	2023	2022	2021
Electricity distribution segment - DEER	6,262	6,473	6,589	6,555	6,454
Services segment - SERV	406	446	473	469	612
Supply segment – EFSA	717	787	796	816	838
Headquarter – ELSA	99	88	87	71	109
Total	7,484	7,794	7,945	7,911	8,013

Source: Electrica

**According to the modified reporting methodology to INS, the employees number persons who worked based on a mandate agreement*

Ensuring the necessary human resources for the key business areas, staff training and capitalizing on their potential, expertise and skills, in order to increase work productivity and individual performance, are treated as priority topics.

As of 31 December 2025, approximately 79% of the Group's employees represent directly productive staff, and 21% represent indirectly productive staff, including technical, economic, social and administrative personnel.

As of December 31, 2025, approximately 96% of DEER employees are union members, and working conditions are stipulated in the Collective Labour Agreement which will expire on 01 March 2026 for DEER. DEER did not face union actions in 2025.

As of 31 December 2025, about 96% of the Group's employees are Union members and their employment conditions are governed by the Collective Labor Agreement, which will expire on 17 May 2026 for ELSA and between March - June 2026 for the Group's subsidiaries. The Electrica Group did not face Union actions in 2025.

ELSA Human Resources:

In accordance with the long-term strategic objectives established at the end of 2024 - which target renewable energy, diversification of services, ESG integration, digitalization and organizational excellence - human resources efforts during the year 2025 focused on attracting, motivating and retaining a qualified and diversified workforce.

The ELSA Regulatory Framework and Internal Policies continued the process of updating internal policies, procedures and regulations regarding labor relations, non-discrimination, occupational health and safety, as well as professional evaluation procedures. A major step in corporate governance was represented by the drafting and approval in the Board of Directors of the Policy regarding Diversity, Equality and Inclusion within the company. Also, from an administrative perspective, the transition to the Reges-online platform was implemented.

Performance Management and Remuneration - Building upon the efforts of the previous year to increase the maturity of the performance management system and the feedback culture, in 2025 the evaluation process reached several important milestones:

- **Executive Management and BoD:** The evaluation was completed and the degree of achievement of the performance indicators for the year 2024 related to the Executive Directors was approved. For the year 2025, the Board of Directors approved the new performance indicators for the ELSA Executive Directors and for the BoDs of

the Subsidiaries within the Group. At the same time, the 360-degree evaluation process of the executive directors of ELSA was initiated.

- **Middle Management and Execution Personnel:** The performance evaluation process for the year 2024 was carried out and the indicators for the current year were set. In parallel, the 360-degree evaluation process for middle management was implemented.
- **Remuneration and Budgeting:** The Report regarding the remuneration of the Administrators and Executive Directors within Electrica SA for 2024 was elaborated and endorsed, which was submitted for the approval of the OGMS. The HR Department was actively involved in carrying out the activities for substantiating the Income and Expenditure Budget (BVC) 2025.

Organizational Design and Labor Relations - The company implemented changes to the organizational chart, context in which the Organization and Functioning Regulations (ROF), the Delegation of Authority Matrix (DoA) and the job descriptions were updated. In accordance with the budgeting calendar, recruitment activities were carried out for the vacant positions in the new structure. In terms of social dialogue, Addendum No. 1 to the Collective Labor Agreement (CCM), applicable from March 2025, was negotiated, signed and registered, through which the Nomenclature of functions and trades was updated with the newly created positions. Subsequently, Addendum No. 2 to the CCM was also finalized, applicable from the month of October 2025.

Organizational Development, Professional Training and Culture - Supporting the principle of development through continuous training, the Professional training plan for the year 2025 was put together and approved. The main development directions included:

- **Digitalization:** Courses were organized intended for the development of digital skills for all employees (e.g. "Level Up: Google Workspace"), with the purpose of aligning with the strategic digitalization objectives of the company.
- **ESG and Leadership:** After the successful implementation of the Unity4ESG project, the second component was carried out, "Concept Over the edge", focused on leadership, innovation and team values workshops.
- **Engagement:** The platform for increasing the degree of employee involvement from the Engagehub Project was operationalized; also, the Employee satisfaction questionnaire was disseminated and learning days and events for modeling the organizational culture were organized.

Attraction of Talents and Benefits - Programs for Youth and Tradition: ELSA continued to invest in youth through Internship and Practice programs dedicated to students from the POLITEHNICA University of Bucharest. The company honored the tradition of the profession by organizing the national phase of the prestigious "Electrician's Trophy 2025" contest and marked at a centralized level the "Energy Worker's Day".

HEALTH AND SAFETY AT WORK

In 2025, all companies within the Electrica Group maintained their Integrated Management System certification, ensuring compliance with legal requirements in the field of occupational health and safety and with the SR ISO 45001:2023 standard. This guarantees the provision of services and the conduct of processes in safe conditions for both their own personnel and contractors, as well as for clients.

➤ The work accidents situation and specific indicators at Electrica Group level

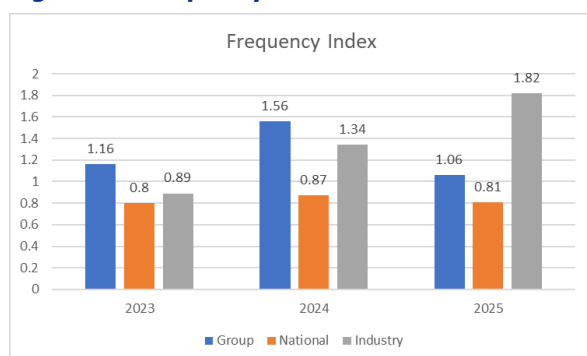
In 2025, a total of 8 work accidents were recorded within the Electrica Group, an decrease compared to 2024, with one of them being fatal.

The complex of complementary causes and contributing factors that led to each of these accidents was analyzed at the level of the Group's companies by legally constituted committees, and the investigation files include the preventive measures necessary to be implemented by the company to avoid similar situations.

The work accident frequency rate (IF), expressed as the number of accidents per 1,000 employees, was 1.06‰ for 2025 within the Electrica Group, showing a decrease compared to 2024, correlated with a decrease in the number of accidents within the group.

These accidents were caused by non-compliance with occupational health and safety instructions, due to workers' inattention and improper maneuvers. During the reference period, one fatal work accident was recorded.

Figure 41: Frequency index 2023-2025



IF is a statistical indicator recommended by the International Labour Organization (ILO) through the Resolution on Statistics of Occupational Injuries adopted in October 1998 as it correlates the number of accidents with the number of workers, increasing the comparability of organisation's performance in the field of OSH and eliminating distortions caused by the size of these organisations (number of employees in each organisation).

Source: Electrica

*for the year 2025, the data published by the Ministry of Labor and Social Solidarity is as of June 30, 2025, with the final figures set to be published on April 15, 2026.

➤ Aspects regarding the employees health

The field of activity of the Electrica Group does not involve the risk of conditions caused exclusively by working conditions, so no occupational diseases were recorded in 2025 or in previous years. Prevention, monitoring, and ensuring occupational health within the Electrica Group were carried out by doctors specialized in occupational medicine through dedicated service contracts and were monitored at the ELSA level for the companies in the portfolio through reporting.

➤ Actions to improve safety and health of employees at work place

At the company level, training and control activities in the field of Occupational Health and Safety (OHS) have been maintained. The controls carried out are primarily aimed at ensuring compliance with current instructions and regulations, non-compliance with which was identified as the main cause of accidents in 2025. The controls target both the company's own personnel and contractors, with the long-term goal of "zero" accidents.

Changing the organizational culture and focusing on values such as safety, responsibility, discipline, and collaboration is a long-term process that requires sustained human and financial effort through the implementation of the following actions:

- Developing and implementing a dedicated policy and programs to promote responsibility and compliance with occupational health and safety rules, as well as prevention in relation to accident risks;
- Consulting workers from all workplaces in the process of improving the work environment and conditions;

- Developing a system for communicating OHS events/near-misses through IT&C platforms, ensuring quick and easy communication, with the option of anonymity if desired, for electricians, coupled with encouraging reporting;
- Communicating OHS objectives to all contractors of the Electrica Group companies and monitoring their compliance with legal requirements and specific instructions in the field. Forming a working group with representatives from all Group companies to develop tools for better management of OHS aspects in relation to contractors;
- Communicating to users and communities the risks to which people are exposed through unauthorized access to installations managed by the Group's companies, both physical risks (such as electrical risk, risk of falling from height) and legal risks.

In 2025, the total number of OHS training hours conducted was 384,368 compared to 341,210 OHS training hours in 2024.

In 2025, a total of 2,900 OHS inspections were carried out by certified personnel, compared to 2,670 inspections in 2024.

Following the inspections, preventive and corrective measures were established to reduce the incidence of work accidents and mitigate the risks of their occurrence.

Despite numerous inspections by Territorial Labor Inspectorates and Emergency Situations Inspectorates during the reference period, none of the Electrica Group companies faced sanctions.

5.6 Research and development activities

Electrica Group is promoting technological innovation by participating in research and development projects financed/co-financed through European funds, which aims to empower the resilience of energy systems with an increasingly complex structure but also more vulnerable to cyber-attacks.

Thus, with the integration of an increasing number of distributed generation sources in the distribution network increases the role of intelligent technologies as well in network operation by remote monitoring, control, or operation and even more by network self-healing implementation.

The growing number of cyber security incidents in the energy system as well as the need for shielding against a variety of threats require novel and holistic solutions that employ cutting-edge technologies to detect and mitigate threats, ensuring compliance with the latest cyber security standards.

Artificial intelligence (AI) represents a revolutionary paradigm in the transformation of the energy sector, bringing with it significant innovations and increased efficiency. In the contemporary era, in which we face major challenges related to climate change and the need for a transition to sustainable energy sources, artificial intelligence becomes an essential driving force for optimizing processes, efficiently monitoring resources and implementing smart solutions. From optimizing electrical networks to efficiently managing energy consumption in buildings and developing advanced storage systems, AI represents an undeniable advantage in achieving a modern and sustainable energy infrastructure. Through complex data analysis, advanced simulations and process automation, artificial intelligence becomes the catalyst for a profound transformation in the way we generate, distribute and consume energy, contributing to building a more sustainable and resilient society.

In this context, Electrica is developing, together with the Technical University of Cluj-Napoca and the company S.C. Energy Advisor S.R.L., the project entitled "Development of Artificial Intelligence Algorithms and Advanced Numerical Methods for Real-Time Monitoring of Energy Consumption of the Main Devices in a Commercial Building," known under the acronym "AI-AE," which represents pioneering research in the field of energy sciences, bringing to the forefront the concept of indirect measurement and monitoring of the energy footprint in real time through artificial intelligence and advanced numerical methods, with a focus on commercial buildings.

6 Electrica financial reporting for 2025

The presentation of the Group's consolidated financial information in chapters 6.1.1, 6.2.1, 6.3.1 is based on the consolidated financial statements that have been prepared in accordance with the International Financial Reporting Standards ("IFRS") adopted by the European Union ("IFRS-EU"). These consolidated financial statements are presented in RON, which is the functional currency of all companies within the Group.

The presentation of the Group's consolidated financial information in chapters 6.1.2, 6.2.2, 6.3.2 is based on the consolidated financial statements prepared in accordance with the Ministry of Public Finance Order No. 2844/2016. These consolidated financial statements are presented in RON, which is the functional currency of all companies within the Group.

6.1 Consolidated statement of financial position

6.1.1 Consolidated statement of financial position- S-IFRS-EU

The following table presents the consolidated statement of the financial position.

Table 30. Consolidated statement of the financial position 2025-2023 (RON. mn)

	31 December 2025	31 December 2024	Variation 2025/2024	31 December 2023
ASSETS				
Non-current assets				
Intangible assets related to concession agreements	7,105.5	6,678.2	427.2	6,220.5
Intangible assets - goodwill	49.8	49.8	-	24.7
Other intangible assets	62.1	31.3	30.8	27.8
Property, plant and equipment	750.7	736.9	13.8	595.0
Investments in associates	0.0	0.0	-	16.6
Other investments	8.7	7.0	1.7	7.0
Deferred tax assets	110.4	84.6	25.8	32.4
Other non-current assets	6.3	4.4	1.9	52.0
Deposits, treasury bills and government bonds	1,271.9	-	1,271.9	-
Right of use assets	48.8	39.4	9.4	41.0
Total non-current assets	9,414.0	7,631.7	1,782.4	7,017.0
Current assets				
Trade receivables	3,258.9	3,062.5	196.4	1,959.7
Other receivables	216.5	74.7	141.8	93.8
Cash and cash equivalents	2,032.9	454.5	1,578.4	377.2
Deposits, treasury bills and government bonds	892.9	-	892.9	-
Subsidies receivables	2,518.3	2,572.2	(53.9)	3,105.5
Inventories	91.7	111.9	(20.2)	115.7
Prepayments	15.9	5.1	10.8	12.9
Current income tax receivable	4.7	8.9	(4.2)	-
Assets held for sale	0.3	0.3	-	0.3
Total current assets	9,032.0	6,290.0	2,742.0	5,665.1

	31 December 2025	31 December 2024	Variation 2025/2024	31 December 2023
Total assets	18,446.1	13,921.7	4,524.4	12,682.1
EQUITY AND LIABILITIES				
Equity				
Share capital	3,395.5	3,395.5	-	3,464.4
Share premium	103.0	103.0	-	103.0
Treasury shares reserves	-	-	-	(75.4)
Pre-paid capital contributions in kind from shareholders	0.0	0.0	-	0.0
Revaluation reserve	144.5	150.3	(5.7)	159.5
Legal reserves	528.8	490.8	38.0	449.4
Retained earnings	2,765.2	1,642.0	1,123.2	1,259.4
Total equity attributable to shareholders of the Company	6,937.1	5,781.7	1,155.5	5,360.4
Non-controlling interests	-	(0,0)	0.0	(0.5)
Total equity attributable to shareholders of the Company	6,937.1	5,781.6	1,155.5	5,359.9
Liabilities				
Non-current liabilities				
Lease liability – long term	42.0	34.4	7.7	29.1
Deferred tax liabilities	184.4	128.2	56.2	121.3
Employee benefits	175.4	162.7	12.7	151.4
Other liabilities	31.8	45.7	(13.9)	37.2
Long-term bank borrowings	2,783.2	1,824.5	958.7	794.3
Long-term green bonds liabilities	2,525.4	-	2,525.4	-
Total non-current liabilities	5,742.2	2,195.4	3,546.8	1,133.3
Current liabilities				
Lease liability – short term	11.1	7.4	3.7	14.1
Bank overdrafts	2,352.5	2,490.6	(138.2)	2,851.2
Trade payables	1,241.1	1,146.4	94.7	1,671.5
Other payables	1,418.1	1,487.5	(69.4)	945.3
Deferred revenue	2.5	6.6	(4.1)	7.8
Employee benefits	194.5	150.9	43.6	120.5
Provisions	28.6	75.9	(47.3)	41.2
Current income tax liability	58.9	13.5	45.4	13.9
Current portion of long-term bank borrowings	413.8	565.8	(152.0)	523.3
Current portion of long-term green bonds liabilities	45.6	-	45.6	-
Total current liabilities	5,766.7	5,944.6	(177.9)	6,188.8
Total liabilities	11,508.9	8,140.1	3,368.8	7,322.2
Total equity and liabilities	18,446.1	13,921.7	4,524.3	12,682.1

Source: Consolidated financial statements of Electrica Group as of 31 December 2025

*The amounts related to the years 2023 and 2024 have been restated; please see note 5 of the IFRS-EU consolidated Financial Statements

The materiality threshold established internally at the Group level for analysis of main indicators (presented below) is worth RON 119.2 mn., representing 5% of EBITDA.

Fixed assets

Fixed assets increased by RON 1,782.4 mn. in 2025, or 23.4%, from RON 7,631.7 mn. as of 31 December 2024, to RON 9,414.0 mn. as of 31 December 2025, this variation being mainly the cumulative effect of:

- An increase of RON 427.2 mn. in network investments carried out by the distribution subsidiaries (the most relevant investment and commissioning values are presented in Annex 2);
- An increase of RON 1,271.9 mn. in investments in government bonds and deposits.

Current assets

In 2025, current assets increased by RON 2,742.0 mn. compared to 2024, or 43.6%, from RON 6,290.0 mn. to RON 9,032.0 mn. This evolution is mainly due, on one hand, to the increase in cash and cash equivalents by RON 1,578.4 mn., driven primarily by the distribution subsidiary, which had significantly better collection in the last quarter compared to previous periods, establishing demand deposits of RON 1,664.5 mn. at 12 months, as well as current accounts amounting to RON 214.2 mn. and demand deposits in the supply segment of approximately RON 78.9 mn., thus bringing cash and cash equivalents to the value of RON 2,032.9 mn. On the other hand, it is due to the effect generated by the recording of short-term deposits and government bonds in current assets of RON 892.9 mn..

Trade receivables

Trade receivables primarily include outstanding invoices issued up to the reporting date for the supply and distribution of electricity and services, late payment penalties, and estimated receivables related to electricity delivered and services rendered by year-end but invoiced in the period following the end of the year.

Trade receivables increased by RON 196.4 mn. in 2025, or 6.4%, from RON 3,062.5 mn. to RON 3,258.9 mn. as of 31 December 2025.

Cash and cash equivalents

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

The value of cash and cash equivalents increased by RON 1,578.4 mn., or 347.3%, reaching RON 2,032.9 mn., from RON 454.5 mn. in 2024.

Table 31. Cash and cash equivalents 2025-2023

(RON mn.)	31 December 2025	31 December 2024	31 December 2023
Bank current accounts	270.3	330.1	223.2
Call deposits	1,761.5	123.9	154.0
Cash in hand	1.1	0.5	0.0
Total cash and cash equivalents in the consolidated statement of financial position	2,032.9	454.5	377.2
Overdrafts used for cash management purposes	-	-	-
Total cash and cash equivalents in the consolidated statement of cash flows	2,032.9	454.5	377.2

Source: Consolidated financial statements of Electrica Group as of 31 December 2025

Share capital and share premium

The subscribed share capital in nominal terms consists of 339,553,004 ordinary shares as of 31 December 2025 (31 December 2024: 339,553,004) with a nominal value of 10 RON per share.

On 11 July 2024, the Bucharest Trade Register Office admitted the request to reduce the share capital of SE Electrica S.A., according to EGMS resolution no. 1/25.04.2024. The share capital of SE Electrica SA is thus reduced from RON 3,464,435,970 to RON 3,395,530,040, and the number of shares is reduced from 346,443,597 shares to 339,553,004 shares.

The Company recognizes changes in share capital only after their approval in the General Meeting of Shareholders and their registration with the Trade Register. Contributions made by the shareholder that are not registered with the Trade Register at the end of the year are recognized in "Shareholders' contributions in kind, paid in advance".

Table 32. Number of shares 2025 - 2023

	Number of ordinary shares		
	2025	2024	2023
Number of shares at 1 January	339,553,004	346,443,597	346,443,597
Shares issued during the year	-	-	-
Number of shares at 31 December	339,553,004	339,553,004	346,443,597

Source: Electrica

Revaluation reserves

The Group performed the last revaluation of fixed assets on 31.12.2023. The reconciliation between the opening balance and the closing balance of the revaluation reserve is presented below:

Table 33. Revaluation reserves 2025-2023 (RON mn.)

	2025	2024	2023
Balance at 1 January	150.3	159.5	92.1
Revaluation surplus of land, land improvements and buildings		-	85.5
Release of revaluation reserve to retained earnings corresponding to depreciation and disposals of property, plant and equipment	(5.7)	(9.3)	(4.4)
Deferred tax liability arising on revaluation of land, land improvements and buildings	-	-	(13.7)
Balance at 31 December	144.5	150.3	159.5

Source: Consolidated financial statements of Electrica Group as of 31 December 2025

Legal reserves

The legal reserves are established as 5% of the profit before tax according to the individual statutory financial statements of companies within the Group, until the total legal reserves reach 20% of the paid-up share capital of each company, according to legal provisions. These reserves are deductible for income tax purposes and are not distributable.

Table 34. Legal reserves 2025-2023 (RON mn.)

	Legal reserves
Balance at 1 January 2023	429.6
Set-up of legal reserves	19.8
Balance at 31 December 2023	449.4
Set-up of legal reserves	41.5
Balance at 31 December 2024	490.8
Set-up of legal reserves	38.0
Balance at 31 December 2025	528.8

Source: Consolidated financial statements of Electrica Group as of 31 December 2025

Non-current liabilities

Long-term liabilities increased from RON 2,195.4 mn. as of 31 December 2024, to RON 5,742.2 mn. as of 31 December 2025.

This evolution is an effect of the variation in the main categories of long-term liabilities, the most significant being the increase in long-term liabilities from green bonds by RON 2,525.4 mn., combined with an increase in long-term loans by RON 958.7 mn. from the distribution subsidiary (investment credit granted by the European Investment Bank "EIB"), which made 2 additional drawdowns in 2025 compared to the previous year-end, amounting to RON 1,105.6 mn.

Current liabilities

In 2025, current liabilities decreased by RON 177.9 mn., reaching the value of RON 5,766.7 mn., from RON 5,944.6 mn. at the end of 2024, primarily as a result of the evolution of the categories listed below.

Overdrafts

Overdrafts decreased in 2025 by RON 138.2 mn., reaching the value of RON 2,352.5 mn., from RON 2,490.6 mn. at the end of 2024.

Current portion of long-term bank borrowings

As of 31 December 2025, the current portion of long-term bank loans decreased by RON 152.0 mn., to RON 413.8 mn., from RON 565.8 mn. as of 31 December 2024, as a result of the closure of certain credit facilities.

Other payables

As of 31 December 2025, other liabilities decreased by approximately RON 69.4 mn., to RON 1,418.1 mn., from RON 1,487.5 mn. as of 31 December 2024, consisting of:

- Decreases in liabilities to the state budget regarding VAT, in the amount of RON 33.8 mn.;
- Decreases in liabilities to green certificate suppliers, in the amount of RON 66.9 mn.;
- Decreases in liabilities to various electricity creditors (amounts collected from customers and not offset on the invoice), in the amount of RON 100.0 mn.

This effect was offset by:

- Increases in liabilities to energy prosumers in the amount of RON 15.4 mn.;
- Other liabilities in the amount of RON 115.8 mn., which primarily include liabilities from various creditors, guarantees, connection fees, habitat taxes, and cogeneration contributions.

6.1.2 Consolidated statement of financial position- OMFP2844/2016

The following table presents the consolidated statement of the financial position.

Table 35. Consolidated statement of the financial position 2025-2023 (RON. mn)

	31 December 2025	31 December 2024	Variation 2025/2024	31 December 2023
ASSETS				
Non-current assets				
Intangible assets related to concession agreements	7,105.5	6,678.2	427.2	6,220.5
Intangible assets - goodwill	49.8	49.8	-	24.7
Intangible assets from the capitalization of own technological consumption	548.9	755.3	(206.4)	770.9
Other intangible assets	62.1	31.3	30.8	27.8
Property, plant and equipment	750.7	736.9	13.8	595.0
Investments in associates	0.0	0.0	-	16.6
Other investments	8.7	7.0	1.7	7.0
Deferred tax assets	110.4	84.6	25.8	32.4
Other non-current assets	6.3	4.4	1.9	52.0
Deposits, treasury bills and government bonds	1,271.9	-	1,271.9	-
Right of use assets	48.8	39.4	9.4	41.0
Total non-current assets	9,962.9	8,387.1	1,575.9	7,787.9
Current assets				
Trade receivables	3,258.9	3,062.5	196.4	1,959.7
Other receivables	216.5	74.7	141.8	93.8
Cash and cash equivalents	2,032.9	454.5	1,578.4	377.2
Deposits, treasury bills and government bonds	892.9	-	892.9	-
Subsidies receivables	2,518.3	2,572.2	(53.9)	3,105.5
Inventories	91.7	111.9	(20.2)	115.7
Prepayments	15.9	5.1	10.8	12.9
Current income tax receivable	4.7	8.9	(4.2)	-
Assets held for sale	0.3	0.3	-	0.3
Total current assets	9,032.0	6,290.0	2,742.0	5,665.1
Total assets	18,994.9	14,677.1	4,317.9	13,453.1
EQUITY AND LIABILITIES				
Equity				
Share capital	3,395.5	3,395.5	-	3,464.4
Share premium	103.0	103.0	-	103.0
Treasury shares reserves	-	-	-	(75.4)
Pre-paid capital contributions in kind from shareholders	0.0	0.0	-	0.0
Revaluation reserve	144.5	150.3	(5.7)	159.5

	31 December 2025	31 December 2024	Variation 2025/2024	31 December 2023
Legal reserves	528.8	490.8	38.0	449.4
Retained earnings	3,226.3	2,276.5	951.1	1,906.9
Total equity attributable to shareholders of the Company	7,398.2	6,416.2	982.1	6,008.0
Non-controlling interests	-	(0.0)	0.0	(0.5)
Total equity attributable to shareholders of the Company	7,398.2	6,416.1	1,175.5	6,007.5
Liabilities				
Non-current liabilities				
Lease liability – long term	42.0	34.4	7.7	29.1
Deferred tax liabilities	272.2	249.0	23.2	244.7
Employee benefits	175.4	162.7	12.7	151.4
Other liabilities	31.8	45.7	(13.9)	37.2
Long-term bank borrowings	2,783.2	1,824.5	958.7	794.3
Long-term green bonds liabilities	2,525.4	-	2,525.4	-
Total non-current liabilities	5,830.0	2,316.3	3,513.7	1,256.7
Current liabilities				
Lease liability – short term	11.1	7.4	3.7	14.1
Bank overdrafts	2,352.5	2,490.6	(138.2)	2,851.2
Trade payables	1,241.1	1,146.4	94.7	1,671.5
Other payables	1,418.1	1,487.5	(69.4)	945.3
Deferred revenue	2.5	6.6	(4.1)	7.8
Employee benefits	194.5	150.9	43.6	120.5
Provisions	28.6	75.9	(47.3)	41.2
Current income tax liability	58.9	13.5	45.4	13.9
Current portion of long-term bank borrowings	413.8	565.8	(152.0)	523.3
Current portion of long-term green bonds liabilities	45.6	-	45.6	-
Total current liabilities	5,766.7	5,944.6	(177.9)	6,188.8
Total liabilities	11,596.7	8,260.9	3,335.8	7,445.5
Total equity and liabilities	18,994.9	14,677.1	4,317.9	13,453.1

Source: Consolidated financial statements of Electrica Group as of 31 December 2025

*The amounts related to the years 2023 and 2024 have been restated; please see note 5 of the IFRS-EU consolidated Financial Statements

The materiality threshold established internally at the Group level for analysis of main indicators (presented below) is worth RON 121.1 mn., representing 5% of EBITDA.

Fixed assets

Fixed assets increased by RON 1,575.9 mn. in 2025, or 18.8%, from RON 8,387.1 mn. as of 31 December 2024, to RON 9,962.9 mn. as of 31 December 2025, this variation being mainly the cumulative effect of:

- An increase of RON 427.2 mn. in network investments carried out by the distribution subsidiaries (the most relevant investment and commissioning values are presented in Annex 2);
- An increase of RON 1,271.9 mn. in investments in government bonds and deposits.

Current assets

In 2025, current assets increased by RON 2,742.0 mn. compared to 2024, or 43.6%, from RON 6,290.0 mn. to RON 9,032.0 mn. This evolution is mainly due, on one hand, to the increase in cash and cash equivalents by RON 1,578.4 mn., driven primarily by the distribution subsidiary, which had significantly better collection in the last quarter compared to previous periods, establishing demand deposits of RON 1,664.5 mn. at 12 months, as well as current accounts amounting to RON 214.2 mn. and demand deposits in the supply segment of approximately RON 78.9 mn., thus bringing cash and cash equivalents to the value of RON 2,032.9 mn. On the other hand, it is due to the effect generated by the recording of short-term deposits and government bonds in current assets of RON 892.9 mn..

Trade receivables

Trade receivables primarily include outstanding invoices issued up to the reporting date for the supply and distribution of electricity and services, late payment penalties, and estimated receivables related to electricity delivered and services rendered by year-end but invoiced in the period following the end of the year.

Trade receivables increased by RON 196.4 mn. in 2025, or 6.4%, from RON 3,062.5 mn. to RON 3,258.9 mn. as of 31 December 2025.

Cash and cash equivalents

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

The value of cash and cash equivalents increased by RON 1,578.4 mn., or 347.3%, reaching RON 2,032.9 mn., from RON 454.5 mn. in 2024.

Table 36. Cash and cash equivalents 2025-2023

(RON mn.)	31 December 2025	31 December 2024	31 December 2023
Bank current accounts	270.3	330.1	223.2
Call deposits	1,761.5	123.9	154.0
Cash in hand	1.1	0.5	0.0
Total cash and cash equivalents in the consolidated statement of financial position	2,032.9	454.5	377.2
Overdrafts used for cash management purposes	-	-	-
Total cash and cash equivalents in the consolidated statement of cash flows	2,032.9	454.5	377.2

Source: Consolidated financial statements of Electrica Group as of 31 December 2025

Share capital and share premium

The subscribed share capital in nominal terms consists of 339,553,004 ordinary shares as of 31 December 2025 (31 December 2024: 339,553,004) with a nominal value of 10 RON per share.

On 11 July 2024, the Bucharest Trade Register Office admitted the request to reduce the share capital of SE Electrica S.A., according to EGMS resolution no. 1/25.04.2024. The share capital of SE Electrica SA is thus reduced from RON 3,464,435,970 to RON 3,395,530,040, and the number of shares is reduced from 346,443,597 shares to 339,553,004 shares.

The Company recognizes changes in share capital only after their approval in the General Meeting of Shareholders and their registration with the Trade Register. Contributions made by the shareholder that are not registered with the Trade Register at the end of the year are recognized in "Shareholders' contributions in kind, paid in advance".

Table 37. Number of shares 2025 - 2023

	Number of ordinary shares		
	2025	2024	2023
Number of shares at 1 January	339,553,004	346,443,597	346,443,597
Shares issued during the year	-	-	-
Number of shares at 31 December	339,553,004	339,553,004	346,443,597

Source: Electrica

Revaluation reserves

The Group performed the last revaluation of fixed assets on 31.12.2023. The reconciliation between the opening balance and the closing balance of the revaluation reserve is presented below:

Table 38. Revaluation reserves 2025-2023 (RON mn.)

	2025	2024	2023
Balance at 1 January	150.3	159.5	92.1
Revaluation surplus of land, land improvements and buildings		-	85.5
Release of revaluation reserve to retained earnings corresponding to depreciation and disposals of property, plant and equipment	(5.7)	(9.3)	(4.4)
Deferred tax liability arising on revaluation of land, land improvements and buildings	-	-	(13.7)
Balance at 31 December	144.5	150.3	159.5

Source: Consolidated financial statements of Electrica Group as of 31 December 2025

Legal reserves

The legal reserves are established as 5% of the profit before tax according to the individual statutory financial statements of companies within the Group, until the total legal reserves reach 20% of the paid-up share capital of each company, according to legal provisions. These reserves are deductible for income tax purposes and are not distributable.

Table 39. Legal reserves 2025-2023 (RON mn.)

	Legal reserves
Balance at 1 January 2023	429.6
Set-up of legal reserves	19.8
Balance at 31 December 2023	449.4
Set-up of legal reserves	41.5
Balance at 31 December 2024	490.8
Set-up of legal reserves	38.0
Balance at 31 December 2025	528.8

Source: Consolidated financial statements of Electrica Group as of 31 December 2025

Non-current liabilities

Long-term liabilities increased from RON 2,316.3 mn. as of 31 December 2024, to RON 5,830.0 mn. as of 31 December 2025.

This evolution is an effect of the variation in the main categories of long-term liabilities, the most significant being the increase in long-term liabilities from green bonds by RON 2,525.4 mn., combined with an increase in long-term loans by RON 958.7

mn. from the distribution subsidiary (investment credit granted by the European Investment Bank "EIB"), which made 2 additional drawdowns in 2025 compared to the previous year-end, amounting to RON 1,105.6 mn.

Current liabilities

In 2025, current liabilities decreased by RON 177.9 mn., reaching the value of RON 5,766.7 mn., from RON 5,944.6 mn. at the end of 2024, primarily as a result of the evolution of the categories listed below.

Overdrafts

Overdrafts decreased in 2025 by RON 138.2 mn., reaching the value of RON 2,352.5 mn., from RON 2,490.6 mn. at the end of 2024.

Current portion of long-term bank borrowings

As of 31 December 2025, the current portion of long-term bank loans decreased by RON 152.0 mn., to RON 413.8 mn., from RON 565.8 mn. as of 31 December 2024, as a result of the closure of certain credit facilities.

Other payables

As of 31 December 2025, other liabilities decreased by approximately RON 69.4 mn., to RON 1,418.1 mn., from RON 1,487.5 mn. as of 31 December 2024, consisting of:

- Decreases in liabilities to the state budget regarding VAT, in the amount of RON 33.8 mn.;
- Decreases in liabilities to green certificate suppliers, in the amount of RON 66.9 mn.;
- Decreases in liabilities to various electricity creditors (amounts collected from customers and not offset on the invoice), in the amount of RON 100.0 mn.

This effect was offset by:

- Increases in liabilities to energy prosumers in the amount of RON 15.4 mn.;
- Other liabilities in the amount of RON 115.8 mn., which primarily include liabilities from various creditors, guarantees, connection fees, habitat taxes, and cogeneration contributions.

6.2 Consolidated statement of profit or loss

6.2.1 Consolidated statement of profit or loss – S-IFRS-EU

The following table presents the consolidated statement of profit or loss of Electrica Group for 2025, 2024 and 2023.

Table 40. Consolidated statement of profit or loss (RON mn.)

	2025	2024*	Variation 2025/2024	2023*
Revenue	10,910.3	8,979.4	1,930.8	9,816.6
Other income	1,255.1	1,793.4	(538.3)	3,498.6
Electricity and natural gas purchased	(7,048.9)	(6,588.8)	(460.1)	(9,058.0)
Construction costs related to concession arrangements	(897.4)	(932.7)	35.2	(976.4)
Employee benefits	(1,208.5)	(1,077.6)	(131.0)	(962.1)
Repairs, maintenance and materials	(166.3)	(131.0)	(35.3)	(95.2)
Depreciation and amortization	(600.8)	(598.2)	(2.6)	(524.5)
Impairment for trade and other receivables, net	(43.5)	(102.0)	58.5	(75.8)
Other operating expenses	(417.4)	(490.0)	72.6	(431.4)
Operating profit	1,782.5	852.7	929.8	1,191.8
Finance income	101.2	12.6	88.6	3.4
Finance costs	(448.5)	(289.8)	(158.7)	(297.2)
Net finance cost	(347.3)	(277.2)	(70.1)	(293.8)
Share of results of associates	-	(0.0)	0.0	(0.0)
Profit before tax	1,435.2	575.5	859.8	897.9
Income tax expense	(216.4)	(105.3)	(111.1)	(125.8)
Profit for the year	1,218.9	470.2	748.6	772.1
Earnings per share				
Basic and diluted earnings per share (RON)	3.59	1.38	2.21	2.27

Source: Consolidated financial statements of Electrica Group as of 31 December 2025

*The amounts related to the years 2023 and 2024 have been restated; please see note 5 of the IFRS-EU consolidated Financial Statements

The materiality threshold established internally at the Group level for analysis of main indicators (presented below) is worth RON 119.2 mn., representing 5% of EBITDA.

Key financial indicators for 2025 and their evolution compared to 2024:

- **Revenue:** RON 10,910.3 mn., increasing by RON 1,930.8 mn., or 21.5%;
- **EBITDA:** Positive RON 2,383.3 mn., increasing by RON 934.4 mn. or 64.5%;
- **EBIT:** Positive RON 1,782.5 mn., increasing by RON 929.8 mn.;
- **EBT:** Positive RON 1,435.2 mn., increasing by RON 859.8 mn.;
- **Net Result:** Net profit of RON 1,218.9 mn., increasing by RON 748.6 mn.

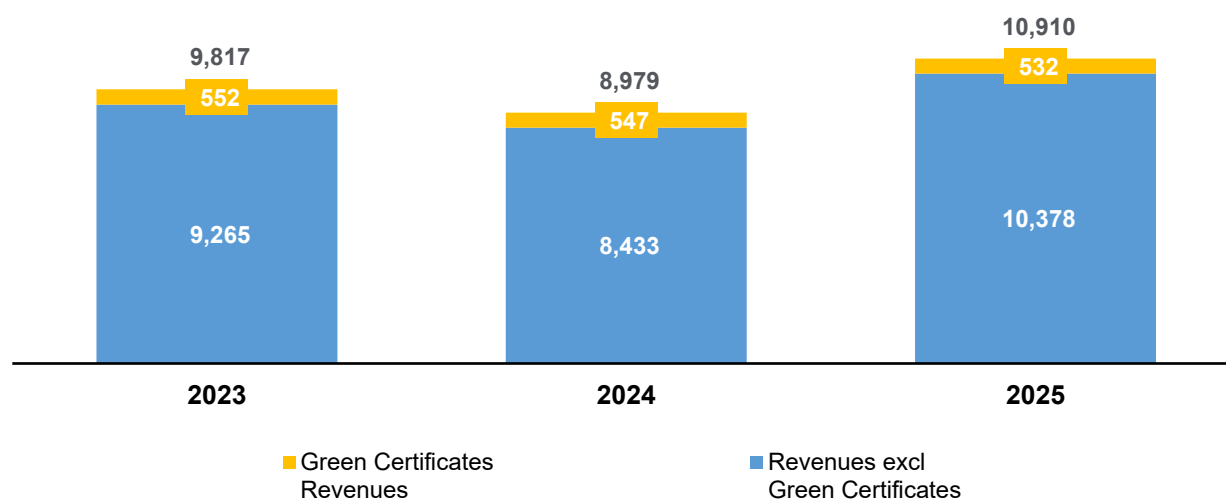
Revenues and other income

In 2025, Electrica recorded total revenues (including other operating income) of RON 12,165.3 mn., representing an increase of RON 1,392.5 mn. or 12.9%, from the value of RON 10,772.8 mn. in 2024. This variation was mainly driven by a revenue increase of RON 1,930.8 mn., primarily due to a growth of RON 1,634.8 mn. in the supply segment and an increase of RON 500.1 mn. in the distribution segment. This effect was offset by a decrease in other operating income of RON 538.3 mn., which mainly represents subsidies for the supply segment. Subsidies decreased following the termination of the price cap scheme on 30 June 2025.

Revenues

As of 31 December 2025, Electrica recorded revenues of RON 10,910.3 mn., an increase of RON 1,930.8 mn. compared to 31 December 2024, mainly driven by a revenue increase of RON 1,634.8 mn. in the supply segment and RON 500.1 mn. in the distribution segment.

Figure 42: Revenue for 2025 and comparative information (RON mn.)



Source: Electrica

Electricity and natural gas purchased

In 2025, the expense for purchased electricity increased by RON 460.1 mn., or 7.0%, to RON 7,048.9 mn., from RON 6,588.8 mn. in the comparative period.

This variation was mainly driven by the increase in costs for electricity and natural gas purchased for the supply activity by RON 295.6 mn. and for covering NL (Network Losses) by RON 159.8 mn., as well as transmission services related to the supply activity by RON 24.7 mn.

Table 41. Electricity, natural gas and goods purchased 2025-2023 (RON mn.)

(mn. RON)	2025	2024	VAR 2025/2024	2023
Electricity purchased to cover network losses	1,259.3	1,099.5	159.8	1,039.9
Electricity, natural gas and goods and purchased for supply	4,936.3	4,643.5	292.8	7,202.1

(mn. RON)	2025	2024	VAR 2025/2024	2023
Transmission and system services related to supply activities	328.9	304.2	24.7	272.6
Green certificates	524.4	541.7	(17.2)	543.4
Total electricity and natural gas purchased	7,048.9	6,588.8	460.1	9,058.0

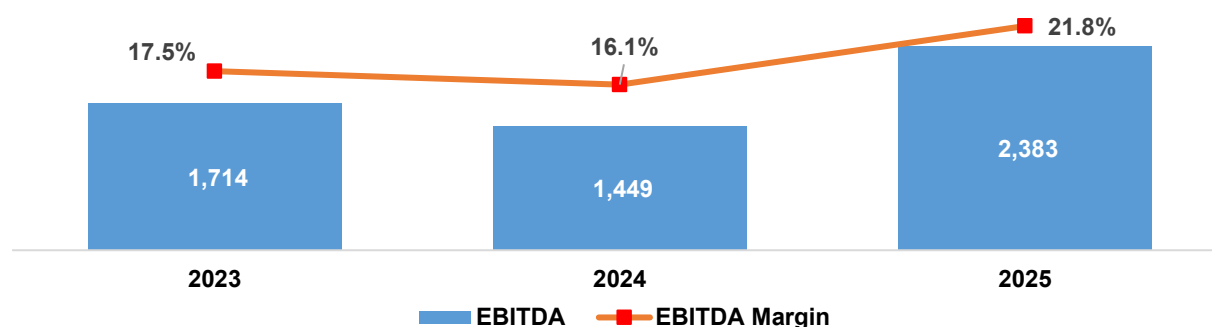
Source: Electrica

Construction costs

In 2025, the costs for electricity network construction in connection with concession agreements decreased by RON 35.2 mn. or 3.8%, to RON 897.4 mn. from RON 932.7 mn. recorded in 2024, being correlated with the evolution of investments recognizable in the RAB (Regulated Asset Base) carried out in 2025.

EBITDA and EBITDA margin

Figure 43: EBITDA and EBITDA margin for 2025 and comparative information (RON mn. and %)

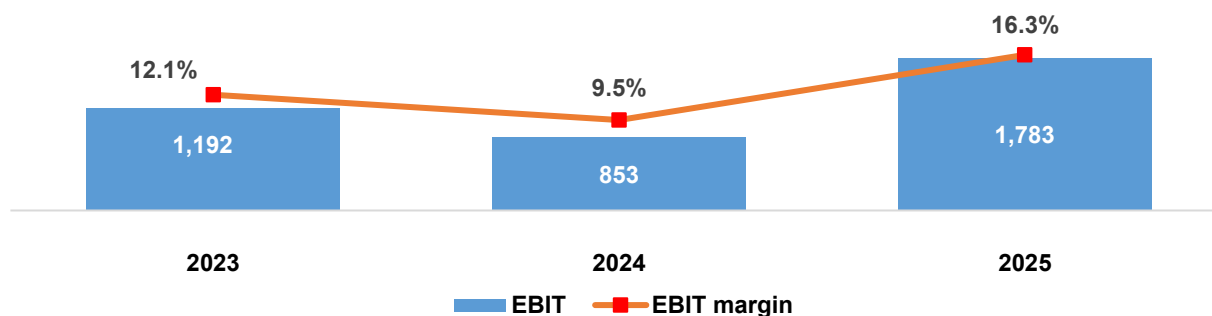


Source: Electrica

Operating profit

The Group's operating result (EBIT) increased by approximately RON 929.8 mn. compared to the same period last year; the evolution of EBIT was mainly driven by the favorable impact of the RON 1,930.8 mn. increase in revenue, an effect offset by a decrease in other income amounting to RON 538.3 mn. (primarily from subsidies, following the termination of the price cap scheme) and by the increase in electricity and gas purchase costs by RON 460.1 mn..

Figure 44: EBIT and EBIT margin for 2025 and comparative information (RON mn. and %)



Source: Electrica

Net finance cost

The net financial result (net financial loss) at the group level recorded an increase of RON 70.1 mn. in 2025 compared to 2024, as a result of the increase in financial expenses related to the green bonds issued during the year in the amount of EUR 500.0 mn.

The Group recorded a gross profit amounting to RON 1,435.2 mn. compared to RON 575.5 mn. in 2024, as a result of the factors mentioned above.

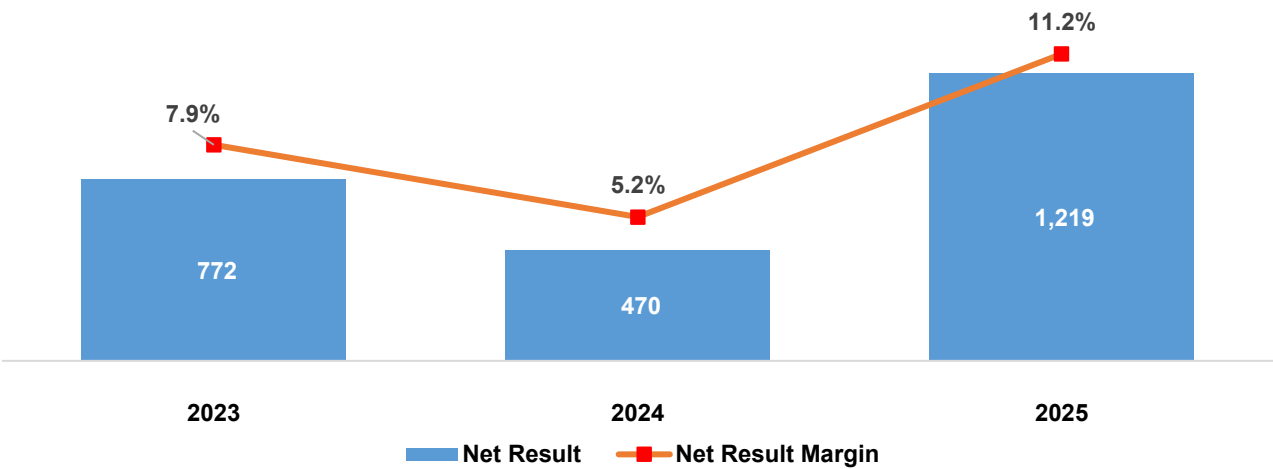
Income tax expense

The tax on income was an expense of RON 216.4 mn. in 2025, generated by the incurred gross profit.

Net result for the year

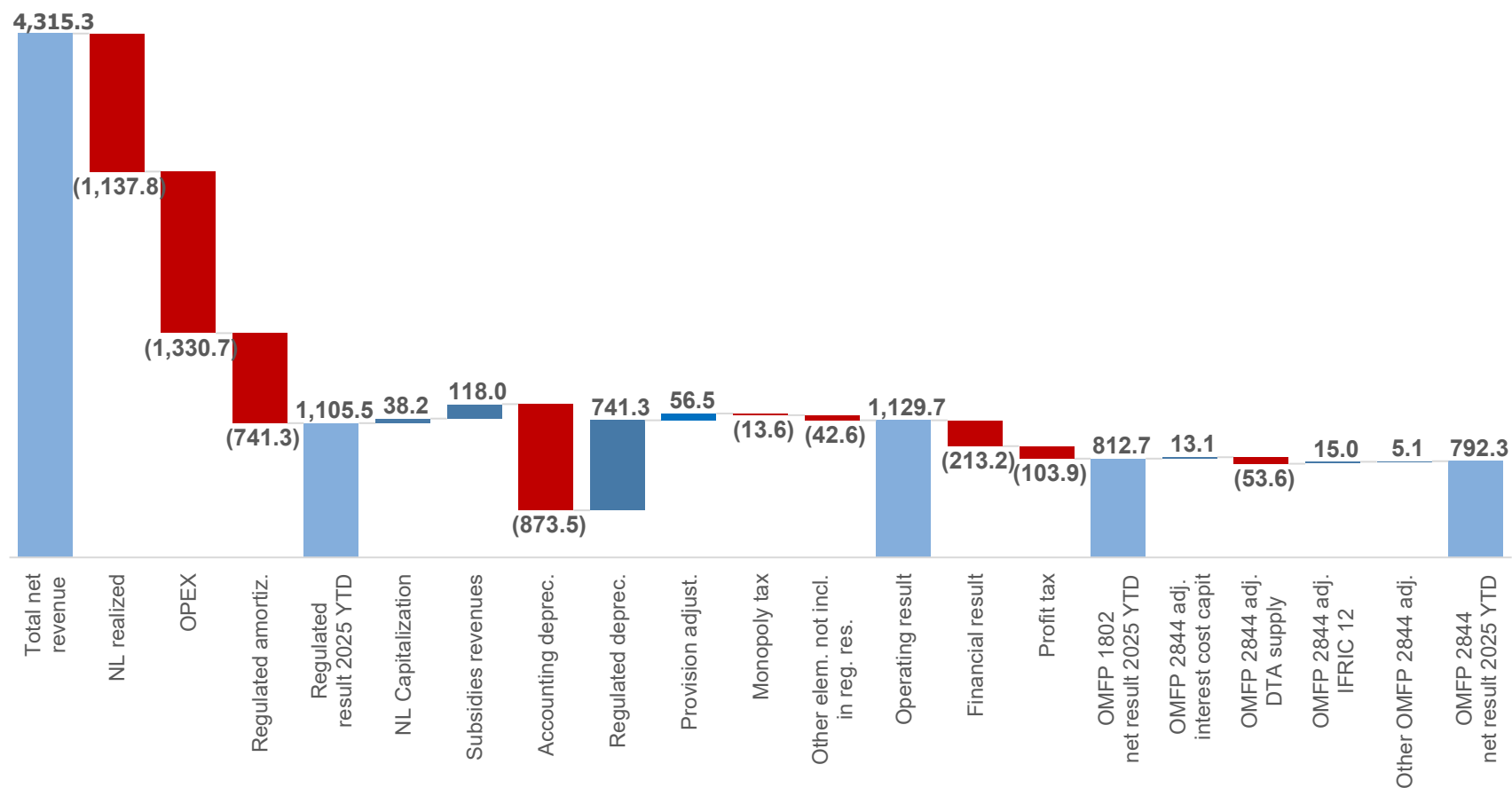
As a result of the factors presented above, in 2025 the net result of the year materialized into a record profit of RON 1,218.9 mn., representing an increase of RON 748.6 mn. or 159.2% compared to the profit of RON 470.2 mn. recorded in the comparative period of 2024.

Figure 45: Net profit and Net profit margin for 2025 and comparative information (RON mn. and %)



Source: Electrica

Figure 46: Analysis of net regulated result - OMFP 1802/2014 - OMFP 2844/2016 - IFRS-EU for distribution segment 2025 (RON mn.)



Source: Electrica

The positive regulated result for 2025 is RON 1,105.5 mn, excluding the effect of capitalizing the realized negative NL (Network Losses) cost deviation, in the amount of RON 38.2 mn, determined for the quantity of NL realized in 2025.

6.2.2 Consolidated statement of profit or loss – S-OMFP 2844/2016

The following table presents the consolidated statement of profit or loss of Electrica Group for 2025, 2024 and 2023.

Table 42. Consolidated statement of profit or loss (RON mn.)

	2025	2024*	Variation 2025/2024	2023*
Revenue	10,910.3	8,979.4	1,930.8	9,816.6
Other income	1,255.1	1,793.4	(538.3)	3,498.6
Capitalised costs of intangible non-current assets	39.1	190.1	(151.0)	18.6
Electricity and natural gas purchased	(7,048.9)	(6,588.8)	(460.1)	(9,058.0)
Construction costs related to concession arrangements	(897.4)	(932.7)	35.2	(976.4)
Employee benefits	(1,208.5)	(1,077.6)	(131.0)	(962.1)
Repairs, maintenance and materials	(166.3)	(131.0)	(35.3)	(95.2)
Depreciation and amortization	(846.3)	(803.8)	(42.5)	(723.7)
Impairment for trade and other receivables, net	(43.5)	(102.0)	58.5	(75.8)
Other operating expenses	(417.4)	(490.0)	72.6	(431.4)
Operating profit	1,576.1	837.1	739.0	1,011.1
Finance income	101.2	12.6	88.6	3.4
Finance costs	(448.5)	(289.8)	(158.7)	(297.2)
Net finance cost	(347.3)	(277.2)	(70.1)	(293.8)
	(0.0)		-	
Profit before tax	1,228.8	559.9	668.9	717.3
Income tax expense	(183.3)	(102.8)	(80.5)	(96.9)
Profit for the year	1,045.5	457.1	588.3	620.4
Earnings per share				
Basic and diluted earnings per share (RON)	3.08	1.35	1.73	1.83

Source: Consolidated financial statements of Electrica Group as of 31 December 2025

*The amounts related to the years 2023 and 2024 have been restated; please see note 5 of the IFRS-EU consolidated Financial Statements

The materiality threshold established internally at the Group level for analysis of main indicators (presented below) is worth RON 119.2 mn., representing 5% of EBITDA.

Key financial indicators for 2025 and their evolution compared to 2024:

- **Revenue:** RON 10,910.3 mn.. increasing by RON 1,930.8 mn.. or 21.5%;
- **EBITDA:** Positive RON 2,422.4 mn.. increasing by RON 973.4 mn. or 67.2%;
- **EBIT:** Positive RON 1,576.1 mn.. increasing by RON 739.0 mn.;
- **EBT:** Positive RON 1,228.8mn.. increasing by RON 668.9 mn.;
- **Net Result:** Net profit of RON 1,045.5 mn.. increasing by RON 588.3 mn.

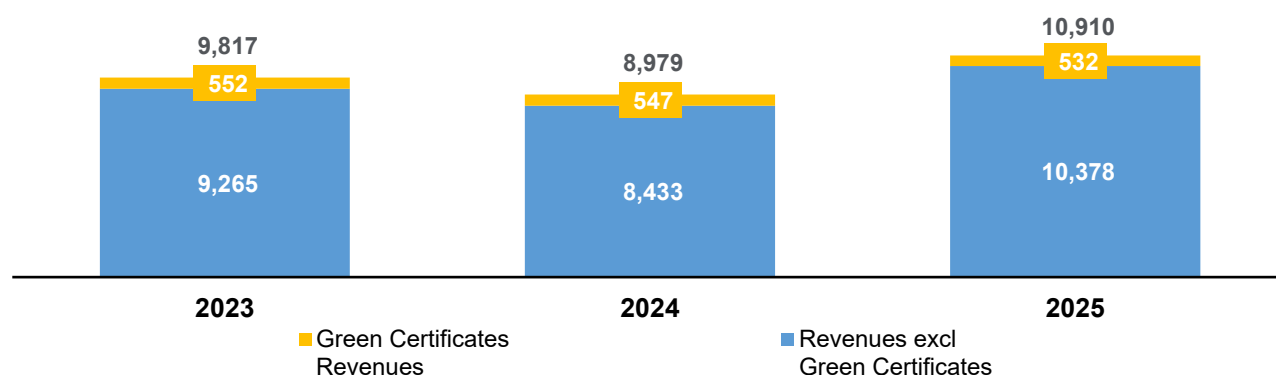
Revenues and other income

In 2025, Electrica recorded total revenues (including other operating income) of RON 12.204,4 mn., representing an increase of RON 1.241,5 mn. or 11.3%, from the value of RON 10,962.9 mn. in 2024. This variation was mainly driven by a revenue increase of RON 1,930.8 mn., primarily due to a growth of RON 1,634.8 mn. in the supply segment and an increase of RON 500.1 mn. in the distribution segment. This effect was offset by a decrease in other operating income of RON 538.3 mn., which mainly represents subsidies for the supply segment. Subsidies decreased following the termination of the price cap scheme on 30 June 2025.

Revenues

As of 31 December 2025, Electrica recorded revenues of RON 10,910.3 mn., an increase of RON 1,930.8 mn. compared to 31 December 2024, mainly driven by a revenue increase of RON 1,634.8 mn. in the supply segment and RON 500.1 mn. in the distribution segment.

Figure 47: Revenue for 2025 and comparative information (RON mn.)



Source: Electrica

Electricity and natural gas purchased

In 2025, the expense for purchased electricity increased by RON 460.1 mn., or 7.0%, to RON 7,048.9 mn., from RON 6,588.8 mn. in the comparative period.

This variation was mainly driven by the increase in costs for electricity and natural gas purchased for the supply activity by RON 295.6 mn. and for covering NL (Network Losses) by RON 159.8 mn., as well as transmission services related to the supply activity by RON 24.7 mn.

Table 43. Electricity, natural gas and goods purchased 2025-2023 (RON mn.)

(mn. RON)	2025	2024	VAR 2025/2024	2023
Electricity purchased to cover network losses	1,259.3	1,099.5	159.8	1,039.9
Electricity, natural gas and goods and purchased for supply	4,936.3	4,643.5	292.8	7,202.1
Transmission and system services related to supply activities	328.9	304.2	24.7	272.6
Green certificates	524.4	541.7	(17.2)	543.4
Total electricity and natural gas purchased	7,048.9	6,588.8	460.1	9,058.0

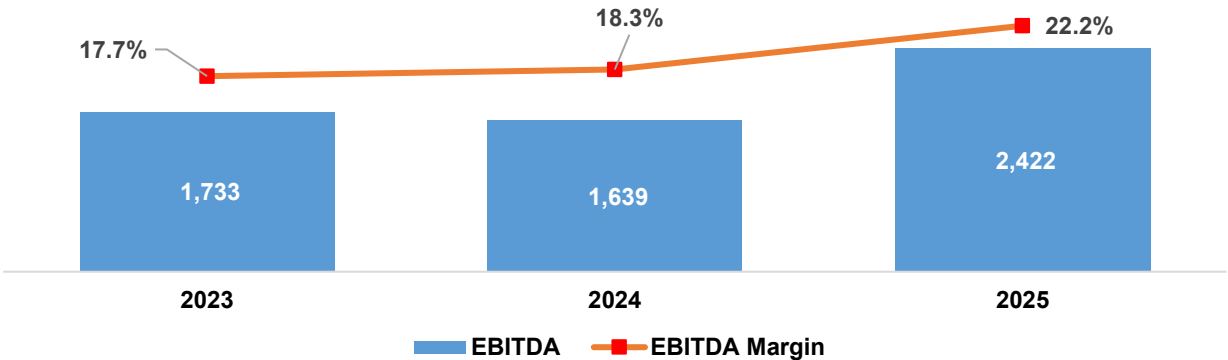
Source: Electrica

Construction costs

In 2025, the costs for electricity network construction in connection with concession agreements decreased by RON 35.2 mn. or 3.8%, to RON 897.4 mn. from RON 932.7 mn. recorded in 2024, being correlated with the evolution of investments recognizable in the RAB (Regulated Asset Base) carried out in 2025.

EBITDA and EBITDA margin

Figure 48: EBITDA and EBITDA margin for 2025 and comparative information (RON mn. and %)

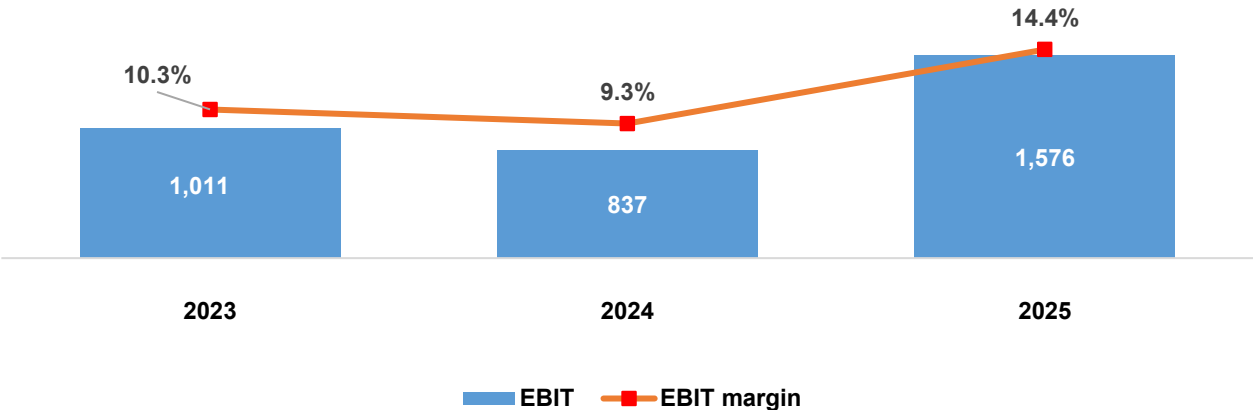


Source: Electrica

Operating profit

The Group's operating result (EBIT) increased by approximately RON 739 mn. compared to the same period last year; the evolution of EBIT was mainly driven by the favorable impact of the RON 1,930.8 mn. increase in revenue, an effect offset by a decrease in other income amounting to RON 538.3 mn. (primarily from subsidies, following the termination of the price cap scheme) and by the increase in electricity and gas purchase costs by RON 460.1 mn..

Figure 49: EBIT and EBIT margin for 2025 and comparative information (RON mn. and %)



Source: Electrica

Net finance cost

The net financial result (net financial loss) at the group level recorded an increase of RON 70.1 mn. in 2025 compared to 2024, as a result of the increase in financial expenses related to the green bonds issued during the year in the amount of EUR 500.0 mn.

The Group recorded a gross profit amounting to RON 1,435.2 mn. compared to RON 575.5 mn. in 2024, as a result of the factors mentioned above.

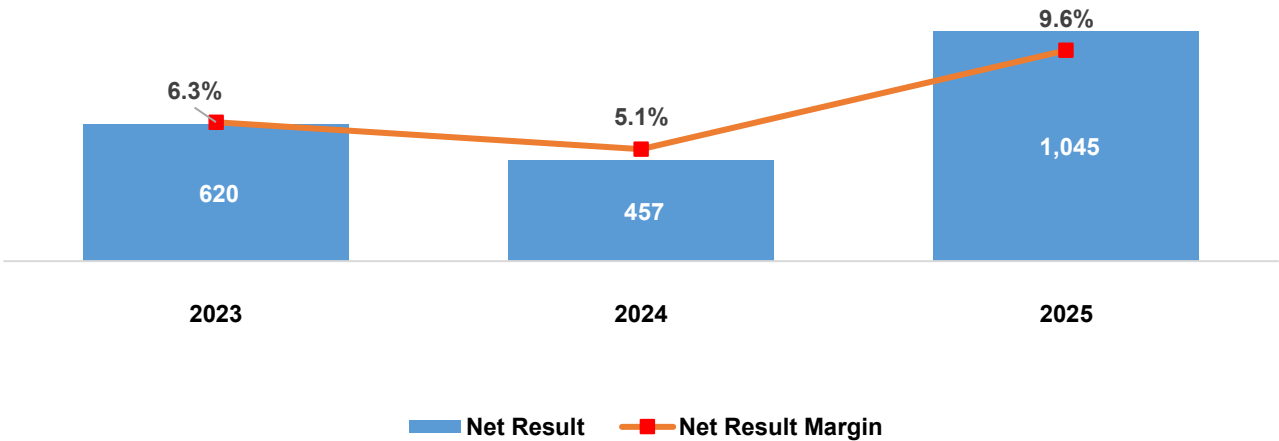
Income tax expense

The tax on income was an expense of RON 183.3 mn. in 2025, generated by the incurred gross profit.

Net result for the year

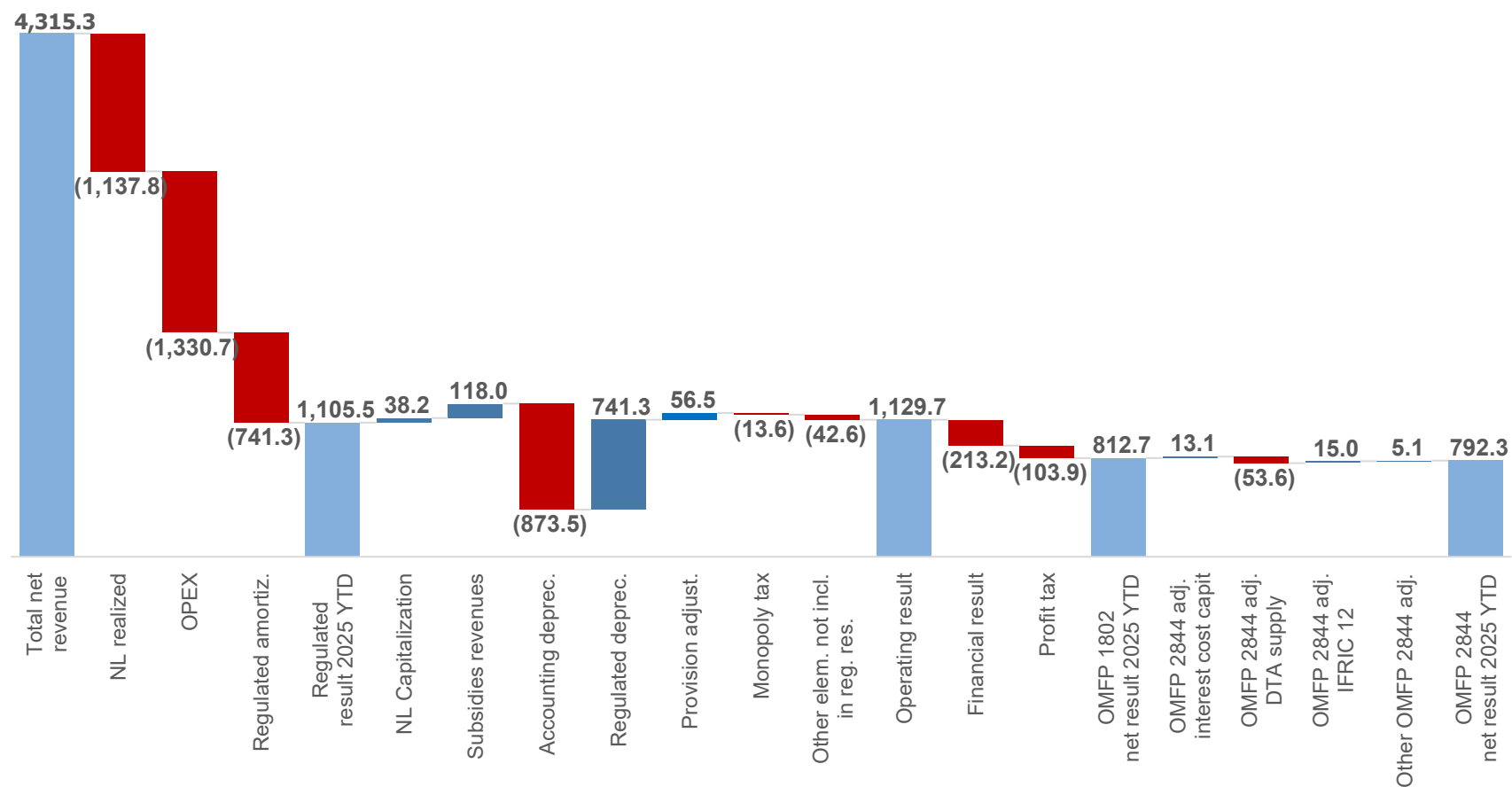
As a result of the factors presented above, in 2025 the net result of the year materialized into a record profit of RON 1.045,5 mn., representing an increase of RON 588.3 mn. or 128.7% compared to the profit of RON 457.1 mn. recorded in the comparative period of 2024.

Figure 50: Net profit and Net profit margin for 2025 and comparative information (RON mn. and %)



Source: Electrica

Figure 51: Analysis of net regulated result - OMFP 1802/2014 - OMFP 2844/2016 for distribution segment 2025 (RON mn.)



Source: Electrica

The positive regulated result for 2025 is RON 1,105.5 mn, excluding the effect of capitalizing the realized negative NL (Network Losses) cost deviation, in the amount of RON 38.2 mn, determined for the quantity of NL realized in 2025.

6.3 Consolidated cash flow statement

6.3.1 Consolidated cash flow statement – S-IFRS-EU

The following table presents the consolidated statement of cash flows of Electrica Group for 2025, 2024 and 2023.

Table 44. Consolidated cash flow statement (RON mn.)

	2025	2024*	Variation 2025/2024	2023*
Cash flows from operating activities				
Profit for the year	1,218.9	470.2	748.6	772.1
Adjustments for:				
Depreciation	19.6	18.1	1.5	16.4
Amortization	581.2	580.1	1.1	508.1
Impairment of property, plant and equipment and intangible assets, net	-	(1.9)	1.9	-
Loss on disposal of property, plant and equipment and intangible assets	9.1	1.9	7.2	(0.1)
Evaluation of fixed assets recognized in profit, net	-	-	-	(2.1)
(Reversal of impairment)/Impairment of trade and other receivables, net	43.5	102.0	(58.5)	75.8
(Reversal of impairment)/Impairment of assets held for sale	-	-	-	-
Change in provisions, net	0.1	34.7	(34.6)	(12.5)
Net finance cost	347.3	277.2	70.1	293.8
Changes in employee benefits obligations	22.2	26.3	(4.1)	29.4
Share of loss of associates	-	0.0	(0.0)	0.0
Corporate income tax expense	216.4	105.3	111.1	125.8
	2,458.2	1,613.9	844.3	1,806.7
Changes in:				
Trade receivables	(442.3)	(1,529.3)	1,087.0	271.6
Other receivables	(160.6)	14.4	(175.0)	5.6
Prepayments	(10.8)	7.9	(18.7)	0.9
Inventories	20.2	3.8	16.5	(1.7)
Trade payables	233.7	(112.2)	345.9	244.4
Other payables	(44.2)	612.3	(656.5)	19.8
Subsidies receivables	53.9	533.4	(479.5)	(1,824.7)
Provision for employee benefits	(28.8)	-	(28.8)	-
Deferred revenue	(4.1)	(1.2)	(2.9)	(16.9)
Cash generated from operating activities	2,075.3	1,142.9	932.4	505.7
Interest paid	(330.7)	(294.9)	(35.8)	(278.5)
Income tax paid	(147.3)	(147.3)	(0.0)	(59.0)
Net cash from operating activities	1,597.3	700.6	896.6	168.3
Cash flows from investing activities				
Payments for purchases of property, plant and equipment	(72.6)	(149.2)	76.6	(10.4)

	2025	2024*	Variation 2025/ 2024	2023*
Payments for network construction related to concession agreements	(887.4)	(1,085.7)	198.3	(845.3)
Payments for purchase of other intangible assets	(19.1)	(16.5)	(2.6)	(21.3)
Proceeds from sale of property, plant and equipment	0.2	-	0.2	0.2
Interest received	44.9	12.1	32.7	3.3
Restricted cash	-	-	-	-
Net cash effect from gain of control over the acquired subsidiary	-	(7.4)	7.4	(1.9)
Payment for acquisition of associated	-	-	-	(4.1)
Payment for acquisition of subsidiaries	-	(8.5)	(8.5)	(6.3)
Deposit, treasury bills and government bonds	(2,117.4)	-	(2,117.4)	-
Net cash used in investing activities	(3,051.5)	(1,255.1)	(1,796.5)	(885.9)
Cash flows from financing activities				
Proceeds from long term bank borrowings	1,546.5	1,635.5	(89.0)	742.7
Proceeds/Repayment from overdrafts	(138.2)	82.3	(220.4)	271.9
Repayment of long term bank loans	(800.7)	(1,018.9)	218.3	(187.7)
Payment of lease liabilities	(22.2)	(27.2)	4.9	(26.8)
Dividends paid	(59.9)	(40.0)	(19.9)	(40.1)
Net proceeds from long-term green bonds liabilities	2,507.2	-	2,507.2	-
Net cash from/(used in) financing activities	3,032.7	631.7	2,401.0	760.0
Net increase in cash and cash equivalents	1,578.4	77.2	1,501.2	42.3
Cash and cash equivalents at 1 January	454.5	377.2	77.2	334.9
Cash and cash equivalents at 31 December	2,032.9	454.5	1,578.4	377.2

Source: Consolidated financial statements of Electrica Group as of 31 December 2025

*The amounts related to the years 2023 and 2024 have been restated; please see note 5 of the IFRS-EU consolidated Financial Statements

The materiality threshold established internally at the Group level for analysis of main indicators (presented below) is worth RON 119.2 mn., representing 5% of EBITDA.

In 2025, the net increase in cash and cash equivalents amounted to RON 1,578.4 mn.

The net profit for the period was RON 1,218.9 mn.; the main adjustments for non-monetary items of the net profit were: the addition of depreciation and amortization of tangible and intangible assets in the amount of RON 581.2 mn., the elimination of the impact of value adjustments for trade receivables of RON 43.5 mn., the addition of the income tax expense of RON 216.4 mn. and the net financial loss of RON 347.3 mn., thus bringing the cash flow from operations to RON 2,458.2 mn.

Changes in working capital had an unfavorable effect of RON 382.9 mn. This impact was driven by the negative impact of changes in trade receivables amounting to RON 442.3 mn., the positive impact from changes in trade payables in the amount of RON 233.7 mn. and subsidies receivable worth RON 53.9 mn., thus reducing the Funds From Operations (FFO) to

RON 2,075.3 mn. Income tax paid and interest paid totaled RON 478.0 mn.; therefore, the net cash generated from operating activities was RON 1,597.3 mn.

Cash used in investing activities amounted to RON 3,051.5 mn., with the highest values related to investments in government bonds and deposits totaling RON 2,117.4 mn. and payments for network construction in connection with concession agreements of RON 887.4 mn.

Financing activities generated an increase in cash and cash equivalents of RON 3,032.7 mn. The main factors were drawdowns from long-term bank loans of RON 1,546.5 mn. and net proceeds from the issuance of bonds worth RON 2,507.2 mn., an effect partially offset by loan repayments of RON 800.7 mn. and credit facilities of RON 138.2 mn. The payment of dividends to shareholders in 2025 was RON 59.9 mn.

6.3.2 Consolidated cash flow statement – S-OMFP 2844/2016

The following table presents the consolidated statement of cash flows of Electrica Group for 2024, 2023, 2022 and 2021.

Table 45. Consolidated cash flow statement (RON mn.)

	2025	2024*	Variation 2025/2024	2023*
Cash flows from operating activities				
Profit for the year	1,045.5	457.1	768.6	620.4
Adjustments for:				
Depreciation	19.6	18.1	1.5	16.4
Amortization	826.7	785.7	1.1	707.3
Impairment of property, plant and equipment and intangible assets, net	-	(1.9)	1.9	-
Capitalised costs of intangible non-current assets	(39.1)	(190.1)	(151.0)	(18.6)
Loss on disposal of property, plant and equipment and intangible assets	9.1	1.9	7.2	(0.1)
Evaluation of fixed assets recognized in profit, net	-	-	-	(2.1)
(Reversal of impairment)/Impairment of trade and other receivables, net	43.5	102.0	(58.5)	75.8
(Reversal of impairment)/Impairment of assets held for sale	-	-	-	-
Change in provisions, net	0.1	34.7	(34.6)	(12.5)
Net finance cost	347.3	277.2	70.1	293.8
Changes in employee benefits obligations	22.2	26.3	(4.1)	29.4
Share of loss of associates	-	0.0	(0.0)	0.0
Corporate income tax expense	183.3	102.8	91.1	96.9
	2,458.2	1,613.9	844.3	1,806.7
Changes in:				
Trade receivables	(442.3)	(1,529.3)	1,087.0	271.6
Other receivables	(160.6)	14.4	(175.0)	5.6
Prepayments	(10.8)	7.9	(18.7)	0.9
Inventories	20.2	3.8	16.5	(1.7)
Trade payables	233.7	(112.2)	345.9	244.4
Other payables	(44.2)	612.3	(656.5)	19.8
Subsidies receivables	53.9	533.4	(479.5)	(1,824.7)
Provision for employee benefits	(28.8)	-	(28.8)	-
Deferred revenue	(4.1)	(1.2)	(2.9)	(16.9)
Cash generated from operating activities	2,075.3	1,142.9	932.4	505.7

	2025	2024*	Variation 2025/ 2024	2023*
Interest paid	(330.7)	(294.9)	(35.8)	(278.5)
Income tax paid	(147.3)	(147.3)	(0.0)	(59.0)
Net cash from operating activities	1,597.3	700.6	896.6	168.3
Cash flows from investing activities				
Payments for purchases of property, plant and equipment	(72.6)	(149.2)	76.6	(10.4)
Payments for network construction related to concession agreements	(887.4)	(1,085.7)	198.3	(845.3)
Payments for purchase of other intangible assets	(19.1)	(16.5)	(2.6)	(21.3)
Proceeds from sale of property, plant and equipment	0.2	-	0.2	0.2
Interest received	44.9	12.1	32.7	3.3
Restricted cash	-	-	-	-
Net cash effect from gain of control over the acquired subsidiary	-	(7.4)	7.4	(1.9)
Payment for acquisition of associated	-	-	-	(4.1)
Payment for acquisition of subsidiaries	-	(8.5)	(8.5)	(6.3)
Deposit, treasury bills and government bonds	(2,117.4)	-	(2,117.4)	-
Net cash used in investing activities	(3,051.5)	(1,255.1)	(1,796.5)	(885.9)
Cash flows from financing activities				
Proceeds from long term bank borrowings	1,546.5	1,635.5	(89.0)	742.7
Proceeds/Repayment from overdrafts	(138.2)	82.3	(220.4)	271.9
Repayment of long term bank loans	(800.7)	(1,018.9)	218.3	(187.7)
Payment of lease liabilities	(22.2)	(27.2)	4.9	(26.8)
Dividends paid	(59.9)	(40.0)	(19.9)	(40.1)
Net proceeds from long-term green bonds liabilities	2,507.2	-	2,507.2	-
Net cash from/(used in) financing activities	3,032.7	631.7	2,401.0	760.0
Net (decrease)/increase in cash and cash equivalents	1,578.4	77.2	1,501.2	42.3
Cash and cash equivalents at 1 January	454.5	377.2	77.2	334.9
Overdrafts used for cash management purposes	-	-	-	-
Cash and cash equivalents at 31 December	2,032.9	454.5	1,578.4	377.2

Source: Consolidated financial statements of Electrica Group as of 31 December 2025

*The amounts related to the years 2023 and 2024 have been restated; please see note 5 of the IFRS-EU consolidated Financial Statements

The materiality threshold established internally at the Group level for analysis of main indicators (presented below) is worth RON 119.2 mn., representing 5% of EBITDA.

In 2025, the net increase in cash and cash equivalents amounted to RON 1,578.4 mn.

The net profit for the period was RON 1,218.9 mn.; the main adjustments for non-monetary items of the net profit were: the addition of depreciation and amortization of tangible and intangible assets in the amount of RON 846.3 mn., the elimination of the impact of value adjustments for trade receivables of RON 43.5 mn., the addition of the income tax

expense of RON 183.3 mn. and the net financial loss of RON 347.3 mn., thus bringing the cash flow from operations to RON 2,458.2 mn.

Changes in working capital had an unfavorable effect of RON 382.9 mn. This impact was driven by the negative impact of changes in trade receivables amounting to RON 442.3 mn., the positive impact from changes in trade payables in the amount of RON 233.7 mn. and subsidies receivable worth RON 53.9 mn., thus reducing the Funds From Operations (FFO) to RON 2,075.3 mn. Income tax paid and interest paid totaled RON 478.0 mn.; therefore, the net cash generated from operating activities was RON 1,597.3 mn.

Cash used in investing activities amounted to RON 3,051.5 mn., with the highest values related to investments in government bonds and deposits totaling RON 2,117.4 mn. and payments for network construction in connection with concession agreements of RON 887.4 mn.

Financing activities generated an increase in cash and cash equivalents of RON 3,032.7 mn. The main factors were drawdowns from long-term bank loans of RON 1,546.5 mn. and net proceeds from the issuance of bonds worth RON 2,507.2 mn., an effect partially offset by loan repayments of RON 800.7 mn. and credit facilities of RON 138.2 mn. The payment of dividends to shareholders in 2025 was RON 59.9 mn.

6.4 Separate statement of the financial position

Financial information selected from company's separate statement of financial position.

Table 46. Separate statement of the financial position (RON mn.)

	31 December 2025	31 December 2024	Var. 2025 vs. 2024	31 December 2023
ASSETS				
Non-current assets				
Property, plant and equipment	185.6	178.6	7.0	145.1
Intangible assets	6.2	1.2	5.1	1.1
Goodwill	1.4	1.4	-	1.4
Investments in subsidiaries	2,493.3	2,342.4	150.9	2,309.9
Investments in associates	0.0	0.0	-	16.6
Other investments	8.7	7.0	1.7	7.0
Loans granted to subsidiaries – long term	246.3	756.3	(510.0)	1,279.3
Deposits, treasury bills and government bonds - non current	1,271.9	-	1,271.9	4.0
Right of use assets	16.5	17.1	(0.6)	
Total non-current assets	4,229.9	3,304.0	925.9	3,764.5
Current assets				
Cash and cash equivalents	18.2	8.0	10.1	19.2
Trade receivables	1.9	1.9	(0.1)	1.7
Other receivables	55.4	31.1	24.3	30.2
Loans granted to subsidiaries – cash pooling	482.9	482.9	-	567.6
Inventories	0.0	0.0	-	0.0
Prepayments	1.8	2.0	(0.2)	1.0
Income tax receivable	0.1	0.1	(0.0)	-
Assets held for sale	0.3	0.3	-	0.3

	31 December 2025	31 December 2024	Var. 2025 vs. 2024	31 December 2023
Deposits, treasury bills and government bonds - current	1,508.4	942.9	565.5	89.7
Loans granted to subsidiaries – short term	892.9	-	892.9	
Total current assets	2,961.8	1,469.2	1,492.6	709.7
TOTAL ASSETS	7,191.8	4,773.2	2,418.6	4,474.2
EQUITY AND LIABILITIES				
Equity				
Share capital	3,395.5	3,395.5	-	3,464.4
Share premium	103.0	103.0	-	103.0
Treasury shares reserve	-	-	-	(75.4)
Pre-paid capital contribution in kind from shareholders	0.0	0.0	-	0.0
Revaluation reserves	19.2	20.0	(0.8)	20.3
Legal reserves	240.0	235.2	4.8	231.6
Other reserves	188.9	188.9	-	224.1
Retained earnings	95.9	67.1	28.8	12.4
Total equity	4,042.6	4,009.8	32.8	3,980.4
Liabilities				
Non-current liabilities				
Lease liability – long term	16.6	16.7	(0.1)	3.3
Bank borrowings – long term	4.8	-	4.8	-
Long-term green bonds liabilities	2,525.4	-	2,525.4	
Employee benefits	2.2	1.6	0.6	1.3
Total non-current liabilities	2,549.0	18.3	2,530.7	4.6
Current liabilities				
Current portion of long-term bank borrowings	0.0	236.0	(236.0)	216.8
Loans received from subsidiaries – cash pooling	46.4	170.1	(123.7)	47.8
Credit lines	454.3	313.6	140.7	205.5
Current portion of long-term green bonds liabilities	45.6	-	45.6	
Lease liability – short term	0.9	0.8	0.1	0.8
Trade payables	18.0	7.8	10.2	6.6
Other payables	4.7	7.0	(2.3)	3.3
Deferred revenue	0.1	0.1	0.0	0.3
Employee benefits	8.3	8.3	0.0	7.3
Provisions	22.0	1.5	20.5	0.7
Total current liabilities	600.2	745.1	(144.9)	489.1
Total liabilities	3,149.1	763.4	2,385.8	493.7
Total equity and liabilities	7,191.8	4,773.2	2,418.6	4,474.2

Source: Separate financial statements of ELSA as of 31 December 2025

The materiality threshold established internally at individual level is worth RON 32.2 mn., representing 1/3 of the gross profit.

Fixed assets

As of 31 December 2025, compared to 31 December 2024, non-current assets increased significantly by RON 925.9 mn., from RON 3,304.0 mn. to RON 4,229.9 mn. The increase is mainly due to investments in government bonds and deposits amounting to RON 1,271.9 mn. following the bond issuance during 2025, an effect offset by the decrease in the balance of loans granted to affiliated entities by RON 510.0 mn.

Loans granted to subsidiaries

As of 31 December 2025, loans granted to subsidiaries decreased compared to 31 December 2024, as a result of collecting the amount of RON 510.0 mn. from the distribution subsidiary.

Table 47. Loans granted to subsidiaries (long term) (mln. RON)

	Loans granted to subsidiaries		
	31 December 2025	31 December 2024	31 December 2023
Distributie Energie Electrica Romania S.A.	246.3	756.3	1,276.3
Total loans granted to subsidiaries – long term	246.3	756.3	1,276.3

Investments in associates

As of 31 December 2025, investments in subsidiaries increased by RON 150.9 mn., reaching a value of RON 2,493.3 mn., mainly due a capital increase in the company Electrica Furnizare S.A. amounting to RON 150.0 mn..

Current assets

As of 31 December 2025, current assets increased by RON 1,492.6 mn. compared to the same period of the previous year, mainly due to the recognition of the short-term portion of investments in government bonds and deposits amounting to RON 892.0 mn. and an increase of RON 565.5 mn. following the granting of a short-term loan to the Supply subsidiary in the amount of RON 515 mn. loans granted to subsidiaries - cash pooling.

Loans granted to subsidiaries (short term)

As of 31 December 2025, short-term loans granted to subsidiaries increased by RON 565.5 mn. compared to the same period of the previous year, reaching the value of RON 1,508.4 mn.

Table 48. Loans granted to subsidiaries (short term) (mln. RON)

	Loans granted to subsidiaries			
	31 December 2025	31 December 2025	Variation 2025/2024	31 December 2023
Electrica Furnizare S.A.	835.0	319.3	515.7	80.0
Sunwind Energy S.R.L.	112.7	72.7	40.0	2.5
New Trend Energy S.R.L.	19.6	18.2	1.4	7.2
Distributie Energie Electrica Romania S.A.	510.0	520.0	(10.0)	-
Crucea Power Park S.R.L.	22.6	4.3	18.3	-
Foton Power Energy S.R.L.	8.6	8.4	0.2	-
Total loans granted to subsidiaries – short term	1,508.4	942.9	565.5	89.7

Dividends

The company may distribute dividends from the statutory profit, according to the audited individual financial statements prepared in accordance with Romanian accounting regulations.

The dividends distributed by the Company in the years 2025, 2024 and 2023 (from previous years' profits) were as follows:

Table 49. Dividends 2025-2023 (RON mn.)

(RON mn)	2025	2024	2023
Dividends distributed	59.9	40.0	40.0

Source: Separate financial statements of ELSA as of 31 December 2025

On April 29, 2025, the General Meeting of Shareholders of the Company approved the distributable net profit for the year 2024 as follows:

- Dividends to be distributed to shareholders: RON 59.9 mn.;
- Legal reserve (5% of the 2024 pre-tax profit): RON 3.6 mn.;

The value of dividends per share distributed to the Company's shareholders was: RON 0.1767 per share (2024: RON 0.1178 per share).

Out of the dividends declared by the Company amounting to RON 59.9 mn. (2024: RON 40.0 mn.), the dividends paid were RON 59.9 mn. (2024: RON 40.0 mn.).

Provisions

Table 50. 2024 Provisions (RON mn.)

(RON mn.)	Litigations and other risks
Balance at 1 January 2025	1.5
Provisions made	22.8
Provisions utilized	-
Provisions reversed	(2.3)
Balance at 31 December 2025	22.0

Source: Separate financial statements of ELSA as of 31 December 2025

Provisions amounting to:

- RON 1.6 mn. as of 31 December 2025 (31 December 2024: RON 1.3 mn.) relating to benefits granted upon the termination of the mandate contracts of executive directors and the contracts of key management employees in the form of a non-compete clause;
- RON 20.3 mn. as of 31 December 2025 (31 December 2024: RON 0.2 mn.) for the litigation with DEER;

Green Bonds

In July 2025, the Company issued EUR 500 million in EUR-denominated green bonds maturing on July 14, 2030. At maturity, the bonds will be redeemed at par value. The coupon rate is 4.375%, payable annually

Table 51. Green Bonds (RON mn.)

(RON mn.)	31 december 2025	31 december 2024
Balance as of 1 January	-	-
Proceeds from green bond issuance	2,507.2	-

(RON mn.)	31 december 2025	31 december 2024
Interest expense on green bonds:	52.1	-
Alte cheltuieli financiare	11.7	-
Balance as of 31 December	2,570.9	-

Source: Separate financial statements of ELSA as of 31 December 2025

6.5 Separate statement of profit or loss

Financial information selected from the company's separate statement of profit or loss.

Table 52. Separate statement of profit or loss (RON mn.)

	2025	2024	Variation 2025/2024	2023
Revenues	16.1	12.5	3.6	0.2
Other income	12.8	1.1	11.7	1.2
Cost of purchased electricity	(3.7)	(2.8)	(0.9)	-
Employee benefits	(39.9)	(35.2)	(4.6)	(30.3)
Depreciation and amortization	(7.3)	(4.5)	(2.8)	(1.4)
Impairment of property, plant and equipment, net	-	1.9	(1.9)	0.9
Reversal of impairment of trade and other receivables, net	-	-	-	0.6
Change in provisions for legal cases and non-compete clauses, net	(20.5)	(0.8)	(19.7)	0.3
Other operating expenses	(53.3)	(28.9)	(24.4)	(21.3)
Profit/(loss) before financing result	(95.6)	(56.7)	(38.9)	(49.8)
Finance income	300.6	171.2	129.3	97.6
Finance costs	(108.3)	(43.3)	(65.0)	(29.7)
Share of results of associates	-	-	-	(0.0)
Net finance income	192.2	127.9	64.4	67.9
Profit before tax	96.6	71.2	25.4	18.1
Income tax benefit/(expense)	(3.6)	(1.9)	(1.7)	5.9
Profit for the year	93.1	69.3	23.7	23.9
Earnings per share	0.27	0.20	0.07	0.07

Source: Separate financial statements of ELSA as of 31 December 2025

The materiality threshold established internally at individual level is worth RON 32.2 mn., representing 1/3 of the gross profit.

Starting with 2024, ELSA's individual results also include costs related to the power generation parks merged on 31 December 2023.

Profit/(loss) before financing result

As at 31 December 2024 the operating result is a loss of RON 95.6 mn., mainly from the increase in other operating expenses, costs of purchasing electricity, depreciation and salary benefits.

Net finance income

During the financial year ended 31 December 2025, the net financial result increased from RON 127.9 mn. in 2024 to RON 192.2 mn.

Financial income in 2025 amounted to RON 300.6 mn. and represents interest income earned from government bonds and deposits, loans granted to subsidiaries, as well as dividend income received from the distribution subsidiary in the amount of RON 100.0 mn.

The net financial result was negatively impacted by financial expenses recorded in 2025 amounting to RON 108.3 mn., representing interest expenses related to loans.

Profit before tax

In 2025, profit before tax increased by RON 25.4 mn. to RON 96.6 mn., up from RON 71.2 mn. in 2024.

Income tax benefit/(expense)

In 2025, the company recorded an income tax expense of RON 3.6 mn., compared to 2024 when the company recorded an income tax benefit of RON 1.9 mn.

Net profit for the year

As a result of the factors presented above, the net profit realized in 2025 is RON 93.1 mn., an increase of RON 23.7 mn. compared to 2024.

6.6 Separate cash flow statement

Financial information selected from the cash flow statement of the company.

Table 53. Separate statement of cash flow (RON mn.)

Indicator	2025	2024	Variation 2025 vs. 2024	2023
Cash flows from operating activities				
Profit for the year	93.1	69.3	23.7	23.9
<i>Adjustments for:</i>				
Depreciation	4.4	3.4	1.0	0.9
Amortization	2.9	1.1	1.8	0.5
Impairment of property, plant and equipment, net	-	(1.9)	1.9	(0.0)
Revaluation of property, plant and equipment, net	-	-	-	(0.9)
Impairment for Right of Use Assets – IFRS16	-	(0.1)	0.1	-
Loss/(Gain) from the disposal of tangible assets	-	-	-	-
Reversal of impairment of trade and other receivables, net	-	-	-	(0.6)
Impairment of assets held for sale	-	-	-	-
Net finance income	(192.2)	(127.9)	(64.3)	(67.9)
Income tax expense/(benefit)	3.6	1.9	1.7	(5.9)
Changes in employee benefits obligations	0.9	0.3	0.6	0.2
Changes in provisions, net	20.5	0.8	19.7	(0.3)
	(67.0)	(53.1)	(13.8)	(49.9)
<i>Changes in:</i>				
Trade receivables	(7.7)	(0.2)	(7.5)	(0.0)
Other receivables	(22.5)	(1.7)	(20.7)	(12.6)
Advance payments	(1.0)	-	(1.0)	-
Trade payables	10.2	1.1	9.1	1.6
Other payables	5.2	6.3	(1.1)	0.2
Employee benefits	(0.7)	1.0	(1.7)	1.3
Cash generated/(used in) from operating activities	(83.5)	(46.6)	(37.0)	(59.4)
Interest paid	(42.0)	(42.7)	0.7	(29.6)
Income tax paid	(3.4)	(1.8)	(1.6)	-
Net cash from/(used in) operating activities	(129.0)	(91.0)	(38.0)	(89.1)
Cash flows from investing activities				
Payments for purchases of property, plant and equipment	(25.9)	(35.8)	9.9	(1.8)
Payments for purchases of intangible assets	(0.6)	(0.5)	(0.1)	(1.0)
Payments for acquisition of minority interests in subsidiaries, net of transaction costs	(0.0)	(0.0)	-	(12.4)
Payments for the acquisition of shares in subsidiaries, net of transaction costs	(0.4)	(15.8)	15.4	-

Indicator	2025	2024	Variation 2025 vs. 2024	2023
Payments for the increase in the share capital of subsidiaries	(150.5)	-	(150.5)	-
Proceeds from the sale of property, plant and equipment	-	-	-	-
Payments for acquisition of shares in entities	(1.7)	-	(1.7)	-
Cash pooling net position	(123.7)	207.1	(330.8)	(75.4)
Loans granted to subsidiaries	(575.5)	(330.3)	(245.2)	(92.3)
Proceeds from loans given to subsidiaries	520.0	-	520.0	-
Payments for shares in associates	-	(0.0)	-	(0.0)
Deposit, treasury bills and government bonds	(2,117.4)	-	(2,117.4)	-
Restricted cash	-	-	-	-
Interest earned	158.7	110.9	47.8	96.3
Dividends received	100.0	60.0	40.0	-
Net cash from investing activities	(2,217.0)	(4.4)	(2,212.6)	(86.6)
Cash flows from financing activities				
Green Bonds issuance	2,507.2	-	2,507.2	-
Proceeds from overdrafts	140.7	108.0	32.7	(2.3)
Dividends paid	(59.9)	(40.0)	(19.9)	(40.1)
Reimbursement of loans	(236.0)	(80.0)	(156.0)	-
Loans received	5.6	98.7	(93.1)	116.8
Payment of lease liabilities	(1.5)	(2.4)	0.9	(0.5)
Net cash used in financing activities	2,356.1	84.3	2,271.8	73.8
Net increase in cash and cash equivalents	10.1	(11.1)	21.2	(101.9)
Cash and cash equivalents at 1 January	8.0	19.2	(11.2)	105.6
Cash and cash equivalents transferred on merger	-	-	-	15.4
Reclassification of overdrafts previously presented as cash and cash equivalents	-	-	-	-
Cash and cash equivalents at 31 December	18.2	8.0	10.2	19.2

Source: Separate financial statements of ELSA as of 31 December 2025

The materiality threshold established internally at individual level is worth RON 32.2 mn., representing 1/3 of the gross profit.

In **2025**, the net increase in cash and cash equivalents was RON 10.1 mn..

Cash generated from operating activities was RON -83.5 mn. The net profit for the period was RON 93.1 mn.; the main adjustments for non-monetary items of the net profit were: the addition of depreciation and amortization of tangible assets in the amount of RON 4.4 mn., the change in provisions of RON 20.5 mn., the income tax impact of RON 3.6 mn., and the deduction net financial result of RON 192.2 mn..

In 2025, interest paid amounted to RON 45.4 mn., which was RON 1.0 mn. higher than in 2024, representing interest related to overdraft facilities, loans, and bonds.

Cash used in investing activities amounted to RON 2,217.0 mn., with the highest values related to payments for investments in government bonds and deposits of RON 2,117.4 mn., interest collected in the amount of RON 158.7 mn., loans granted to

affiliated entities worth RON 575.5 mn., the impact of net cash pooling activities of RON 123.7 mn., and dividends received of RON 100.0 mn..

Financing activities generated an increase in cash and cash equivalents of RON 2,356.1 mn., mainly due to the green bonds issued in July 2025 in the amount of RON 2,507.2 mn., an effect reduced by the reimbursement of bank loans in the amount of RON 236.0 mn. and dividends paid to shareholders amounting to RON 59.9 mn..

6.7 Annual Report on the Risk Management System within the Electrica Group in 2025

✓ Purpose and frequency – clarification of the report's objective and the period covered

The Annual Report on the Risk Management System aims to provide a comprehensive assessment and detailed analysis of the performance, effectiveness, and maturity of the Risk Management System at the Electrica Group level.

The main objective of risk management is to protect shareholder value and ensure the sustainability of operations by proactively identifying, assessing, and addressing key risks that may affect the achievement of strategic objectives. This annual report provides a summary of this oversight for the period January 1, 2025 – December 31, 2025.

✓ Regulatory context

During the period covered by this report, the Risk Management System continued to align itself with best practices and ever-changing legislative and governance requirements.

Compliance and Governance: The report reflects efforts to strengthen risk governance in line with the provisions of the **New Governance Code of the Bucharest Stock Exchange (BVB)**, emphasizing the increased role and responsibilities of management bodies in risk oversight. This alignment had a direct impact on the Risk Management System (RMS) through:

- **Clarification of the Role of the Board and Committees:** The Code strengthened the Board of Directors' responsibility for setting risk appetite and overseeing the effectiveness of RMS. **The Audit and/or Risk Committee** had an increased role in assessing the periodicity and adequacy of the risk management framework.
- **Risk Framework Assessment:** Increased emphasis has been placed on ensuring that **the risk management strategy and policy are appropriate** to the Group's risk profile and that the processes for identifying, assessing, and monitoring major risks (e.g., operational, financial, compliance) are operational and robust. All risk categories are monitored, and the Risk Management Procedure was updated in December 2025 to clearly highlight risks related to sustainability, cybersecurity, and digital technologies (e.g., artificial intelligence) in the Group's taxonomy.
- **Transparency and Reporting:** The quality and frequency of risk reporting to management bodies has been improved, ensuring that Board decisions are made with a clear understanding of the Group's exposures, in line with the transparency requirements imposed by the new governance framework. We are considering launching a procedure to purchase an ERM (group-level integrated risk management application) so that members of the Board of Directors and executive directors have instant access to any flow or deliverable in the risk management process, and risk assessments can be made for the vast majority of business segments in accordance with best practices and applicable legal regulations.
- **Cybersecurity and NIS 2:** In response to the transposition of the NIS 2 Directive through GEO 155/2024, cyber risk has become a top priority. The first risk simulations regarding cyber risks were carried out following the recommendation of the ISO 27001 recertification auditor. The first assessments for risks specific to the energy sector were carried out, in accordance with the NIS 2 Directive and DNSC orders.

✓ **Risks identified and described in the Green Bond Prospectus**

In the context of the green bond issuance, 72 risks were validated within the five sections of the **Prospectus**. Although most of these risks were already documented in the Group's risk registers, the process facilitated the identification and documentation of new risks relevant to green financing and sustainability strategy, as follows:

- At ELSA level, 7 new risks were identified, which will be included in documentation and monitoring.
- For DEER, 6 new risks were identified, which will be included in documentation and monitoring.
- For EFSA, 5 new risks were identified and documented, and another five new risks will be included, documented and monitored.
- For FISE, 13 new risks were identified.

✓ **Integrating Risk Management with Sustainability (ESG)**

Double Materiality Analysis (DMA) is an assessment methodology that determines which sustainability topics (related to the environment, society, and governance) are relevant for a company's reporting. This approach is required by the EU Directive on Corporate Sustainability Reporting (CSRD) and is based on two interconnected dimensions:

- **Impact Materiality (Inside-Out):** Assesses the impact of the company (Electrica Group) on the environment and society. For example: greenhouse gas emissions, impact on biodiversity, or social effects in communities affected by operations.
- **Financial Materiality (Outside-In):** Assesses the financial impact of sustainability issues on the company (risks and opportunities). For example: climate transition risks (new regulations, taxes) or physical risks (extreme weather events affecting infrastructure).

The main purpose of the DMA analysis carried out by the Electrica Group is to detail the process required for the correct preparation of the **Sustainability Statement/Reporting**, in accordance with the requirements of the CSRD Directive and the European Sustainability Reporting Standards (**ESRS**).

In 2025, the first joint iteration of risk and ESG structures took place in the completion of the DMA as a result of the strategic initiative that the Electrica group rallied behind. Thus:

- **Risk Integration:** Double Materiality Analysis ensures that sustainability risks (such as climate risks) are not only viewed as reporting obligations (ESG), but are also integrated and monitored directly through the Group's specific risk management tools.
- **Strategic Decisions:** This collaboration helps to ensure a unified understanding of risks, and business decisions now also include an ESG component.
- **Governance:** This integration helps Electrica Group management ensure that ESG risks are taken into account in strategic planning, strategic execution (investments in renewable projects), other investments/CAPEX, and financing (i.e., IPO Green Bonds).

Group-level risk management organizational structure

The risk management structure is organised at Group and subsidiary level, taking into account best practices and aiming to allocate resources based on the principle of the necessary skills in relation to the size of the business. The governance of this structure is established by the Risk Management Policy, which is implemented throughout the Electrica Group, as well as by related documents (Audit and Risk Committee Regulations, Governance Code, etc.).

Risk management framework

- ✓ The risk management policy (01.07.2020) was implemented at Group level;
- ✓ The risk management procedure (new version dated 29.12.2025) was updated in accordance with the BSE Governance Code in force and the provisions of NIS2 and sent to subsidiaries for implementation.

Risk Management Methodology

The risk management process at Electrica Group level is an iterative process, carried out regularly (annually) or whenever necessary, and systematically integrates sustainability-related risks, including climate risks. All managed risks are subject to the same stages of identification, assessment, treatment, monitoring, and reporting, and are documented in the **Risk and Risk Control/Treatment Register**.

1. Risk Identification

Identification is the activity through which risks are detected, recognized, recorded, and communicated at Group level.

- **Purpose and Location:** The main objective is to identify events or situations that could affect the achievement of the Electrica Group's objectives. Risks are identified at any operational level where the consequences may influence the achievement of objectives and where specific measures can be taken to address them.
- **Recording Principle:** Identification is based on the principle of **the location, activity, or process** where the risk may materialize. A risk identified, for example, at the ELSA level, but with possible materialization in a subsidiary, will be recorded both in the register of that subsidiary and in the aggregate register at Group level.
- **Analysis of Sources and Causes:** This activity necessarily includes identifying causes, sources (endogenous or exogenous), and events that may have a material impact. Correct identification of the source is vital for defining control measures.
- **Early Monitoring:** To anticipate the materialization of risks, **early warning indicators** are used, established in collaboration with risk owners. Their role is to signal an extremely close horizon of materialization or a very high probability of occurrence of inherent risks.

Note: Identifying a risk does not require approval from higher hierarchical functions.

2. Risk Assessment and Prioritization (Risk Exposure Measurement)

Risk measurement involves a rigorous assessment of the probability of risks materializing and their impact (consequences) on objectives.

- **Risk Score (Exposure): Risk exposure or Risk Score (Scoring)** is determined by combining (multiplying) the estimated probability level and the estimated impact level.
- **Qualitative and Quantitative Analysis:** The assessment is carried out **quantitatively** (for quantifiable risks and for which data is available, e.g., market risks) and **qualitatively** (for risks that are difficult to quantify, e.g., operational risks), by consulting experts and stakeholders.
- **Risk Profile and Prioritization:** Based on the risk score, a **risk profile** is created, which allows risks to be prioritized and the most appropriate ways to address them to be determined.
- **Delegation of Responsibility:** Risk assessment leads to the delegation of responsibility for managing risks to the most appropriate decision-making levels.

3. Treatment and Approval of Measures

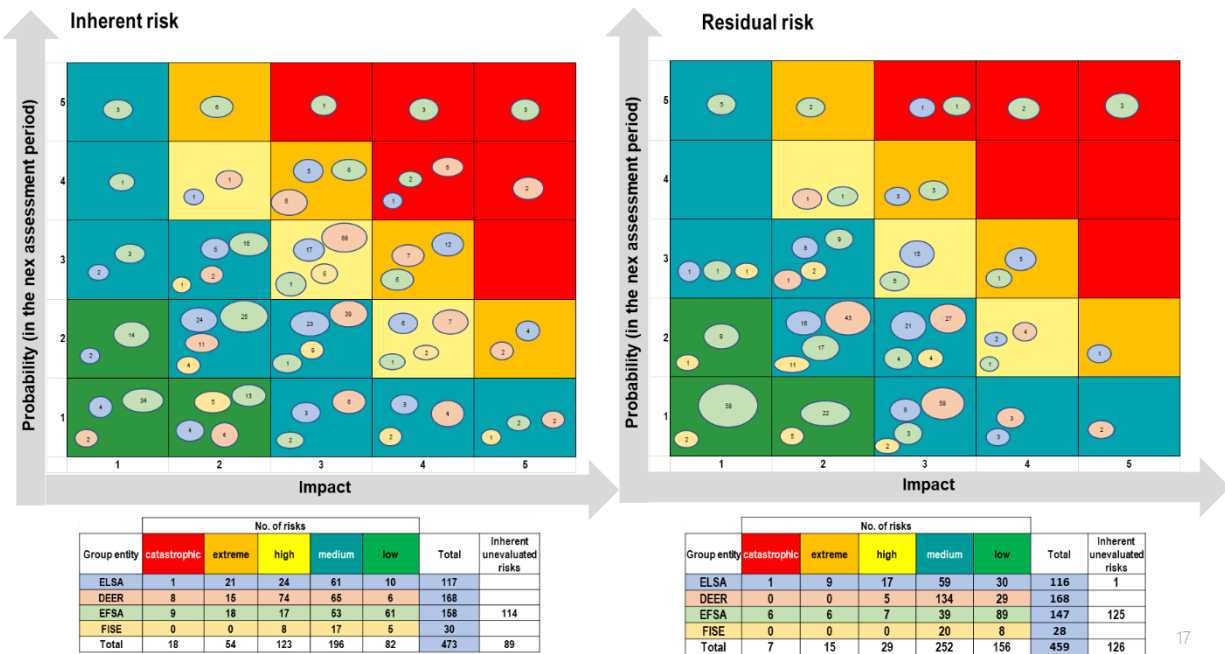
Once the risk has been identified and assessed, control measures and the resources needed for monitoring are established in order to minimize the negative impact on objectives.

- **Approval of Measures:** Proposed control measures cannot be **adopted without higher-level approval**, in accordance with the relationships established at the level of each operating entity, especially if they involve the use of **additional resources** (budget, personnel, applications, etc.).
- **Internal Reconciliation:** If a risk is identified in another company, responsibility for control measures and the financial effort allocated are reconciled within the local risk oversight committees.

4. Handling Unacceptable Risks and Exceptions

- **Formalization of Identified and Unaccepted Risks:** Risks identified by Risk Management that are not accepted by operational entities will be recorded in the Risk Register and submitted for validation to the **Risk Oversight Committee (RSC)**. Without formalization by the RSC or the coordinating Executive Director, they will only be highlighted in the internal annual report, without being aggregated in the published reports.
- **Reporting Exceptions:** Risks identified through **IPOs** (share/bond issues) that may affect the performance of the Electrica Group are recorded and reported in aggregate, according to procedure, **without prior validation being required**.

Risk appetite – the overall level of risk that the Electrica Group (ELSA and all its subsidiaries) is willing to accept in order to carry out and develop its business. This can be expressed quantitatively or qualitatively by risk category or through statements regarding acceptable or unacceptable conduct in relation to the risk categories included in the appetite. In fact, it is transposed into several internal documents, depending on the specific nature (technical standards, policies, procedures, decisions, strategies), centralized, it can be viewed in the form of a risk matrix that highlights residual risks based on probability and impact (risks that remain after the risk management process has been carried out during a business year).



ELSA has initiated a project to implement an integrated platform that will enable the automation and centralization of the processes of identification, assessment, management, control, and real-time reporting of risks arising in the conduct of all

Electrica Group activities. The project is budgeted at the Group level, with procurement procedures to be initiated in the near future.

Conclusion:

The data shows that all risk reports for 2025 include more risks than those from the previous year, directly reflecting efforts to integrate new strategic risks (Cybersecurity and ESG) and comply with new governance requirements (the New BVB Code). The increase in the total number of risks does not necessarily indicate an increase in vulnerability, but rather an improvement in the ability to proactively identify and document them.

Perspectives

The risk analysis carried out in accordance with the requirements of the NIS 2 Directive highlights a complex range of threats from actors with different motivations, capabilities, and objectives. Based on the classification (Attacker – Category – Nature), scenarios of probable risk evolution were outlined, with direct implications for the cyber resilience of society.

Similarly, the risks generated by the use or non-use of artificial intelligence represent a new dimension, which will be explored at subsidiary level, but also aggregated at group level for the year 2026.

Completion of the project to implement an integrated, digital risk management platform at Group level.

In 2025, a project was initiated to implement an integrated platform at Group level, and in 2026, the operational stages are planned to be carried out, following the approval of the budget.

Group Risk Profile

The Group's risk profile is influenced by a complex interdependence between macroeconomic factors, an unstable regulatory framework, and the need for accelerated technological transformation. Risk management focuses on ensuring liquidity, legislative compliance, and operational resilience in the face of external challenges.

Summary of Strategic and Financial Risks

Financial Stability: The Group is critically dependent on operating cash flows and its ability to attract external financing in variable market conditions.

Rating and Cost of Capital: Maintaining the corporate rating and complying with restrictive covenants in debt agreements are essential to limit financing costs.

Investment Execution: Long-term success is contingent upon the timely completion of strategic projects (production, storage, digitization) and the ability to generate the estimated returns in the context of possible budget overruns.

Summary of Market and Regulatory Risks

Volatility and Competition: Extreme fluctuations in energy prices and market liberalization require advanced hedging strategies and increased commercial agility to protect market share and profit margins.

Regulatory Predictability: Government interventions on prices and changes in ANRE methodologies represent a systemic risk that can directly affect regulated revenues.

Energy Transition: Alignment with EU climate neutrality targets requires significant compliance costs and adaptation of the production portfolio to renewable resources.

Summary of Operational and External Risks

Infrastructure Resilience: Aging networks and dependence on systemic partners require constant investment to prevent outages and ensure service quality.

Security and Technology: Protection against cyberattacks on industrial control systems and automation of billing processes through new IT solutions are critical priorities.

Geopolitical and Climate Context: Regional conflict and extreme weather events represent external risks with a direct impact on asset integrity and supply continuity.

Human Resources and Governance: Attracting technical talent and maintaining constructive social dialogue, alongside fair corporate governance in relation to all shareholders, remain pillars of internal stability.

Table 54. Main risks for Electrica Group

Category	Description of the main risks of the Electrica Group	Treatment measures
I. Financial and Liquidity	The Electrica Group relies primarily on the financial resources generated by its operating activities to meet a substantial portion of its financing requirements, despite the fact that it has already contracted certain long-term financing. The Group's ability to obtain external financing and the associated cost depend on numerous factors, including general economic and market conditions in Romania and worldwide, government regulations, international interest rates, the availability of credit from banks or other lenders, investor confidence in the Group, the success of the Group's businesses, and restrictions in existing debt agreements.	* Rigorous monitoring and forecasting of cash flows. * Optimisation of capital structure through credit lines and cash pooling. * Streamlining of debt collection processes and monitoring of financial exposures.
	The Group is exposed to currency risk when there is a discrepancy between the currencies used for sales, purchases, and loans and the functional currency, which is the Romanian leu (RON).	* Use of specific financial instruments (currency hedging) to mitigate exchange rate volatility.
	Any unfavorable revision of the Electrica Group's corporate rating by Fitch from BBB- as it is currently, could affect the Electrica Group's business, prospects, operating results, financial position, and reputation, as well as the price of the Bonds.	* Constant monitoring of financial rating indicators * Maintaining transparent and regular dialogue with rating agencies and investors.
	The Group is susceptible to interest rate fluctuations due to its operational activities and financial agreements. Firstly, the Electrica Group provides financing to group companies through loans from the parent company, which are usually linked to variable interest rates.	* Optimizing methodologies for calculating prices and allocating costs. * Monitoring the cost of capital and implementing robust financial valuation models.

Category	Description of the main risks of the Electrica Group	Treatment measures
	Certain debt facilities related to the Group's long-term financial debt contain restrictive covenants (including negative pledge covenants, material change covenants, change of ownership covenants, and covenants requiring the maintenance of specific financial ratios) that the Electrica Group and other Group companies must comply with.	* Maintaining strict financial discipline by monitoring solvency and liquidity indicators. * Improving operational performance to meet contractual commitments.
	The risk that third parties may not be able to meet their financial obligations to ELSA due to insolvency, bankruptcy, or other financial difficulties.	* Rigorous selection of partners based on financial capacity. * Constant monitoring of solvency and compliance with contractual clauses.
	ANRE has the right to modify the RRR each year based on the evolution of the parameters taken into account when determining it.	* Regularly checking the performance indicators of investment projects to make sure they're in line with strategic goals and regulatory requirements.
	The volatility of carbon dioxide (CO2) emission certificate prices could increase operating costs for the manufacturing segment.	* Integrating the cost of emissions into pricing strategies and investing in low-carbon technologies.
II. Market	Significant fluctuations in energy and commodity prices may adversely affect demand, customers, and the financial performance of ELSA and the Group.	* Improving consumption forecasting systems through advanced technological solutions. * Using bilateral contracts for price stability and diversification of the product/customer portfolio.
	A decline in electricity demand could lead to a decrease in revenues, particularly for the Group's supply business, which could have an adverse effect on its business, results of operations, financial condition, and future prospects.	* Use of digital tools for demand forecasting. * Adaptation of commercial strategies by diversifying the offer and expanding presence in multiple market segments.

Category	Description of the main risks of the Electrica Group	Treatment measures
	Market risk for the Group includes energy price volatility, contract termination, and supply disruptions. In supply, insufficient volume in forward markets can lead to significant financial exposure in volatile market conditions.	* Implementation of hedging strategies (risk coverage). * Continuous monitoring of external factors (weather, hydrology, producer availability). * Use of software solutions for price forecasting.
	Price liberalization has led to increased competition, which may result in customers switching their electricity supplier from the Group to other competitors. These competitors and potential market entrants may enjoy certain competitive advantages that the Group may not benefit from, such as greater economies of scale, access to certain new technologies, more comprehensive product offerings, greater human resources, wider brand recognition, and even more experience gained in other markets (i.e., outside Romania), such as competitors that are part of international groups.	* Conducting periodic market analyses on competitive positioning. * Aligning marketing and sales strategy with industry dynamics to increase customer retention.
	Changes in wholesale electricity market prices may have an impact on the revenues generated by the Group's electricity production activity.	* Implementation of advanced data analysis systems for price forecasting. * Use of long-term sales contracts to ensure revenue predictability.
	In exceptional circumstances and in order to achieve permanent balancing of the electricity system (when internal balancing resources are exhausted), Transelectrica resorts to importing balancing energy by using interconnection capacity.	* Use of forecasting technologies to optimize commercial operations. * Adoption of hedging and contracting strategies to manage price and quantity variations.
	Changes in consumer behavior (e.g., energy efficiency, prosumers) could reduce the volume of energy distributed and supplied.	* Diversification of the portfolio towards energy management solutions for prosumers and energy efficiency.

Category	Description of the main risks of the Electrica Group	Treatment measures
III. Strategy	The Group believes that its investment strategy and projects will lead to operational cost savings and additional revenues through the development of energy production and storage capacity, the development and modernization of distribution infrastructure, diversifying customer services, operational optimization, digitalization and cybersecurity, skills development and employee retention, and the implementation of environmental, social, and governance (ESG) practices.	* Systematic monitoring of trends in the energy sector at national and international level. * Regular updating of corporate strategy under the supervision of the Board of Directors.
	Delays in the implementation of strategic investment projects could affect the Group's growth and efficiency objectives.	* Rigorous project management (PMO) and monitoring of critical milestones to ensure investments are completed on time.
	The Group's current and future projects, including the construction of power plants and new businesses, may be delayed or exceed estimated budgets.	* Implementation of a rigorous project management system and constant monitoring of allocated financial and human resources.
	The Group has faced and may continue to face risks associated with integrating new acquisitions or mergers into the Group's structure.	* Detailed planning of post-acquisition integration processes and alignment of reporting systems.
IV. Regulation	Energy markets are regulated by local and European legislation. The Group may not fully always comply with applicable laws and regulations, and its compliance costs may exceed the amount the Group has budgeted for its future capital and operating expenditures. The Group's costs of complying with current and future regulatory requirements and any loss of its significant operating licenses or authorizations could have an adverse effect on its business, operating results, financial position, and prospects.	* Proactively monitoring legislative changes; ensuring a rigorous compliance framework through effective reporting and collaboration with regulatory authorities.

Category	Description of the main risks of the Electrica Group	Treatment measures
	Government and regulatory decisions regarding electricity production and supply, and in particular permitted prices for electricity purchases and sales, may adversely affect the Group's revenues.	* Optimizing internal settlement and billing processes. * Improving the accuracy of operational data to respond promptly to regulatory changes. * Maintaining constant dialogue with the relevant authorities.
	Energy markets are regulated by local and European legislation. These regulations may be amended or interpreted differently by local authorities and may affect the Group's operating profit margins. This risk is also supported by the legislative history of recent years, which includes a series of laws that have had a significant impact on energy prices, capping elements, etc.	* Active involvement in public consultation processes; assessment of the impact of legislative scenarios on business. * Agile adjustment of commercial strategy to mitigate the negative impact of regulations.
	The electricity generation industry in Europe is significantly influenced by the EU policy to increase the share of electricity generated from renewable energy sources. These targets aim to achieve a low-carbon economy and reduce emissions in line with the EU's targets of a 55% reduction by 2030 and climate neutrality (net zero emissions) by 2050. Changes in energy procurement legislation represent a significant political and regulatory risk for the Group, with a direct impact on operating costs and compliance obligations.	* Adapting the medium- and long-term strategy to European climate neutrality targets (ESG). * Monitoring green energy regulations and adjusting the business model.
	Electricity distribution tariffs are set by ANRE, based on a methodology and a set of parameters that can be modified periodically.	* Continuous monitoring of the regulatory framework; conducting impact simulations for different tariff scenarios.
	The Group has faced and may continue to face risks associated with claims for restitution or compensation arising from its past or present activities.	* Rigorous monitoring of disputes and analysis of their causes to prevent similar situations.

Category	Description of the main risks of the Electrica Group	Treatment measures
		* Continuous professional training of legal and technical staff.
	Additional energy storage or grid management requirements that may require unforeseen investments.	* Monitoring the European legislative framework and planning investments in storage and balancing technologies.
V. Operational	The Group is dependent on services provided by third parties, including OTS (Transelectrica), which is the sole operator of the electricity transmission network, and OPCOM, which manages the trading system within the wholesale electricity market.	* Improving reporting and settlement processes through continuous monitoring of data flows * Optimizing billing processes and ensuring constant communication with system operators.
	The Group is experiencing and may continue to experience delays in issuing invoices for customer supplies due to operational anomalies and system failures, such as failure to adapt to regulatory changes, implementation of new IT billing software, staff shortages, or significant increases in the number of new customers in a relatively short period of time.	* Digitization and automation of IT billing systems (RPA/Software). * Supplementing human resources during periods of high volume; improving the technical performance of management platforms.
	Violations of data protection laws in any of the Group's entities may result in fines for the entire Group (which may be up to 4% of the Group's global annual turnover or €20 million), claims for damages, criminal prosecution of employees and managers, damage to reputation and customer withdrawal, with a potentially significant negative effect on the Group's business, prospects, results of operations and financial position.	* Implementation of strict data protection policies across the entire group. * Regular staff training programs; conducting security and compliance audits.
	The risk of internal fraud or deviations from the Group's ethics and compliance policies.	* Strengthening internal control systems; promoting channels for reporting ethical misconduct (whistleblowing).
	The Group's distribution subsidiary is exposed to the risk that its own technological consumption in the distribution network may exceed the level recognized in tariffs.	* Development and implementation of dedicated programs to reduce own

Category	Description of the main risks of the Electrica Group	Treatment measures
		technological consumption (CPT). * Conducting network optimization studies.
	The components of the Group's distribution network are negatively affected by aging facilities, which may lead to an increase in the frequency of failures.	* Planning and execution of preventive maintenance programs. * Ensuring safety stocks for critical equipment and concluding framework agreements for services.
	The Group's operations may be adversely affected by a number of natural and man-made disasters or extreme weather conditions.	* Developing crisis management procedures. * Facilitating real-time communication and maintaining lists of vulnerable areas for rapid intervention.
	Risks related to occupational health and safety (SSM) that may lead to occupational accidents or diseases.	* Rigorous periodic training; provision of modern protective equipment; strict monitoring and reporting of incidents.
	Disruptions in the supply chain for equipment critical to distribution infrastructure.	* Diversification of the supplier base; maintenance of strategic stocks of essential equipment and spare parts.
VI. Technological	The energy sector is a prime target for cybercriminals seeking to exploit industrial control system environments.	* Strengthening cybersecurity through strict access policies (MFA) and advanced firewalls. * Regular security audits (penetration tests) and creation of a Group-level security operations center (SOC).
	The rapid pace of technological change in the energy sector could render the Group's current assets or infrastructure obsolete.	* Constant investment in research and development; adoption of smart grid

Category	Description of the main risks of the Electrica Group	Treatment measures
		technologies and digitization of processes.
	The Group's activities are increasingly based on a complex structure of different IT systems and data communication networks.	* Administrative segregation of IT systems (cloud and on-premises). * Implementation of cybersecurity principles through strict control of data connections.
VII. Environment	Climate change, along with companies' responses to emerging threats, is increasingly being examined by governments, regulators, and the public. These risks could affect the Electrica Group, its customer base, and the economy in general through changes in asset prices and disruption of business activities.	* Implementation of rapid response and emergency repair plans. * Auditing and optimisation of planned infrastructure works; ensuring business continuity after a failure.
	Firstly, weather damage poses a significant acute risk to energy infrastructure and may affect the Group's ability to supply energy.	* Implementation of annual maintenance plans adapted to climate risks. * Provision of logistical resources and partnerships with third parties for network restoration.
	Renewable energy projects, such as those that are part of the Group's business, are dependent on climatic conditions that are beyond its control.	* Use insurance policies to protect production assets from climate events. * Implement physical security measures and use advanced weather forecasts in operations.

Category	Description of the main risks of the Electrica Group	Treatment measures
VIII. External	The introduction of additional sanctions could lead to adverse reactions from Russia, such as interruptions in electricity supplies to the EU and increases in the sale price of electricity. The Russia-Ukraine conflict has disrupted energy markets, leading to price volatility and global energy insecurity. Although the Group has no subsidiaries or affiliates in Ukraine and its energy purchases are predominantly made on the domestic market, the availability, origin, and delivery of resources may be affected by the dynamics of the conflict in the region, and rising energy prices and financing costs could have a negative impact on the Group's profitability and financing requirements.	* Careful monitoring of the geopolitical and energy context; realignment of strategic directions to ensure operational resilience.
	The ability to retain customers and attract new ones depends in part on the recognition of the Electrica Group brand and its reputation for service quality.	* Regular monitoring of brand equity (brand survey); proactive management of communication and reputation crises.
	Any such disputes, complaints, contractual claims, or adverse publicity could have a negative effect on the Group's reputation.	* Proactive management of contractual relationships; monitoring the quality of documentation prepared. * Ensuring transparent corporate communication and specialized legal representation.
	Limited access to capital markets for new share or bond issues due to macroeconomic conditions.	* Maintaining strong investor relations and ensuring high financial transparency for access to financing.
IX. Human Resources	The difficulty in attracting qualified personnel and possible additional pressure from trade unions may affect the Group's activity.	* Development of educational partnerships; implementation of performance-based motivation and bonus systems. * Systematic employee training programs.

Category	Description of the main risks of the Electrica Group	Treatment measures
	A substantial number of the Group's employees are represented by trade unions and covered by collective bargaining agreements that may be renegotiated.	* Maintaining transparent social dialogue; strict compliance with legislation on social dialogue. * Responsible planning of collective bargaining.
X. Governance	The Romanian state, through the Romanian Ministry of Energy, currently holds 49.785% of the shares in the Electrica Group. As a result, the Romanian government will continue to exercise a certain degree of influence over matters requiring shareholder approval, including the election of corporate bodies, the payment of dividends, annual budgets, and significant corporate transactions, and the government's interests may conflict with those of other shareholders.	* Strict application of corporate governance principles and investor communication policies. Ensuring fair treatment of all shareholders, regardless of their shareholding.

KYC activity – Know your customers and partners

Knowing your business partners and complying with Law No. 129/2019

In accordance with the provisions of Law No. 129/2019 on preventing and combating money laundering and terrorist financing, Electrica has implemented measures to know its business partners (customers and suppliers), applicable to both new and existing companies, before initiating a business relationship or occasional transaction. These measures include identifying and verifying business partners and beneficial owners, risk assessment, and ongoing monitoring of business relationships.

Through this compliance framework, Electrica aims to prevent any involvement in money laundering, terrorist financing, or non-compliance with international sanctions regimes, working exclusively with partners who comply with legal requirements and KYC/AML standards.

Digitization and Automation in the KYC Process

The year 2025 marked an important milestone in the automation of internal processes with the development of a software platform dedicated to the digital management of the KYC process. The solution enables:

- digital collection of legal information and documents of potential business partners.
- real-time consultation of relevant internal and external databases.
- identification of beneficial owners and politically exposed persons.
- verification of links to high-risk jurisdictions.
- automatic verification against national and international sanctions lists.
- standardization and optimization of the KYC analysis workflow.

This initiative contributes to increased operational efficiency, reduced analysis times, and strengthened control over risks associated with business partners.

In order to optimize compliance processes, a dedicated KYC module has been developed and implemented in the SAP system, which facilitates the management and monitoring of business partners in accordance with applicable legal requirements.

Continuous Evaluation and Monitoring

Electrica has manual and automated tools for a continuous process of identifying, assessing, and monitoring business partners. Monitoring is carried out periodically, depending on the partner's risk profile, in accordance with legal requirements.

The company applies the measures required by national and international legislation, as well as the obligations established by the National Office for Preventing and Combating Money Laundering (ONPCSB), for the purpose of:

- preparing reports on suspicious transactions when indicators of suspicion are identified;
- maintaining a high level of operational integrity;
- reducing exposure to reputational, legal, and financial risks;
- strengthening trust in relationships with business partners.

➤ **FINANCIAL RISK MANAGEMENT**

The Group is exposed to the following risks resulting from the use of financial instruments: credit risk, liquidity risk and market risk.

These risks are further explained and detailed.

■ **Credit risk**

Credit risk is the risk that the Group will register a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, cash and cash equivalents, restricted cash and bank deposits.

The Group's exposure to credit risk is mainly influenced by the individual characteristics of each customer. In the past, the Group had a high credit risk mainly from State-owned companies.

Cash and bank deposits are placed in financial institutions that are considered to have to have low risk of default.

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

Trade receivables

The Group's credit risk in respect of receivables was concentrated in the past around state-controlled companies and in the recent years refers to clients that are facing financial difficulties in their industries due to specific changes in circumstances in their industry sector. The Group has set up a policy regarding risk management and it has taken into account the insurance of the trade receivables. Also the electricity supply contracts include termination clauses in certain circumstances.

The Group establishes an allowance for impairment that represents the amount of expected credit losses, calculated based on the expected loss rates.

Impairment

The following table provides information on the exposure to credit risk and expected credit losses for trade receivables as of 31 December 2025, 2024 and 2023.

Table 55. Credit risk and expected credit losses for trade receivables as of 31 December 2025

(RON mn.)	31 December 2025				
	Expected credit loss rates ("ECL")	Gross value	Lifetime ECL	Net trade receivables	Credit impaired
Neither past due nor impaired	0.98%	2,702.3	(26.5)	2,675.8	Nu
Past due 1-30 days	1.81%	346.5	(6.3)	340.2	Nu
Past due 31-60 days	22.46%	91.6	(20.6)	71.0	Nu
Past due 61-90 days	27.94%	59.0	(16.5)	42.5	Nu
Past due more than 90 days	84.57%	838.1	(708.9)	129.3	Da
Total		4,037.6	(778.7)	3,258.9	

Source: Consolidated financial statements of Electrica Group as of 31 December 2025

Table 56. Credit risk and expected credit losses for trade receivables as of 31 December 2024

(RON mn.)	31 December 2024				
	Expected credit loss rates ("ECL")	Gross value	Lifetime ECL	Net trade receivables	Credit impaired
Neither past due nor impaired	3.87%	2,812.9	(108.8)	2,704.0	Nu
Past due 1-30 days	9.65%	136.5	(13.1)	123.3	Nu
Past due 31-60 days	19.16%	89.0	(17.1)	72.0	Nu
Past due 61-90 days	41.56%	24.2	(10.1)	14.1	Nu
Past due more than 90 days	79.78%	737.2	(588.1)	149.0	Da
Total		3,799.8	(737.2)	3,062.5	

Source: Consolidated financial statements of Electrica Group as of 31 December 2025

Table 57. Credit risk and expected credit losses for trade receivables as of 31 December 2023

(RON mn.)	31 December 2023				
	Expected credit loss rates ("ECL")	Gross value	Lifetime ECL	Net trade receivables	Credit impaired
Neither past due nor impaired	2.14%	1,648.6	(35.3)	1,613.2	Nu
Past due 1-30 days	6.62%	255.1	(16.9)	238.2	Nu
Past due 31-60 days	14.00%	47.6	(6.7)	41.0	Nu
Past due 61-90 days	37.18%	25.9	(9.6)	16.3	Nu
Past due more than 90 days	91.82%	622.7	(571.7)	51.0	Da
Total		2,599.9	(640.2)	1,959.7	

Source: Consolidated financial statements of Electrica Group as of 31 December 2025

■ **Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by transferring cash or another financial asset. The Group's liquidity management policy is to maintain, as far as possible, sufficient liquidity to meet its obligations when they are due, under both normal and stressed conditions, to avoid unacceptable losses.

The Group aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities. The Group also monitors the level of expected cash inflows on trade receivables together with expected cash outflows on trade and other payables. In addition, the Group maintains overdrafts facilities.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include estimated interest payments.

Table 58. Contractual maturities of financial liabilities (RON mn.)

(RON mn.)		Contractual cash flows				
Financial liabilities	Carrying amount	Total	less than 1 year	1-2 years	2-5 years	More than 5 years
31 December 2025						
Bank overdrafts	2,352.5	2,352.5	2,352.5	-	-	-
Lease liability	53.1	53.1	11.0	7.5	4.8	29.7
Long term bank borrowings	3,197.0	3,197.0	413.9	383.2	781.1	1,618.9
Green Bonds	2,570.9	2,570.9	45.6	-	2,525.4	-
Trade payables	1,241.1	1,241.1	1,241.1	-	-	-
Other payables	1,449.9	1,449.9	1,418.1	31.8	-	-
Total	10,864.5	10,864.5	5,482.1	422.5	3,311.3	1,648.7
31 December 2024						
Bank overdrafts	2,490.6	2,490.6	2,490.6	-	-	-
Lease liability	41.8	41.8	7.1	3.5	3.4	27.4
Long term bank borrowings	2,390.3	2,390.3	565.8	332.9	618.7	872.9
Trade payables	1,146.4	1,146.4	1,146.4	-	-	-
Other payables	1,533.2	1,533.2	1,487.5	45.7	-	-
Total	7,602.3	7,602.3	5,697.7	382.2	622.1	900.3
31 December 2023						
Bank overdrafts	2,851.2	2,851.2	2,851.2	-	-	-
Lease liability	43.2	43.2	14.1	10.0	4.0	15.2
Long term bank borrowings	1,317.6	1,317.6	523.3	258.9	475.9	59.5
Trade payables	1,671.5	1,671.5	1,671.5	-	-	-
Other payables	982.5	982.5	945.3	37.1	-	-
Total	6,866.0	6,866.0	6,005.4	306.0	479.9	74.8

Source: Consolidated financial statements of Electrica Group as of 31 December 2025

■ Market risk

Market risk is the risk that changes in market prices – foreign exchange rates and interest rates – will affect the Group's income or the value of its financial instruments held. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group has exposure to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the functional currency of the Group. The functional currency of all entities belonging to the Group is the Romanian Leu (RON).

The currency in which these transactions are primarily denominated is RON. Certain liabilities are denominated in foreign currency (EUR). The Group also holds deposits and bank accounts denominated in foreign currency (EUR). The Group's policy is to use the local currency in its transactions as far as practically possible. The Group does not use derivative or hedging instruments.

Exposure to currency risk

The summary of quantitative information on the Group's exposure to currency risk is given below.

Table 59. Exposure to currency risk 2025-2023

(RON mn.)	31 December 2025 Denominated EUR	31 December 2024 Denominated EUR	31 December 2023 Denominated EUR
Cash and cash equivalents	99.1	1.8	347
Deposit, treasury bills and government bonds	1,141.1	-	-
Overdrafts	(217.0)	(399.8)	(306.4)
Lease liability	(49.9)	(40.2)	(42.2)
Long term bank loans	(2,191.7)	(1,058.4)	-
Green Bonds	(2,601.5)	-	-
Net statement of financial position exposure	(3,819.8)	(1,496.6)	(348.3)

Source: Consolidated financial statements of Electrica Group as of 31 December 2025

The following significant exchange rates have been applied during the year.

Table 60. Average rate and year-end spot rate

	Average rate		Year-end spot rate	
	2025	2024	2025	2024
EUR/RON	5.0415	4.9752	5.0985	4.9741

Source: Consolidated financial statements of Electrica Group as of 31 December 2025

Sensitivity analysis

A reasonably possible strengthening (weakening) of the EUR against RON at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and profit before tax by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Table 61. Sensitivity analysis

(RON mn.) Effect	Profit before tax	
	Strengthening	Weakening
31 December 2025		
EUR (5% movement)	191.0	(191.0)
31 December 2024		
EUR (5% movement)	74.8	(74.8)

Source: Consolidated financial statements of Electrica Group as of 31 December 2024

Exposure to interest rate risk

The Group is exposed to interest rate risk because the entities within the Group borrow funds at both fixed and variable interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and variable rate borrowings, as long-term borrowings are mainly contracted at fixed interest rates, while overdraft facilities have variable interest rates. The Group does not hold any interest rate hedging contracts.

The interest rate profile of the Group's interest-bearing financial instruments is presented in the table below.

Table 62. Fixed-rate and variable-rate instruments

(RON mn.)	31 December 2025	31 December 2024	31 December 2023
Fixed-rate instruments			
Financial assets			
Call deposits	1,761.5	123.9	154.1
Deposit, treasury bills and government bonds	2,164.8	-	-
Financial liabilities			
Long-term bank borrowings	(2,313.3)	(1,267.3)	(1,068.9)
Green Bonds	(2,570.9)		
Lease liability	(47.6)	(32.3)	(32.3)
Total	(1,005.6)	(1,175.7)	(947.2)
Variable-rate instruments			
Financial liabilities			
Lease liability	(5.5)	(9.5)	(10.9)
Long-term bank borrowings	(883.7)	(1,123.1)	(248.7)
Bank overdrafts	(2,352.5)	(2,490.6)	(2,851.2)
Total	(3,241.7)	(3,623.2)	(3,110.8)

Source: Consolidated financial statements of Electrica Group as of 31 December 2025

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) profit before tax by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Table 63. Cash flow sensitivity analysis for variable-rate instruments

(RON mn.)	Profit before tax	
	50 bp increase	50 bp decrease
31 December 2025		
Variable-rate instruments	(7.0)	7.0
31 December 2024		
Variable-rate instruments	(18.1)	18.1

Source: Consolidated financial statements of Electrica Group as of 31 December 2025

6.8 Description of the main features of internal control and risk management systems in relation to the financial reporting process

The internal control represents all measures, procedures and policies adopted by ELSA management and their implementation by the employees, regarding the organizational structure, applied procedures, methods, techniques and instruments, for the purpose of implementation of company strategy and objectives. The internal control includes all

control forms performed at company level, such as preventive financial control, internal and managerial control, compliance control.

The internal control activity represents a way of analysis of ELSA activities, of adopting and applying the internal management, also associated with the knowledge activity, which allows the Company's management to coordinate the activities within the organization in an efficient manner.

In this respect, through the internal control the monitoring and verification is carried out, in accordance with the legislation in force and the specific procedures, in compliance with the legal framework that regulates the activities carried out in the checked entities, according to the approved control objectives and themes.

Through internal control, the Company's management ascertains the deviations resulting from the established objectives, analyzes the causes and orders the corrective or preventive measures that are required.

- The internal control and the risk management systems have the following main goals:
 - protecting organizational resources by preventing and detecting waste, negligence, deviations / irregularities, negligence, abuses, fraud etc.;
 - compliance with the applicable legislation and the internal regulations;
 - the reliability of financial reporting (accuracy, completeness and correctness of the information);
 - ensuring an environment based on identifying, understanding and controlling risks, environment which will contribute to achieving the organizational goals;
 - efficient and effective business operations and use of resources;
 - applying the BoD and executive management resolutions and follow-up.

The achievement of these goals was performed in 2025 as follows:

- in order to ensure internal compliance with the competition and state aid rules, several training sessions were conducted;
- for the implementation by DEER of the commitments assumed within the investigation of the Competition Council, ELSA provides, according to the concluded contract, consultancy services and conducts trainings aimed at increasing the degree of information and awareness of the staff regarding the competition policy; the contract aimed at implementing the commitments undertaken by DEER was completed in August 2025, subsequently a new contract was concluded, of a general nature, aimed at providing consultancy in the field of competition, including by conducting training sessions;
- ensuring compliance with the legislation in the field of foreign direct investments by notifying the CEISD of the investment consisting in the construction of an electricity storage plant in the Fântânele commune and obtaining authorization for the implementation of the respective investment;
- clear definition and responsibilities segregation for each person involved in the organizational process; segregation of duties regarding the carrying out the operations among the personnel, so that the approval, control and registration duties are adequately assigned to different persons (as per the Company's organizational chart);
- implementation of regulations, policies, procedures, forms etc;
- unitary implementation at group level the Code of Ethics and Professional Conduct and subsequent policies;
- the existence of a *Guide for Accounting Policies*, elaborated in accordance with the requirements of the legislation in force, approved by the Board of Directors;
- the existence of a schedule and a well-defined process regarding the elaboration of accounting and financial information in accordance with the reporting requirements (financial reports, including financial statements, annual and interim reports, budget etc) and their appropriate verification and approval by the Board of Directors, for the purpose of endorsing and release for publication.

The framework of ELSA's internal control system consists of the following elements:

- ✓ **Control environment** – The existence of a control environment represents the basis of an efficient internal control system. It consists of the commitment towards integrity and ethical values (for this purpose, a series of policies on zero tolerance towards corruption, anti-fraud and anti-money-laundering, avoidance and fighting against conflicts of interest, gifts policy, protocol expenses, and forbidding facilitating payments, transparency and the involvement of stakeholders), as well as organizational measures (policies on the delegation of authority and responsibilities);
- ✓ **Evaluation of risks** – Generally, all processes are within the scope of the internal control system. An identification process is carried out regarding major or critical risks, related to particular activities for stimulating internal control methods;
- ✓ **Control activities meant to prevent/reduce the risks** – Control activities have different forms (managerial control, general control, preventive financial control, etc.) and they are implemented and carried out with the purpose of reducing significant operational and compliance risks;
- ✓ **Information and communication** – Information helps all other components of the internal control system by communicating to employees their responsibilities for controlling and providing information in an adequate and timely manner, so that all employees may be able to fulfill their duties. Internal communication occurs by means of disseminating information to all levels, while the external one implies the dissemination of information to external parties, in accordance with the requirements and expectations;
- ✓ **Monitoring activities** – the Audit and Risk Committee together with the Internal Audit Department assess the efficiency and the effective implementation of the internal control system.

The Company's management monitors the functioning of internal controls by means of periodical analyzes; for instance, the execution of the budget, the monitoring of security incidents.

Deficiencies in the implementation or functioning o

f internal controls are documented into the internal control reports, respectively in internal and external audit reports and briefing notes, and they are presented to the management, with the purpose of issuing the corrective actions.

7 Statements

Based on the best available information, we confirm that the audited and reviewed annual consolidated Financial Statements, prepared for the 12-month period ended 31 December 2025 in accordance with the International Financial Reporting Standards adopted by the European Union ("IFRS-EU"), provide a true and fair view of the assets, liabilities, financial position, financial performance, and cash flows of the Electrica Group, as provided by the applicable accounting standards. Furthermore, we confirm that this Report, prepared in accordance with Art. 65 of Law no. 24/2017 on issuers of financial instruments and market operations and with Annex no. 15 of ASF Regulation no. 5/2018 for the 12-month period ended 31 December 2025, includes a fair analysis of the development and performance of the Electrica Group and the companies included in the consolidation. The Annual Report on the risk management system includes a description of the main risks and uncertainties faced by the Electrica Group due to the complex interdependence between macroeconomic factors, the unstable regulatory framework, and the need for accelerated technological transformation. At the same time, we confirm that the Sustainability Statement as of 31 December 2025, as included in the Annual Report, is prepared in accordance with the applicable reporting standards (ESRS - European Sustainability Reporting Standards), complying with the provisions of the Corporate Sustainability Reporting Directive (CSRD) and Ministry of Finance Order no. 85/2024, including the information required by the EU Taxonomy Regulation.

Based on the best available information, we confirm that the audited and reviewed annual consolidated Financial Statements, prepared for the 12-month period ended 31 December 2025 in accordance with the the Ministry of Public Finance Order No. 2844/2016 for the approval of the Accounting Regulations in accordance with International Financial Reporting Standards, provide a true and fair view of the assets, liabilities, financial position, financial performance, and cash flows of the Electrica Group, as provided by the applicable accounting standards. Furthermore, we confirm that this Report, prepared in accordance with Art. 65 of Law no. 24/2017 on issuers of financial instruments and market operations and with Annex no. 15 of ASF Regulation no. 5/2018 for the 12-month period ended 31 December 2025, includes a fair analysis of the development and performance of the Electrica Group and the companies included in the consolidation. The Annual Report on the risk management system includes a description of the main risks and uncertainties faced by the Electrica Group due to the complex interdependence between macroeconomic factors, the unstable regulatory framework, and the need for accelerated technological transformation. At the same time, we confirm that the Sustainability Statement as of 31 December 2025, as included in the Annual Report, is prepared in accordance with the applicable reporting standards (ESRS - European Sustainability Reporting Standards), complying with the provisions of the Corporate Sustainability Reporting Directive (CSRD) and Ministry of Finance Order no. 85/2024, including the information required by the EU Taxonomy Regulation.

Chair of the Board of Directors,
Mihai DIACONU

Chief Executive Officer,
Alexandru-Aurelian CHIRITA

f. Chief Financial Officer,
Andreea Ioana LAMBRU

Appendix 1 – Litigations

A.1.1 Electrica Group litigations until 2025:

A.1.1 Disputes with ANRE

Crt. no.	Parties/Case file number	Subject matter	Court	Case status
1	Plaintiff: ELSA; DEER Defendant: ANRE 7591/2/2018*	Action for the annulment of the ANRE Order no. 168/2018 regarding the regulatory rate of return and obliging ANRE to issue a new order.	High Court of Cassation and Justice	The action was partially admitted on the merits, the court annulling ANRE Order no. 168/2018 and rejecting the rest of the application. ELSA and ANRE appealed -in course of settlement.. DEER waived the appeal.
2	Plaintiff: ELSA, DEER Defendant: ANRE 434/2/2019	Legal action for annulment of ANRE Order 197/2018 regarding the approval of the specific tariffs for the electricity distribution service and the price for the reactive electric energy for DEER (former SDMN).	Bucharest Court of Appeal	On 04.02.2026, the court rejects the request as unfounded. Appealable within 15 days from the communication
3	Plaintiff: ELSA, DEER Defendant: ANRE 435/2/2019*	Legal action for annulment of ANRE Order 199/2018 regarding the approval of the specific tariffs for the electricity distribution service and the price for the reactive energy for DEER former SDTS).	High Court of Cassation and Justice	On 9 June 2020, the court rejected the action as unfounded. An appeal was filed, on 26.04.2023 the recourse of DEER and Electrica was admitted. The High Court of Cassation and Justice quashes the judgment of 17.03.2020 and the sentence and sends the case back to the same court. In retrial, the court dismisses the action on the merits. DEER and ELSA appealed - in course of settlement.
4	Plaintiff: ELSA, DEER Defendant: ANRE 436/2/2019	Legal action for annulment of ANRE Order 198/2018 regarding the approval of the specific tariffs for the electricity distribution service and the price for the reactive energy for DEER former SDTN).	Bucharest Court of Appeal	In course of settlement.
5	Plaintiff: DEER Defendant: ANRE 303/2/2020	Cancellation of the ANRE's President Order no. 229/2019 regarding the approval of the specific tariffs for the electricity distribution service and the price for the reactive energy for DEER (former SDTS).	Bucharest Court of Appeal	Suspended on 02.11.2022. Application for reinstatement. On 07.06.2023 - suspend the file. Application for reinstatement was filed. In course of settlement.
6	Plaintiff: DEER Defendant: ANRE 53/2/2022	Cancellation of the ANRE's President Order no. 119/2021 regarding the approval of the specific tariffs for the electricity distribution service and the price for the reactive energy for DEER.	Bucharest Court of Appeal	Suspended until the final settlement of case no. 6176/2/2022. Application for reinstatement. In course of settlement. The Court dismissed the case. Appealable within 15 days from it's communication. DEER waived the appeal. Definitive
7	Plaintiff: DEER Defendant: ANRE 321/2/2025	Cancellation of the ANRE's President Order no. 97/2025 regarding the approval of the specific tariffs for the electricity distribution service and the price for the reactive energy for DEER.	Bucharest Court of Appeal	The Court dismissed the case. Appealable within 15 days from its communication.
8	Plaintiff: ELSA Defendant: ANRE 341/2/2025	Partial cancellation (art. 4) of the ANRE's President Order no. 97/2025 regarding the approval of the specific tariffs for the electricity distribution service and the price for the reactive energy for DEER.	High Court of Cassation and Justice	Action dismissed on the merits. ELSA filed a recourse – in filter proceedings.

Source: Electrica

A.1.2 Fiscal matter disputes

Crt. no.	Parties/Case file number	Object	Court	Case status
1	Plaintiff: DEER Defendant: NAFA - DGAMC 359/2/2021 (former 1018/2/2016*)	Cancellation of administrative act – Decision no. 462/23 November 2015, litigation amount of RON 7,731,693 (RON 4,689,686 income tax + RON 3,042,007 VAT) and for the amount of RON 6,154,799 (RON 3,991,503 interests/penalties and late fees related to income tax + RON 2,163,296 interests/penalties and delay fees related to the VAT).	High Court of Cassation and Justice	The court of first instance rejected the action as unfounded. The plaintiff filed an appeal, admitted by the court, which quashes the contested decisions and, re-judging, partially admits the action. Partially annuls Decision no.462/23.11.2015 issued by A.N.A.F–DGSC, regarding point 3. Obliges the defendant A.N.A.F–DGSC to settle on the merits the claim regarding the amount of RON 10,091,323. It sends for retrial to the same court the request regarding the other fiscal obligations retained by the fiscal body, amounting to RON 13,886,492. Final (file no. 1018/2/2016*). In retrial, case no. 1018/2/2016* was registered with a new number, 359/2/2021. On 11.04.2024, the court admits the request as it was sent for retrial. A recourse was filed by NAFA On 04.02.2026 the court rejects the recourse as unfounded. Definitive. DGAMG-ANAF rejected by Solution Decision no. 154/02.07.2020, the appeal regarding the amount of RON 10,091,323 (Point 3 of Decision no. 462/2015) reason for which an action for annulment was filed on 22.12.2020 (file no. 641/42/2020).
2	Plaintiff: DEER Defendant: Galati City Hall - DITVL Galati 263/42/2020*	Cancellation of administrative documents issued by the fiscal bodies within the Galati City Hall - DITVL Galati, respectively Fiscal inspection report, taxation decision and decision to resolve the appeal. According to the Fiscal Inspection Report, the control team determined an additional tax on buildings, together with the related accessories, in a total amount of RON 24,831,293, for the 2012-2015 period.	High Court of Cassation and Justice	On merits, the Court dismissed the case as unfounded. An appeal was filed, on 31.01.2024 the recourse of DEER was admitted. The High Court of Cassation and Justice quashes the judgment of the sentence and sends the case back to the same court. In retrial, the court admits the request. The recourse filed by the defendant and DEER On 25.09.2025- DEER's appeal was admitted. It partially quashes the appealed civil sentence and, in retrial, annuls the Tax Inspection Report no. 1372008/12.12.2019. It upholds the remaining provisions of the appealed sentence. The defendants' appeal is dismissed. Definitive.
3	Plaintiff: EFSA Defendant: NAFA – DGAMC 8709/2/2018*	Cancellation of: - DGSC Decision no. 325/26 June 2018 - Decision F-MC 678/28 December 2017 - Report F-MC 385/28 December 2017 - Decision no. 511/24 October 2018 - Decision no. 21095/24 July 2018 Value: RON 11,483,652	High Court of Cassation and Justice	On the merits, the court dismissed the exception of inadmissibility of invoking the ground of illegality regarding the prescription of the tax authority's right to establish tax obligations as unfounded and partially admitted the request for summons. Thus, it partially annuls the decision no. 325/26.06.2018 on the resolution of the appeal, of the tax decision no. F-MC 678/28.12.2017 and the tax inspection report no. F-MC 385/28.12.2017 regarding the corporate income tax additionally established for 2011. The court annuls the decision no. 511/24.10.2018 regarding the resolution of the appeal and the decision regarding the ancillary payment obligations no. 21095/24.07.2018. Rejects the request for summons as unfounded. NAFA and EFSA filed a recourse, definitively dismissed.
4	Plaintiff: ELSA Defendant: NAFA 7133/2/2024	The application to the defendant of a fine of 20% of the gross minimum wage per day of delay, which is to be made income to the state budget, as well as the obligation of the defendant to pay to Electrica penalties in the amount of 1,000 lei/day of delay, until the execution of the obligation provided for in the enforceable title represented by Civil Judgment no. 1444/15.04.2019, pronounced by the Bucharest Court of Appeal, Section VIII Administrative and Fiscal Litigation in file no. 6043/2/2018, for a maximum period of 3 months, calculated from the date of	High Court of Cassation and Justice	On the merits, the court admitted ELSA's request, ordered the imposition on the debtor of ANAF of a fine in the amount of 20% of the gross minimum wage per day of delay, which is to be paid to the state budget, as well as the obligation of the debtor ANAF to pay to the creditor ELSA penalties in the amount of 1,000 lei per day of delay, until the execution of the obligation provided for in the enforceable title represented by the civil sentence no. 1444/15.04.2019, pronounced by the Bucharest Court of Appeal – Section VIII of Administrative and Tax Litigation, for a period of 3 months calculated from the date of communication of the conclusion on the establishment of the fine. NAFA filed a recourse– admitted by the Court, who quashes the decisios and, in retrial, dismisses the claim as remained without interest. Final.

Crt. no.	Parties/Case file number	Object	Court	Case status
		communication of the conclusion regarding the establishment of the fine..		

Source: Electrica

A.1.3 Other significant litigations (with a value higher than EUR 500 thousand)

Crt. no.	Parties/Case file number	Object	Court	Case status
1	Creditor: ELSA Debtor: CET Braila S.A. 2712/113/2013	Bankruptcy, registering to the list of creditors in amount of RON 3,826,035.	Braila Court	Ongoing procedure.
2	Creditor: ELSA, AAAS, BCR SA and others Debtor: Oltchim S.A. 887/90/2013	Bankruptcy, remaining amount to be recovered – RON 116,058.538.	Valcea Court	Ongoing procedure. The amount is registered in the definitive table of receivables updated following the fact that the Decision EU Tribunal from Luxemburg, establishing that Oltchim S.A. benefited from illegal state aid from a number of Romanian companies, including ELECTRICA S.A, became definitive.
3	Creditor: ELSA Debtor: Transenergo Com S.A. 1372/3/2017	Insolvency proceedings. Amount RON 37,088,830.	Bucharest Court	Ongoing procedure. On 03.02.2021, the Debtor's reorganization plan was confirmed, according to which unsecured receivables do not participate in distributions. ELSA's appeal against the sentence confirming the reorganization plan was definitively dismissed. The debtor company requested the closure of the reorganization procedure and the reintegration into the economic circuit. ELSA filed a bankruptcy application, dismissed by the court on the merits. ELSA appealed against this solution, appeal definitively dismissed (file no. 1372/3/2017/a36).
4	Creditor: ELSA Debtor: Electra Management & Supply SRL 41095/3/2016	Bankruptcy. Amount: RON 6,027,537.	Bucharest Court of Appeal	The court ordered the closure of the bankruptcy procedure. ELSA appealed - finally dismissed. In case, a request for liability has been filed, representing the object of the associated file no. 41095/3/2016 / a1* in which the court definitively admitted the request for liability for two of the three defendants.
5	Creditor: ELSA Debtor: Fidelis Energy SRL 3052/99/2017	Bankruptcy. Amount: RON 11,291,747.90.	Iasi Court	Ongoing procedure. On 26.04.2023, the bankruptcy was ordered. Of the total amount initially recorded at the credential table, the amount of RON 66,066.07, representing ELSA's debit to Fidelis Energy, was compensated in the final table consolidated with this amount.
6	Plaintiff: ELSA Defendant: Elite Insurance Company 44380/3/2018	Claims - request for equivalent value of the insurance policy issued to guarantee the obligations of Transenergo Com S.A., in the amount of RON 4,000,000.	Bucharest Court	In course of settlement.
7	Plaintiff: ELSA Defendant: Silver Broker de Asigurare-Reasigurare SRL (former Zurich Broker de	Insolvency. Receivable – RON 4,043,605	Court of Appeal	Following the termination of the case 3310/3/2020, based on art. 75 of Law no. 85/2014, ELSA has filed a request for registration at the credit table in the bankruptcy file of Silver Broker de Asigurare-Reasigurare SRL, case no. 37068/3/2021, the claim being dismissed. ELSA filed an appeal, object of case no. 37068/3/2021/a1 and no. 37068/3/2021/a2 (attached to case no. 37068/3/2021/a1). On 24.10.2023, the court dismissed the

Crt. no.	Parties/Case file number	Object	Court	Case status
	Asigurare Reasigurare SRL) 37068/3/2021/a1 37068/3/2021/a2			connexed cases; ELSA filed an appeal, suspended until the final settlement of case no. 15150/299/2024 regarding the cancellation of documents.
8	Plaintiff: ELSA Defendant: former directors and administrators of ELSA 35729/3/2019	Claims - claim for damages calculated as a result of the control of the Court of Accounts, amounting RON 322,835,121.	Bucharest Court	In pronuntiation. On 23.10.2025, a Transaction was concluded between ELSA and Mr. Rosca loan, regarding the amount of 12,535.09 lei, representing damage updated with the inflation index, interest and court costs, related to the petitions remaining as a result of the HCCJ decision file 2229/2/2017*. At the same time, the refund of the judicial stamp fee in the amount of 3,292,048.59 lei was requested. At the deadline of 11.11.2025, the court reopened the case..
9	Plaintiff- counterclaim defendant: ELSA Defendant – counterclaim plaintiff: Servicii Energetice Banat Called in guarantee: FISE 3661/30/2020**	Obliging the defendant to leave us in full ownership and possession of the land located in Timisoara, Pestalozzi street no. 3-5, in a total area of 6,089 sqm; - rectification of entries in land registers no. 447675, 408987 and 409003 UAT Timisoara, in the sense of suppressing the inappropriate entries made in them, in order to agree the tabular status with the real legal situation of the real estate, respectively of the deletion of the property right of the tabular owner SERVICII ENERGETICE BANAT S.A. and registration of the property right of Societatii Energetice ELECTRICA S.A. Litigation value: RON 6,452,900. Counterclaim filed by SEB - to order ELSA and the defendant, jointly and severally, to pay the amount of RON 9,706,353.12, representing the value of the land from the time of the defendant's establishment, brought as a contribution to the defendant's share capital, to which is added the legal interest from the moment of SEB's establishment until the moment of effective payment of the amount.	Timis Tribunal	On 05.12.2024, the court resolved the negative conflict of jurisdiction and established that Timis Tribunal - Civil Section I is competent to settle the case. In course of settlement.
10	Plaintiff: Laser Co SRL Defendant: ELSA 4825/3/2025	Forcing the defendant to cease the use in commercial activity of the Electrica logos or any variations thereof because they have been and are used in violation of the plaintiff's copyright in accordance with the provisions of art. 12, 13 and 188 of Law no. 8/1996; ordering the defendant to pay the amount of EUR 450,000 as material damages, due according to the provisions of art. 188 para. 2 letter b) of Law no. 8/1996 and art. 14 of GEO no. 100/2005; ordering the defendant to pay the amount of EUR 200,000 as moral damages, due according to the provisions of art. 188 para. 2 letter b) of Law no. 8/1996 and art. 14 of GEO no. 100/2005.	Bucharest Tribunal	In course of settlement.

Crt. no.	Parties/Case file number	Object	Court	Case status
11	Plaintiff: VIR Company International S.R.L. Defendant: DEER 7507/105/2017*	Claims - the amount requested by VIR Company International SRL consists of: - EUR 5,000,000, damage caused by delayed issuance of the connection certificate for the photovoltaic plant located in Valea Calugareasca commune, Darvari village; - EUR 155,000, equivalent of the amount of electricity produced by the plant during the technological tests period; - EUR 145,000, green certificates related to the amount of energy produced by the photovoltaic plant during the technological tests period. In addition, it requires to DEER to pay the penalty interest of 5.75%/year for all the amounts of money claimed and court costs.	Prahova Court	The court rejects the exceptions of inadmissibility and lack of object of the introductory request invoked by the defendant, as unfounded. Dismisses the introductory request as unfounded. Accepts in part the request made by the defendant regarding the payment of court costs and obliges the plaintiff to the defendant to pay the court costs, respectively to pay the sum of RON 50,000 representing a reduced attorney's fee. Appealable within 15 days from communication. On 07.07.2022, the court partially admitted the request to increase the expert's fee for the amount of RON 13,100 and obliges the plaintiff to pay this amount to the expert. Appeal filed by the plaintiff. Set aside the sentence and send the case for retrial to the same court. Definitive. Rejudgment - in course of settlement.
12	Creditor: DEER Debtor: Transenergo Com S.A. 1372/3/2017	Insolvency proceedings. Amount: RON 9,234,103.43.	Bucharest Court	Ongoing proceedings. On 3 February 2021, the Debtor's reorganization plan was confirmed, according to which unsecured receivables do not participate in distributions. The Debit represents the accumulated receivables as a result of the distribution subsidiaries merger.
13	Plaintiff: DEER Debtor: ELSA 18976/3/2020 (33763/3/2019)	Claims, according to the Court of Accounts Decision, representing payments not owed of RON 20,350,189 made by DEER (former SDMN).	Bucharest Court	The case has been suspended until the final settlement of case no. 1677/105/2017. Reinstated – in course of settlement.
14	Plaintiff: Tutu Daniel and Tudori Ionel Dedendant: DEER 180/233/2020*	Claims - equivalent value of land related to the Galati Center Transformation Station – RON 2,500,000.	Galati Tribunal	The court of first instance partially admitted the request to compel the defendants to pay the plaintiffs the sum of EUR 241,600 as compensation for the lack of use of the income. Obliges the defendants to pay to the plaintiffs the legal interest regarding the damages established from the moment of the final stay until the actual payment. It finalizes the experts' fee in the amount of RON 1,600 for expert Bogatu Mirela Dorina and the amount of RON 1,500 for expert Grecu Iulian and obliges the plaintiffs to pay the expert Bogatu Mirela Dorina the amount of RON 600 - the difference between the expert's fee and to expert Grecu Iulian the amount of. It obliges the defendants to pay the defendant Tutu Daniel the sum of RON 38,605 and the plaintiff Tudori Ionel the sum of RON 12,000 as court costs. Appeal in course of settlement.
15	Plaintiff: Sinaia City Hall Defendant: DEER 3719/105/2020***/a1	Action in "Obligation to do" administrative litigation. Sinaia City Hall requests: -mainly: obliging MN to comply with LCD 113/2015 in the sense of executing the works regarding the underground location of the technical-municipal networks for the project "Energy efficiency and lighting extension of the historic area - Sinaia" - in the alternative: in case MN will not execute the works in due time and the City Hall will execute the works in our name and on our behalf, MN will be obliged to pay RON 7,659,402.72 + VAT (RON 9,101,192); - updating the amount requested in subsidiary with the inflation rate and legal interest.	Ploiesti Court of Appeal	The Court dismissed the case on merits. A recourse was filed, where the court ordered retrial. In retrial, on mertiis, the case was dismissed. Appeal filed by the plaintiff, On 16.12.2025 the court rejects the appeal as unfounded. With recourse.

Crt. no.	Parties/Case file number	Object	Court	Case status
16	Plaintiff: Energo Proiect SRL Defendant: DEER, DEER – Oradea Subsidiary 374/1285/2018	Claims of RON 2,387,357.	High Court of Cassation and Justice	On merits and in the appeal, the case was dismissed. The Court admits the appeal declared by the plaintiff ENERGO PROIECT S.R.L., cancels the decision and sends the case to a new trial, the same court. Appeal for retrial - admitted. Appealable within 30 days from communication. DEER paid the amount of 4.254.050,58 RON. DEER filed a recourse – in course of settlement.
17	Plaintiff: DEER Defendant: ELSA 4469/62/2018	Claims according to the Courts of Account findings – RON 8,951,811	Brasov Court of Appeal	First instance. The High Court of Cassation and Justice solved the negative competence conflict between Brasov Court and Bucharest Court, the case being in course of settlement at Brasov Court. On the merits, the court rejected the objection of inadmissibility of the action, invoked by ELSA in its defence, partially admitted the request for summons filed by the applicant DEER, ordered the defendant ELSA to pay the applicant the amount of RON 8,951,811 including VAT, as a damage equivalent value established on the basis of contractual civil liability, as well as to pay the legal penalty interest related to this amount, which will be calculated from the date of the finality of this decision and until the moment of effective payment, rejecting the rest of the application. With appeal within 30 days from communication. DEER and ELSA filed an appeal- requalified as recourse. On 08.08.2025, the Court admits the DEER recourse, rejects the ELSA appeal. Definitive.
18	Plaintiff: DEER Defendant: directors and managers 342/62/2020*	Claims against the former general managers of the company, as a result of the non-fulfillment of some measures ordered by the Court of Accounts for the amount of RON 8,951,812.	Brasov Court	Suspended until the final settlement of case no. 4469/62/2018. Back on the roll. In course of settlement.
19	Plaintiff: EL SERV Defendant: Servicii Energetice Banat S.A. 8776/30/2013 (joint with cu 2982/30/2014)	Bankruptcy - amount admitted to the list of creditors RON 72,180,439.68.	Timis Court	Ongoing proceedings.
20	Plaintiff: EL SERV Defendant: SEO 2570/63/2014	Bankruptcy - amount admitted to the list of creditors RON 26,533,446.	Dolj Court	Ongoing proceedings.
21	Plaintiff: EL SERV Defendant: SED 8785/118/2014	Bankruptcy - amount admitted to the list of creditors: RON 15,130,315.27.	Constanta Court	Ongoing proceedings.
22	Plaintiff: EL SERV Defendant: SE Moldova 4435/110/2015	Bankruptcy – amount: admitted to the list of creditors RON 73,708,082.90.	Bacau Court	Ongoing proceedings.

Crt. no.	Parties/Case file number	Object	Court	Case status
23	Plaintiff: EL SERV Defendant: New Koppel Romania 20376/3/2016	Claims – EUR 655,164, equivalent of RON 3,210,305.75.	Bucharest Court of Appeal	Partially accepts the summons request (both the plaintiff's claim and the defendant's counterclaim). Appeal filed by both parties. On appeal, the court dismisses the defendant's appeal and admits the applicant's appeal. With appeal within 30 days from the communication.
24	Plaintiff: Integrator S.A. Defendant: EL SERV, SAP Romania 34479/3/2016**	Claims – EUR 1,277,435.25 license + EUR 2,650,855.68 maintenance – RON equivalent 19,321,005.11	Bucharest Court of Appeal	Reinstated. The court annuls the applicant's request for appeal. Definitive.
25	Creditor: EFSA Debtor: Apaterm S.A. Galati 4783/121/2011*	Bankruptcy – registering to the list of creditors for the amount of RON 2,547,551.	Galati Court	Ongoing proceedings.
26	Creditor: EFSA Debtor: Ariesmin S.A. Branch 7375/107/2008	Bankruptcy - registering to the list of creditors for the amount of RON 20,711,588.	Alba Court	Ongoing proceedings.
27	Creditor: EFSA Debtor: Zlatmin S.A. Branch 6/107/2003	Bankruptcy - registering to the list of creditors for the amount of RON 9,314,176.	Alba Court	Ongoing proceedings.
28	Creditor: EFSA Debtor: Nitramonia S.A. 1183/62/2004	Bankruptcy - registering to the list of creditors for the amount of RON 2,321,847	Brasov Court	Ongoing proceedings.
29	Creditor: EFSA Debtor: Remin S.A. 32/100/2009	Insolvency proceedings - registering to the list of creditors for the amount of RON 71,443,402.	Timisoara Court	Ongoing proceedings.
30	Creditor: EFSA Debtor: Oltchim S.A. 887/90/2013	Bankruptcy - receivable RON 20,708,385.65.	Valcea Court	Ongoing proceedings.
31	Creditor: EFSA Debtor: CUG S.A. 2145/1285/2005	Bankruptcy - registering to the list of creditors for the amount of RON 7,880,857.	Cluj Specialized Court	Ongoing proceedings.
32	Creditor: EFSA Debtor: Colterm 4657/30/2021	Insolvency - registered to the list of creditors for the amount of RON 2,520,449.97	Timis Court	Ongoing proceedings.

Crt. no.	Parties/Case file number	Object	Court	Case status
33	Plaintiff: UAT Targu Secuiesc Defendant: EFSA 886/119/2022	Claims – RON 2,718,151.15	Brasov Court of Appeal	UAT Tg Secuiesc's action was rejected. The plaintiff filed an appeal – in pronouncement.
34	Reclamant: EDPR Romania SRL Parat: EFSA 19662/3/2022	Claims – RON 3,880,124.69	Bucharest Tribunal	The judgment was suspended until the final resolution of file no. 3664/2/2022.
35	Plaintiff: EFSA Defendant: ARC PARC INDUSTRIAL SRL Called into guarantee: VIBRACOUSTIC ROMANIA SRL 585/1285/2022	Claims: RON 7,294,831.26	Cluj Specialized Court	In course of settlement.
36	Creditor: EFSA Debitor: UZTEL SA 1223/105/2023	Insolvency proceedings - registering to the list of creditors for the amount of RON 2,466,866.78	Prahova Court	Ongoing proceedings.
37	Plaintiff: EFSA Defendant: A6 263/1285/2023 Impex	Claims: RON 3,547,674, 21	High Court of Cassation and Justice	On the merits, the court dismissed the request for summons to court. EFSA appealed, which was admitted by the court. Thus, the court admits EFSA's action and obliges the defendant to pay the amount of lei 3,547,674.21, as compensation according to Contract no. 39/10.08.2022 and penalties of 0.1% per day of delay on this amount calculated from 18.10.2022 until the actual payment of the compensation. With the right of recourse within 30 days from the communication. According to the information on the courts' portal, the defendant filed a recourse – annulled - final.
38	Plaintiff: Ivan Laura Ionela Ivan Cornel Ionut Ivan Vladimir Mihai Defendant: EL SERV 34705/3/2015	Civil liability - work accident resulting in employee death (amount of compensation claims – EUR 3 mn.).	Bucharest Court	Case reinstated. In course of settlement.
39	Plaintiff: Cazacu Maria Defendant: DEER/FISE 7212/200/2020	Liability of the principal for the act of the defendant- work accident resulting in death of an AISE employee (amount of compensation claimed: EUR 510,000)	Ploiesti Court of Appeal	The court admits the case in part, on merits and orders DEER to pay the amount of EUR 25,500 as moral damages and RON 8,500 as material damages. Appeal filed by all parties - The Court partially admits the case and orders DEER to pay the amount of EUR 48,000 as moral damages. Final.

Crt. no.	Parties/Case file number	Object	Court	Case status
40	Plaintiff: DEER – Defendant: COS Targoviste 1906/120/2013	Insolvency – banckrupcy – RON 1,357,789.92.	Dambovit a Court	Ongoing procedure. The current receivables have been fully recovered.
41	Plaintiff: DEER Defendant: AEM S.A. 1347/119/2021	Claims – contractual liability – RON 2,851,297.30	Covasna Court	On 07.06.2024 suspend the file of Low 85/2014. The sum of 2851297,30 lei entered at the credal table in case no. 824/30/2024.
42	Plaintiff: Rebrean Gheorghe Defendant: DEER 1635/112/2022	Claims - the plaintiff requests moral damages in the amount of EUR 500,000 and RON 370 material damages as a result of the bodily injury by electric shock committed on 12.08.2020.	Cluj Court of Appeal.	The judgment of 29.06.2023 - partially admits the action, orders DEER to pay the amount of EUR 60,000 as moral damages and RON 150 material damages. Both parties filed an appeal. On 29.01.2025, the court admitted thePlaintiff's appeal regarding the court costs. Final by waiving the appeal. ..
43	Plaintiff: DEER Defendant: Electric Planners SRL 25660/3/2022	Claims – contractual liability – RON – 2,810,528.12.	Bucharest Tribunal	Case partially addmitted on merits; appealable.
44	Creditor: Societatea Electrica Furnizare SA Debtor: Romaero 39261/3/2023	Bankruptcy (The debtor' s request – art 66 part.10 Law 85/2014) - registering to the list of creditors for the amount of RON 5,263,679.39 .	Bucharest Tribunal	Ongoing proceedings.
45	Creditor: DEER SA Debtor: AEM SA 824/30/2024	Insolvency – bankruptcy proceedings. Amount: RON 3,360,966.01.	Timis Court	File 824/30/2024/a10 - Appeal against the decision to open bankruptcy proceedings. In course of settlement.
46	Plaintiff: DEER SA Defendant: MINISTERUL INVESTITIILOR SI PROIECTELOR EUROPENE 640/33/2024*	Annulment of Decision no. 59451/22.04.2024. Debt RON 2,996,506.92 RON	Cluj Court of Appeal	On the merits, the court admits the action of DEER SA, ordering the defendant to pay the amount of 2,996,506.92 lei. The defendant filed an appeal On 08.12.2025 the court rejects the recourse. Definitive.
47	Plaintiff: EFSA Defendant: UAT Primaria Tg Secuiesc 1018/119/2024	Claims – value: RON 4,531,147.	Covasna Court	Suspended on 05.09.2024, until the final settlement of case not. 886/119/2022 of Covasna Tribunal.
48	Defendant: EL SERV Plaintiff: SC DIMEA PREST CONSTRUCT SRL 12033/3/2023	Disputes with professionals - claims for the amount of 6,967,882 RON, jointly with defendant 2.	Bucharest Court	Suspended until the final resolution of file 34875/3/2021 pending before the Bucharest Court - 6th Civil Section. Reinstated – in course of settlement.

Crt. no.	Parties/Case file number	Object	Court	Case status
49	Plaintiff: ELECTROPRECIZIA A.G. SRL Defendant: DEER SA 4160/62/2024	Claims 2.862.089,04 lei	Brasov Court	In course of settlement.
50	Creditor: DEER SA Debtor: Servelectro Integral SRL 32202/3/2018	Insolvency proceedings. Amount: RON 2.661.929,55.	Bucharest Court	Ongoing proceeding.
51	Creditor: DEER SA Debtor: TERMO PLOIESTI SRL 1444/105/2025	Payment ordinance for the amount of RON 2,640,279.44. Equivalent value of distribution tax invoices.	Prahova Tribunal	On 17.12.2025, the Court admits the request. With the right to request annulment. The amounts of 1,000,000 lei and 650,000 lei were collected.
52	Plaintiff:: ROMCAB SA Defendant DEER SA 37417/3/2024	Contradictory claims with DEER SA and Hidroelectrica. The amount of RON 1,509,285,516 is requested as compensation/compensation for non-compliance with the Performance Standard for the distribution service in terms of continuity in supply, respectively for interruptions in energy supply.	Bucuresti Tribunal	In course of settlement. On 04.02.2026 the court rejected all the exceptions alleged by the defendants. It suspended the trial of the file until the final resolution of file no. 50/1371/2017/a227 pending before the Mures Specialized Court.
53	Creditor: DIGI ROMANIA SA Debtor: DEER SA 847/113/2025	Payment ordinance for the amount of RON 5,066,570.00 for fiber optic rental services.	Braila Tribunal	The court admits the request and orders the debtor to pay the creditor, within 30 days from the communication of the decision, the debt in the total amount of RON 4,480,424.36 representing the amount of RON 4,444,960.56 principal debt and RON 35,463.80 representing late payment penalties. Orders the debtor to pay the creditor the amount of RON 200, as court costs. Enforceable. With the right to request annulment. Debt paid. Definitive.
54	Plaintiff: G 4 ELECTRICE SA Defendant: DEER SA 683/117/2025	Claims lack of use for the amount of RON 7,992,577.00. Counterclaim filed.	Cluj Tribunal	In course of settlement. Declines the jurisdiction of the Cluj Specialized Tribunal.
55	Creditor: EFSA Debtor: Photovoltaic Green Project SRL 6293/3/2025	Claims of RON 17,211,034.	Bucharest Court	In course of settlement.
56	Plaintiff: Laser Co SRL Defendant: EFSA 4823/3/2025	Copyright and related rights for the use of the electrica and electrica furnizare logo (electrica logos) – EUR 450,000 material damages + EUR 200,000 moral damages.	Bucharest Tribunal	In course of settlement.

Crt. no.	Parties/Case file number	Object	Court	Case status
57	Plaintiff: FISE Defendant: Open Team S.R.L. 17638/3/2025	Civil – claim of undue works RON 4,424,391.37.	Bucharest Tribunal	Suspended until the final resolution of the criminal case no. 1135/159/P/2025 registered with the Prosecutor's Office attached to the Bucharest Tribunal.
58	Plaintiff: Laser Co SRL Defendant: FISE 4820/3/2025	Intellectual property right for the use of the electrica and electrica serv logo (electrica logos) - EUR 450,000 material damages + EUR 200,000 moral damages.	Bucharest Tribunal	In course of settlement.
59	Injured party: INOVAN VASILE and others Defendant: DEER SA 25791/211/2025/a1	Criminal – RON 3,084,000, moral and material damages for manslaughter.	Court Cluj-Napoca	In the preliminary room – in course of settlement.
60	Plaintiff: GIRBA VIORICA si altii Defendant: DEER SA 3868/111/2025	Civil – RON 7,650,000, claims for moral and material damages for wrongful death in the amount of 500,000 euros for each plaintiff, following the death caused by electrocution on 23.07.2020.	Bihor Tribunal	In course of settlement.

Source: Electrica

A.1.4 Other litigations with significant impact

Crt. no.	Parties/Case file number	Object	Court	Case status
1	Plaintiff: ELSA, Defendant: SAPE, Retele Electrice Banat (former E-Distributie Banat), Ministry of Energy 441/1/2025 (former 2981/1/2023)	Review against the decision 573/29.11.2013, pronounced by the Court of Appeal Timisoara in file no. 949/30/2019.	High Court of Cassation and Justice	The High Court of Cassation and Justice definitively dismissed the request for review.
2	Plaintiff: DEER Defendant: ANARC (ANCOM) and	Appeal against Decision no. 1177 / 13.11.2020 of the ANARC President. It was requested the partial annulment of the ANCOM decision and the complete rejection of the Telekom Romania request.	High Court of Cassation and Justice	Action dismissed on the merits. A recourse was filed, definitively dismissed on 10.02.2025.

Crt. no.	Parties/Case file number	Object	Court	Case status
	Telekom Romania Communications SA 7407/2/2020			
3	Plaintiff: Valenii de Munte City Hall Defendant: DEER 2848/105/2020*	Valenii de Munte City Hall requests the obligation of DEER (Ploiesti) to take over public lighting installations and to pay their equivalent value of RON 466,880.	Ploiesti Court of Appeal	Action dismissed on the merits. The recourse is accepted, the sentence is quashed and the case is sent to the Prahova Court for retrial. In retrial, the court rejected the request. Recourse declared by the plaintiff - stated as null. Definitive.
4	Plaintiff: Grup 4 Instalatii Defendant: DEER 375/1285/2021	The obligation of DEER to recognize, to respect the property right of G4Instalatii regarding the buildings located in Cluj Napoca, 28A, Ilie Macelarului Street and 2, Uzinei Electrice Street, registered in land book 297841 Cluj Napoca with no. 297841, consisting of land with an area of 10720 sqm and constructions: construction registered in land book with no. 297841-C1, construction of administrative headquarters with an area of 1560 sqm; body A, construction no. 297841- C2 - 512 sqm, building B, construction no. 297841 - C3 - 171 sqm, building C, construction no. 297841 - C4 - 338 sqm, building D, construction no. 297841-C6 - 348 sqm - 110/10 Kw Transformation Station. It is requested the handing over of the above buildings and the rectification of the land book registrations in the sense of: the annulment of the tabulation conclusions by which the DEER property right was registered, the deregistration of the land book property right, the registration of the property right in favor of G4I.	High Court of Cassation and Justice	The court admits the exception of the material incompetence of the Cluj Specialized Tribunal, an exception invoked ex officio and consequently declines the competence to resolve the request for summons in favor of the Cluj Tribunal-Civil Section. Case admitted in part. An appeal was filed, dismissed by the court. A recourse was filed, in course of settlement. On 23.04.2024 the court rejected the appeal. Definitive. An action has been filed with de ECHR. Action dismissed as inadmissible. Definitive.
5	Plaintiff: ELSA Defendant: Kaufland Romania SCS, Deva City, through the Mayor and Deva City Council 156/221/2021*	1. obliging the defendants to leave us in full ownership and possession of the land surfaces that overlap with the ELSA land located in Deva municipality, 1, Dorobanti street, Hunedoara county, as follows: (a) Kaufland Romania SCS - land areas of 15 sqm and 50 sqm (part of the Kaufland Deva parking lot), identified by IE 68452, which overlap to the N-W with the land owned by Electrica; (b) Deva Municipality, through the Mayor and the Local Council of Deva Municipality - land areas: (i) 2 sqm (part of the "Playground for children"), identified by IE 71851, which overlaps to the NE with the land in the ownership of Electrica and (ii) of 23 sqm (part of "Calea Zarandului"), identified by IE 75973, which overlaps to the SW with the land owned by Electrica; 2. the delimitation of the above-mentioned properties, by establishing the boundary line according to the property deeds of the parties; 3. rectification of the entries in the land book regarding the above-mentioned land areas, in the sense of eliminating the inappropriate entries made, in order to reconcile the tabular status with the real legal situation of the real estate, respectively of the cancellation of the property right tabular owners and the registration of the property right of the applicant ELSA over these land areas.	Alba Iulia Court of Appeal	Action admitted in part. ELSA filed an appeal – admitted by the court. On appeal, the court partially annuls the appealed decision and, evoking the merits: admits the exception of the defendant's lack of standing to bring proceedings and rejects the action for recovery filed. It maintains the solution regarding the establishment of the border line according to the expert report drawn up by Voicu Ion. ELSA filed a recourse.
6	Plaintiff: Sinan Mustafa Defendant: DEER SA 10249/211/2023	Action for contractual liability. Requests the payment of the amount of RON 144,978.69 representing the bonus not granted at the end of the mandate contract, and the related legal penalty interest.	Cluj-Napoca Tribunal	On the merits, the court partially admits the request. Orders the defendant to pay to the plaintiff the equivalent in lei on the date of payment, according to the NBR exchange rate, of the amount of 19,975 euros, as a bonus difference granted at the termination of the mandate contract concluded between the parties. Orders the

Crt. no.	Parties/Case file number	Object	Court	Case status
				defendant to pay the plaintiff the legal penalty interest, in the amount of RON 296,603, for the time interval between 16.01.2021 and 30.03.2023. Orders the defendant to pay to the plaintiff the legal penalty interest, related to the equivalent in lei on the date of payment, according to the NBR exchange rate, of the amount of 19,975 euros, starting with 16.01.2021 and until the date of actual payment. Dismisses the request for summons as unfounded as unfounded. With the right of appeal. Plaintiff and DEER appeal. In course of settlement.
7	Plaintiff: Nine Alexandru Defendant: DEER SA 1777/62/2023	Claims - Requests the payment of the amount of 84,925 euro (419,002.96 RON) representing, damages revocation of mandate contract,	High Court of Cassation and Justice	Admits de request in part. DEER filed an appeal, admitted by the court. The Plaintiff filed a recourse, definitively dismissed.
8	Plaintiff: ELSA Defendant: DEER 1697/242/2019	Obliging the defendant to leave us in full ownership and possession of the land area of 7,695 square meters, located in the place. Somesul Rece, Gilau commune, Cluj county, registered in CF no. 52997 – Gilau Commune (old land registry no. 561/Somesul Rece); - rectification of entries in the land registry, in the sense of suppressing inappropriate entries made in it, registered under no. 34516/21.05.2017, to agree the tabular status with the real legal situation of the immovable property, namely the deletion of the ownership right of the SDEE TN tabular owner over the land surface and the registration of the ownership right of the claimant ELSA over this land surface. Litigation value: RON 93,226.62.	Huedin Court	In course of settlement.
9	Plaintiff: ELSA Defendant: Romanian State – Ministry of Finance, Targu Jiu Local Council, Tg. Jiu City 9439/318/2021	1. forcing the defendant to leave us in full ownership and possession of the land with an area of 20.50 square meters which is an integral part of the land with an area of 348 square meters identified with no. Cadastral 2177, registered in CF no. 39932 of the city of Targu Jiu, Jud. Gorj, land located in Targu Jiu, General Gheorghe Magheru str., Gorj county. 2. Rectification of CF Litigation value: RON 12,767.	Gorj Tribunal	Case dismissed as unfounded. The court of first instance rejected the exception of the lack of standing of the Romanian State and of the Local Council of the Municipality of Tg. Jiu. Admits the exception of illegality of HCL no. 254/29.06.2015, Annex 1, Section 1, Chapter 1, Subchapter 2: Apartments taken over from the state housing fund, position 451, classification code 1.3.7.1. and finds these provisions illegal. ELSA, Tg. Jiu Local Council and Tg. Jiu City filed and appeal – in course of settlement.
10	Plaintiff: ELSA Defendant: Romanian State, represented by the Ministry of Transport, Infrastructure and Telecon, by CNAIR, Craiova Local Council – Comission for applying Law 255/2010 3411/63/2023	1. Partial annulment of the Decision establishing compensations no. 3 of 02.11.2022, adopted by the Craiova Local Council - Commission for the application of Law no. 255/2010, regarding the amount established as compensation for the expropriated land area of 169 sqm, located in Teilor Street no. 160, no. cadastral / land register 216717 (currently transcribed in CFE 248543 UAT Craiova); 2. Obliging the defendant, the Romanian State, represented by the Ministry of Transport and Infrastructure, through CNAIR, to pay to the underwriter the real value of the entire land area of 174 square meters expropriated in reality, composed of: (i) the land area of 169 square meters which makes object of Annex no. 2 at H.G. no. 327/2021, position no. 35 and of the expropriation decision no. 942/28.05.2021, position 35 and (ii) the land area of 5 square meters, de facto expropriated, with which the Romanian State registered in the land register (no. 248543 Craiova), in	Dolj Tribunal	In course of settlement.

Crt. no.	Parties/Case file number	Object	Court	Case status
		addition to the area that is the subject of the expropriation decision no. 942/28.05.2021.		
11	Plaintiff: ELSA Defendant: Retele Electrice Romania (former Retele Electrice Dobrogea) Intervenient: SAPE 17971/212/2023	Obliging EDD to draw up the documentation for the certificate of ownership and hand it over to ELSA.	Constanta Tribunal	In pronunciation.
12	Plaintiff: ELSA Defendant: Retele Electrice Romania (former Retele Electrice Banat) Intervenient: SAPE 22327/325/2023	Obliging EDB to draw up the documentation for the certificate of ownership and hand it over to ELSA.	Timisoara Court of Appeal	On 14.05.2024, the court admitted the summons request. REB filed an appeal, dismissed as unfounded. Also, the court of appeal rejects the exception of ELSA's lack of standing to sue, as well as the request for ancillary voluntary intervention formulated by SOCIETATEA DE ADMINISTRARE A PARTICIPATIILOR IN ENERGIE SA (SAPE), as unfounded. Rejects the request made by the defendant appellant regarding the fine of the respondent applicant, as unfounded. The defendant and SAPE filed a recourse – in course of settlement.
13	Plaintiff: ELSA Defendant: Retele Electrice Romania (former Retele Electrice Banat) 7301/3/2024	a. Obligation Retele Electrice Banat S.A. to amend the Shareholders' Register in the sense of registering the quality of shareholder of Societatatii Energetice Electrica S.A. with a number of 1,650 shares. b. Obligation of Retele Electrice Banat S.A. to amend its Articles of Incorporation, as a result of the legal increase of the share capital according to resolution no. 6573/28.02.2019 of ORC Timis, respectively the change of the share capital to the amount of 382,170,300 Lei, as well as the mention of Electrica as a shareholder with a number of 1,650 shares.	Bucharest Court	Suspended until the final settlement of case no. 16133/3/2024 of Bucharest Tribunal.
14	Plaintiff: ELSA Defendant: Retele Electrice Dobrogea 7877/212/2024	Obligation to sign the neighborhood PV for the Celulozei building 5, Constanta.	Constanta Tribunal	On the merits, the court admits the exception of the defendant's lack of standing to bring proceedings and rejects the claim as being filed against a person without standing to bring proceedings. ELSA filed an appeal – the jurisdiction to settle was declined from Section II to Section I of the Court of Constanta.
15	Plaintiff: ELSA Defendant: Retele Electrice Romania (former Retele Electrice Banat) ORC Bucharest	complaint against the conclusion by which Electrica was removed from the shareholding of Retele Electrice Banat	Bucharest Court of Appeal	On the merits, the court rejected the complaint as unfounded and admitted the request for ancillary intervention of SAPE. ELSA filed and appeal – definitively dismissed.

Crt. no.	Parties/Case file number	Object	Court	Case status
	Accesory Intervient: SAPE 16133/3/2024			
16	Plaintiff: ELSA Defendant: Servicii Energetice Moldova Called in guarantee: FISE Electrica Serv 4258/866/2024	- obliging the defendant to leave us in full ownership and possession of the land located in Loc. Strunga, str. Principala, no. 1, Iasi county, in a total area of 2,579 sqm, composed of: - a land area of 1,831 sqm, identified with no. I'm falling. 60214, registered in CF no. 60214 UAT Lathe; - a land area of 748 sqm, identified with no. I'm falling. 60212, registered in CF no. 60212 UAT Lathe; - rectification of entries in land registers no. 60214 and 60212 UAT Strunga, in the sense of suppressing the inappropriate entries made in them, in order to agree the tabular status with the real legal situation of the real estate, respectively of the deletion of the property right of the tabular owner SERVICII ENERGETICE MOLDOVA S.A. and registration of the property right of ELSA	Pascani Court	In course of settlement.
17	Plaintiff: Hidroelectrica Intervient: EFSA 1927/2/2019	Cancellation of documents issued by the regulatory authorities – Decision no.NARE 324/25.02.2019	Bucharest Court of Appeal	Rejects the exception of inadmissibility, the exception of lack of interest, the exception of remaining without object, the exception of res judicata authority. Reject the action action as unfounded. No appeal was filed within the 15 days term. Case closed.
18	Plaintiff:: Parchetul de pe langa Judecatoria Sector 1 Respondents: Transenergo Com SA, Silver Broker de Asigurare SRL, ZURICH BROKER DE ASIGURARE REASIGURARE SRL, Francu Radu, Cucia Dragos Mihai, ELSA 15150/299/2024*	Criminal - cancellation of registrations - Elite insurance policy, additional document and related registrations, as a result of the definitive settlement of the fake policy (criminal file 2283/P/2017).	Bucharest District 1 Court	Case dismissed on mertis. ELSA filed an appeal - admitted by the court, which sends the case for retrial. In the retrial, the court dismisses the request made by the Prosecutor's Office attached to the Court of Sector 1 of Bucharest and orders the total abolition of the forged documents. ELSA filed an appeal – in course of settlement.

Crt. no.	Parties/Case file number	Object	Court	Case status
19	Plaintiff: ELSA Defendant: Rosca Ioan 17268/197/2024	a) ascertaining the partial absolute nullity of mandate contract no. 32/03.10.2013, namely point 1.2.3 of Annex 4 to this contract ("Benefits, expenses and leave"), for illegal cause; b) obliging the defendant: (1) to pay the sum of 4,571.15 lei, representing the equivalent of the rent related to the period 17.07.2013 - 01.09.2013 and paid by Electrica for a building, of which the defendant was the beneficiary, as a result of his capacity as general manager which he held within the Company in the period 08.07.2013-10.03.2016 and which was retained as damage to the company, by the control report of the CCR dated 25.11.2016, respectively maintained by the Bucharest Court of Appeal Decision no. 1107/06.07.2023 (final), pronounced in file no. 2229/2/2017*, to which is added the update with the inflation rate until the actual payment date; (2) upon payment of the amount of 1,519.70 lei, representing the related legal interest, as well as further of the amount representing the legal interest, until the actual payment date.	Brasov Court	In course of settlement.
20	Defendants: TUDOR MARIN CORNELIU, CEAPCHIE NICOLAE, PADURE ADRIAN VIOREL, TOMA MARIUS; Civil parties: ELSA, DEER 2772/105/2024	criminal complaint project Yellow (DEER SR-Ploiesti employees) - constitution of an organized criminal group (art. 367 of the Civil Code), crimes provided by the Electricity and Natural Gas Law 123/2012, theft of energy, art. 128 paragraph 1 and 3 of the Civil Code, tax evasion, fraud (art. 255 of the Civil Code), forgery of signatures (art. 322 of the Civil Code), corruption offenses provided for by Law 78/2000	Prahova Tribunal	In the regularization procedure.
21	Plaintiff: ELSA Defendant: Cristodorescu George 22635/3/2024	1. Obliging the defendant to pay the damage caused to ELSA in the amount of 570,928.16 lei representing: a) the equivalent value of the net compensation illegally collected from ELSA during the period 08.07.2021-15.05.2023, in the total amount of 384,062 lei; b) the equivalent value of the amounts settled by ELSA during the period 08.07.2021-15.05.2023, in the total amount of 125,061.13 lei; 2. Obliging the defendant to pay the legal interest calculated from the receipt of each remuneration in part and until the date of effective payment. We specify that the value of the interests calculated until 28.05.2024 is in the total amount of 50,660.58 lei related to the amount from point 1 a), and the amount of 15,342.98 lei related to the amount from point 1 b).	Bucharest Tribunal	In course of settlement.
22	Plaintiff: ELSA Defendant: Capraru Gheorghe 6501/208/2024	- obliging the defendant to leave us in full and peaceful possession the land located in Loc. Toplet, Caras-Severin County, with a total area of 1,668 sq m, identified with no. cad. 34194, registered in CF no. 34194 Toplet;	Caransebes Court	In course of settlement.

Crt. no.	Parties/Case file number	Object	Court	Case status
		- rectifying the entries in the land register no. 34194 Toplet, in the sense of deleting the inappropriate entries made therein, respectively of erasing the defendant's right of possession over the land with an area of 1,668 sq m, in order to reconcile the tabular status with the real legal situation of the real estate.		
23	Plaintiff: ELSA Defendant: Uzina Concordia 11837/204/2024	Pronouncing a decision to replace the defendant's consent to the signing of the neighborhood report for the land with an area of 1,586 m.p. (1,594 m.p. from measurements) located in Campina, 26 Lt. Col. Erou Adrian Oprescu Street, Prahova County, land for which the undersigned is obliged to obtain the Certificate of Attestation of the Right of Ownership.	Prahova Tribunal	Case dismissed on merits. ELSA filed an appeal – dismissed as unfounded. Final.
24	Plaintiff: Vasile Aposol Defendant: FISE Electrica Serv	Stating that the mandate as General Manager was revoked without just cause and consequently ordering the defendant to pay: - the amount of EUR 78 462.00 as outstanding and unpaid gross monthly allowance, due on the basis of the mandate contract, for the period between the date of revocation of the mandate and the date of expiry of the duration of the contractual term of office, respectively for the months of April-December 2025, representing compensation for the revocation of the mandate not attributable; - the legal penalty interest related to the principal debt -EUR 78,462.00, calculated from the due date of each outstanding indemnity until the date of payment of the indemnities; - EUR 50 000 in non-pecuniary damages; - court costs occasioned by the judicial approach.	Vienna International Arbitration Centre	In course of settlement.

Source: Electrica

Appendix 2 – Details of the main investments of Distribution Operator within Electrica Group during 2025

During 1 January 2025 – 31 December 2025, the most significant investments in distribution network of Electrica Group are the following:

DESCRIPTION	Value (RON mn)
Construction of the building for the Customer Service Center and dispatch Office - SR Cluj-Napoca	12.59
Increasing the security of the electricity supply in the area of the Cluj Regional Emergency Hospital, Floresti Commune, Cluj County - Obj. 1	1.29
Systematization of electrical networks in the area of the Regional Emergency Hospital in Floresti, Cluj County – for the transition to 20 kV of the 10 kV feeders Manastur 1, 2, 3, 4, Billa, in the Manastur Neighborhood, and of the feeders Mebero, Buna Ziua, Dacia Service in the Zorilor Neighborhood, Cluj-Napoca Municipality – Obj. 2	1.27
Loop closure between MV OHL Sud Substation -TV Feleac and MV OHL Floresti-Baisoara	1.17
Decentralization of distribution networks and power injection in the Kos Karoly area, Cluj-Napoca Municipality, Cluj County	3.28
Switchover to 20 kV of the SDEE Satu Mare distribution networks – Micro 15-1 Feeder, Phase II	3.47
OMS system deployment and expansion for DEER – TN Area	1.72
Modernization of neutral grounding groups at the 110/20 kV Carei Unio Substation	2.70
Voltage level improvement in Aghires locality, Salaj County	1.15
Modernization of existing low voltage network, Miersig locality, Bihor County	1.96
Modernization of existing low voltage network, Urvis locality, Bihor County	1.36
Network modernization in Valea Viseului locality	1.65
Modernization of electrical networks and connections in the PTA 23 Moisei area	3.63
Modernization of electrical networks in Cernesti locality, under the management of COR MV/LV Baia Mare	3.32
Modernization of MV&LV network and connections in Farcasa locality	1.84
Modernization of 0.4kV OHL, connections and power injection in PTA 3 and PTA 4 areas in Dobresti locality	1.16
Low voltage network modernization in Baia Mare locality, historical center stage 3	1.15
Smart metering system deployment in Alesd locality, Batch 1	1.36
Modernization of OHL and related connections of PTA Chiuiesti 2, Chiuiesti commune, Cluj County	2.19

Modernization of switching devices in 20 KV OHL managed by COR MV/LV Sighetu Marmatiei	1.52
Low voltage network modernization in Borzel locality	1.50
Power injection, LV network modernization and connections in Izbuc locality, Bihor County	1.67
Modernization of Baia Mare SR secondary substations by installing low-loss transformers, stage 2024, managed by COR MV/LV Baia Mare	5.51
Switchover of the 20 kV overhead line Abator Pasari (Zalau-Cehu) between SS8450 and SS7850 (Pole 9 - 16) in the 20 kV UGC and regulation of PTA 8123 Criseni 3, PTA 7725 Criseni 1 and PTA 8150 Criseni 4	2.63
Modernization of LV OHL and connections in the areas of PTA Lunca Ilvei 2, 3, 4, 5, 6, 7, and 8, Lunca Ilvei – Phase 2, BN	2.22
Power injection and modernization of the existing low-voltage network, Lupoaia, Bihor County	2.43
Modernization of the 20 kV underground cable between PT 197 and PT 196 Baia Mare, and systematization of MV/LV networks in the PT 197 area	1.20
Modernization of the 20 kV Juc-Geaca OHL Volume II between Jucu station and Gadalin recloser	2.52
Connections modernization and securing in SR CLUJ	2.28
Modernization of pole-mounted transformer stations in the MV/LV COR area, Cluj County – Vol. 5	2.09
Decentralization of the network and power injection in Sub Coasta village, Apahida Commune, Cluj County	1.27
Increasing the security of supply Neurochirurgie	3.21
Implementation of an integrated resource planning system: Workforce Management – Software implementation and customization services for CIM interoperability with existing and future DEER IT systems, as well as WFM interfacing with SCADA/DMS via OMS	3.42
Modernization of 110 kV OHL Insurarei - Gura Ialomitei common with Cuza Voda - Gura Ialomitei, poles 199-317, Braila County	5.37
Modernization and SCADA integration of 110 kV/MV Lunca substation Braila County	6.57
Modernization and SCADA integration of 110/20 kV Lebada substation	12.93
Modernization of low voltage overhead lines and power injection in the PTA1,2,3 and 4 Zavoia area, Zavoia locality, Braila County	2.12
Modernization of the 20 kV Maxineni overhead line - SPP20	2.21
Modernization and SCADA integration of the 110 kV Buzau Sud substation	15.56
Improving the technical conditions of electricity supply to consumers of 20 kV Padina OHL (looping of the 20 kV Padina OHL - the 20 kV Rusetu OHL)	3.75
Modernization of 110kV Buzau Nord and Buzau Est substations - replacement of 110/6 kV power transformers (3 pcs.)	12.89

Modernization of LV OHL in the area of PTA 0037 and PTA 0097, Matesti locality, Sapoca commune, Buzau County	1.79
Modernization of the LV OHL in the area of PTA 0051, PTA0052, PTA 0149; PTA0168, Balaceanu locality, Buzau County	3.47
Modernization of LV OHL area PTA 0028 Boboc, PTA0070 Cochirleanca, PTA 00091 Cochirleanca, in localities Boboc and Cochirleanca, com Cochirleanca, Buzau County	5.07
Modernization of 20 kV UGC, stage 2, between: T 110/20 kV Focsani Nord-PTZ 2850, PA 2888-PTZ 2512, ST 110/20/6kV Ceil - PTZ 9037, PT 2021 - PA 2444, PTZ 2411 - PT 2412, PTZ 2608 - PT 2609, PT 2609 - PT 2302, PTZ 2714 - PTS 2711, ST 110/20 kV Magura - PTZ 2217	2.56
Modernization of low voltage OHL and power injection in Livezile village, Livezile commune, Vrancea County	1.70
Modernization of low voltage OHL and power injection in Mesteacanu and Piscu Radului villages, Livezile commune, Vrancea County	1.41
Modernization of low voltage OHL and power injection in Vizantea Razaseasca village, Livezile commune, Vrancea County	1.26
Modernization of pole mounted secondary substation (PTA) 20/0.4 kV, replacement of power transformers from SR Buzau, 2024 stage	1.99
Modernization of secondary substation PTZ 6/0.4 kV , replacement of power transformer from SR Buzau stage 2024	6.97
Modernization of LV OHL and power injection in area PTA 5146 Sperieti and PTA 5148, Movilita locality, Vrancea County	1.53
Modernization 0.4 kV OHL and residential users connections in Maxineni commune, Maxineni village	2.40
Modernization of power Equipment in Substations Managed by DEER - SR Braila Phase 2	1.22
Voltage level improvement for users in Adanca and Sacuieni, Dambovit County	1.20
Voltage level improvement for users , modernization of LV OHL and power injection from PTA 2072, Suta Seaca locality, Dambovit County	1.12
Voltage level improvement in Bezdead, modernization of LV OHL and power injection in the area of PTA 4011, PTA 4048, PTA 4049, PTA 4050, PTA 4088, PTA 4156, PTA 4157, PTA 4 158 Bezdead locality, Dambovit County	8.26
Modernization of electricity distribution installations belonging to SDEE Ploiesti, in apartment blocks in Ploiesti Nord Neighbourhood, Prahova County - STAGE II	6.39
Increasing the Security Level of loop 20 kV - 20 kV OHL Braniste, 20 kV derivation PT 6028 Titu- UGC 20 kV Blocks, PTZ 6153 Titu, Dambovit County	1.99
Modernization of LV OHL network and connections in the Targu Bujor and Pechea areas	1.10
Modernization of LV OHL connections for consumers in the PTA area 3168 Moara Domneasca village, Moara Domneasca commune, Rafov County, Prahova	1.48
Modernization of secondary substations PTAB 0624 and PTZ 0196, Ploiesti municipality, Prahova County	3.15

Modernization of secondary substation equipment, overhead line and branch lines of Cornatelul commune, Alunisu locality, Slobozia, Corni, Dambovit County	1.18
Modernization of the 0.4 kV OHL related to PTA 2075 Tiparesti and PTA2047 Goruna and power injection in the Cocorastii Mislii locality, Prahova County	2.03
0.4 kV network modernization and power injection in the area of PTA 5811 Branistea 2 and PTA 5814 Branistea 4, in Branistea locality, Galati County	2.68
Switchover to 20 kV of 6kV network Galati Municipality-PT Sfintii Apostoli	1.15
Voltage level improvement, IV OHL modernization and power injection in PTA 4058 and PTA 4083 area, Vulcana de Sus locality, Vulcana Bai commune, Dambovit County	2.28
Modernization of secondary substations supplied from: UGC10 kV Ora1, Oras 2, Oras 3, Fluide Foraj, Epurare, Fabrica de Confectii, Moreni Municipality, Dambovit County	5.69
Increasing the Security Level of the Electricity Supply for customer, supplied from 20 kV OHL GOGA and 20 kV OHL Zanoaga	1.08
Modernization of 0.4 kV Overhead Power Lines and Power Injection from PTA 0141 Tesila, Valea Doftanei	1.62
Modernization of Electricity Distribution Networks in the area of PTA 7536 No. 1, PTA 7538 No. 2, PTA 7537 No. 3, and PTA 7115 CAP in Moscu, Galati County	1.95
Modernization of primary circuits in the HV /MV substations managed by COR IT Brasov - replacement of circuit breakers in 110 kV cells, Brasov County	13.68
Modernization of 6 kV UGC Bartolomeu Substation - PA 11 and 6 kV UGC Brtolomeu Substation - PA 12, Brasov County	6.52
Increasing the security level of the electricity supply , modernization and improvement of voltage level, modernization of 0.4 kV OHL connections related to PTA 1, PTA 2, PTA 3 Podu Olt, Brasov County	3.66
Fitting out of spaces for the relocation of the operational management activity of RED 110 kV (Brasov, Covasna, Sibiu) and RED MT (Brasov, Covasna)	2.39
Increasing the security level of the 20 kV Augustin OHL, Covasna County	5.03
LV network modernization by switching the 0.4 kV OHL to the 0.4 kV UGC, connections modernization and securing on Fabricii, Tigaretei, Tutunului and Salciilor streets, Sf. Gheorghe municipality, Covasna County	1.38
Modernization of MV UGC ORAS II - PTz 9 - PTz 13, PT 3 - PT2, Odorheiul Secuiesc, Harghita County	1.05
Increasing the security level of 20 kV for electricity supply for consumers in the PA 35 area of Targu Mures municipality, Mures County	1.45
Modernization of primary circuits in the substations managed by COR HV Alba - replacement of circuit breakers in 110 kV cells, Alba County	7.40
Safety level increasing of electricity supply for 20 kV network in Alba Iulia - Ciugud area, Alba County	2.33
Voltage level improvement and modernizing the 0.4 kV OHL in Craciunelu de Jos, Alba County	4.76
LV network modernisation in locality Ludos, Sibiu County	1.21

Voltage level improvement and modernization of MV&LV distribution network, Miercurea Sibiului area, Sibiu County	4.41
Increasing the Security Level of 20 kV OHL Fagaras 1, PTz 21, PTz 72, Fagaras, Brasov County	1.99
Connections modernization and securing in Alba subsidiary, 2025	1.63
Modernization of tLV Network from the Municipal Hospital to PTz 8, Odorheiul Secuiesc municipality, Harghita County	1.29
Modernization of low voltage distribution network, Seica Mica locality, Sibiu municipality, Sibiu County	2.71
Modernization of 20/0.4 kV pole mounted secondary substations managed by DEER Mures Branch, Mures County	2.76
Increasing the Security Level of the 20 kV Network in the Municipal Hospital Area, Garii St. and Andrei Saguna St., Sighisoara, Mures County	1.27
Modernization of low voltage distribution network , Nemsă locality, Sibiu County	1.10
Voltage level improvement and modernization of LV OHL - Sovata (str. Principala, str. Primaverii, str. Vulturului, str. Cerbului, str. Stelelor, str. Lacului, str. Mierlei), Mures County	2.19
Modernization of 0,4 kV distribution network -str. Dezrobirii (tronsion str. Libertatii - CF) si str. Rampei, Targu Mures, Mures County	1.00
Modernization of 20 kV distribution network Oras II between 110/20kV Odorheiu Secuiesc Substation- PT 52, PT6-PT23, PT 23- PT 24, PT 24 - PT 86, PT 86- PT 82, PT 82 - PT 26 in Odorheiu Secuiesc, Harghita County	1.66
Extension of the Electricity Network in the Bucin Area, Joseni, Harghita County	2.13

Source: Electrica

During 2025, the largest transfers from tangible assets in progress to tangible assets, representing mainly commissioning of investments, are the following:

DESCRIPTION	Value (RON mn.)
Modernization of 0.4 kV OHL and Power Injection in Livada, Cluj County	2.37
Power injection and LV OHL modernization, including connections in Iclod- Railway Station area, Cluj County	1.10
Construction of the building for the Customer Service Center and dispatch Office - SR Cluj-Napoca	11.52
Ensuring Continuity and Security of Supply for Baci Substation, replacement of power transformet Trafo 3 20/10 kV 10 MVA with trafo 20/10 kV 16 MVA	1.78
Loop closing between MV OHL ST Sud-TV Feleac and MV OHL Floresti- Baisoara	2.24
Decentralization of distribution networks and power injection in Ciurila, center area, Cluj County	1.07
Decentralization of distribution networks and power injection in the Kos Karoly area, Cluj-Napoca , Cluj County	3.46

Switchover to 20 kV of the SDEE Satu Mare distribution networks – Micro 15-2Feeder, Phase II	2.49
Switchover to 20 kV of the SDEE Satu Mare distribution networks – Micro 15-1 Feeder, Phase II	4.22
Modernization of neutral grounding groups at the 110/20 kV Carei Unio Substation	2.73
Modernization of existing low voltage network, Miersig locality, Bihor County	2.72
Modernization of existing low voltage network, Urviş locality, Bihor County	1.46
Modernization of electrical networks and connections in the PTA 23 Moisei area	3.68
Modernization of electrical networks in Cernesti locality, under the management of COR MV/LV Baia Mare	4.26
Modernization and SCADA integration of 110 kV/MV Lunca substation Braila County	1.12
Power Injection, Pusta Vale locality, Salaj County	1.08
Modernization of the 20 kV Switching Section (S-axa) Crasna-Cizer, Salaj County	1.46
Modernization of 0.4kV OHL, connections and power injection in PTA 3 and PTA 4 areas in Dobresti locality	1.19
Modernization of pole mounted secondary substation 2023-Oradea Branch - vol .2	1.13
Modernization of LV network in Baia Mare , historical center area, stage 3	1.68
Smart mettering sistem implementation Batch1- Alesd	3.29
Modernization of Baia Mare SR secondary substations by installing low-loss transformers, stage 2024, managed by COR MV/LV Baia Mare	1.02
Modernization of switching devices in 20 KV OHL managed by COR MV/LV Sighetu Marmatiei	1.81
Modernization of LV OHL, in Borozel, Bihor County	1.61
Modernization of secondary substations SR Baia Mare through the Installation of Low-Loss Transformers	5.94
Modernization of LV OHL and connections in the areas of PTA Lunca Ilvei 2, 3, 4, 5, 6, 7, and 8, Lunca Ilvei – Phase 2, BN	2.30
Smart mettering sistem implementation Batch 1- Almas and Balan Locality, Salaj County	1.21
Smart mettering sistem implementation 2021-2023- Batch 4 , Bihor County	3.53
Power injection and modernization of the existing low-voltage network, Lupoia, Bihor County	1.48
Smart mettering sistem implementation Batch3 - PL Lechinta area	3.01
Connections modernization and securing in SR CLUJ	1.62
Modernization and SCADA integration of 110 kV/MV Lunca substation Braila County	10.90
Modernization and SCADA integration of 110/20 kV Lebada substation	9.96

Modernization of 110 kV substations through power transformer replacement: km 221 (power transformer 110/6 kV- Trafo 2) , Spiru Haret (power transformer 110/6 kV- Trafo 3), SRPA 1A Lacul Rezii (power transformer 110/6 kV -Trafo 2)	8.54
Modernization of low voltage overhead lines and power injection in the PTA1,2,3 and 4 Zavoaia area, Zavoaia locality, Braila County	5.10
Modernization of the 20 kV Maxineni overhead line - SPP20	2.49
Modernization and SCADA integration of the 110 kV Buzau Sud substation	12.66
Improving the technical conditions of electricity supply to consumers of 20 kV Padina OHL (looping of the 20 kV Padina OHL - the 20 kV Rusetu OHL)	5.01
Modernization of 110kV Buzau Nord and Buzau Est substations - replacement of 110/6 kV power transformers (3 pcs.)	13.30
Smart mettering sistem implementation in Buzau- 24800 pcs.	5.46
Modernization of LV OHL in the area of PTA 0037 and PTA 0097, Matesti locality, Sapoca commune, Buzau County	2.51
Modernization of the LV OHL in the area of PTA 0051, PTA0052, PTA 0149; PTA0168, Balaceanu locality, Buzau County	3.03
Modernization of LV OHL area PTA 0028 Boboc, PTA0070 Cochirleanca, PTA 00091 Cochirleanca, in localities Boboc and Cochirleanca, com Cochirleanca, Buzau County	5.07
Increasing the Security Level of the Electricity Supply by Looping the 20 kV Overhead Power Lines	2.98
Modernization of 20 kV UGC, stage 2, between: T 110/20 kV Focsani Nord-PTZ 2850, PA 2888-PTZ 2512, ST 110/20/6kV Ceil - PTZ 9037, PT 2021 - PA 2444, PTZ 2411 - PT 2412, PTZ 2608 - PT 2609, PT 2609 - PT 2302, PTZ 2714 - PTS 2711, ST 110/20 kV Magura - PTZ 2217	2.41
Modernization of low voltage OHL and power injection in Livezile village, Livezile commune, Vrancea County	1.75
Modernization of LV OHL and power injection in area PTA 5146 Sperieti and PTA 5148, Movilita locality, Vrancea County	1.05
Smart mettering sistem implementation in localities: Cazasu, Chiscani, Insuratei, Lacu Rezii, Maru Rosu, Romanu, Braila County	2.55
Modernization 0.4 kV OHL and residential users connections in Maxineni commune, Maxineni village	1.37
Voltage level improvement for users in Cranguri locality, Dambovita County	1.26
	1.24
Voltage level improvement for users in Adanca and Sacuieni, Dambovita County	4.56
Voltage level improvement for users, modernization of LV OHL and power injection from PTA 2072, Suta Seaca locality, Dambovita County	1.22

Modernization 110 kV Substations: Filesti, SNG,Tecuci, Ionasesti- 110/6 kV power transformers replacement	5.78
Modernization of 110/20 kV Slanic Substation and neutral grounding , Prahova County	1.70
Voltage level improvement in Bezdead, modernization of LV OHL and power injection in the area of PTA 4011, PTA 4048, PTA 4049, PTA 4050, PTA 4088, PTA 4156, PTA 4157, PTA 4 158 Bezdead locality, Dambovita County	8.42
Modernization of secondary substations supplied from: UGC10 kV Ora1, Oras 2, Oras 3, Fluide Foraj, Epurare, Fabrica de Confectii, Moreni Municipality, Dambovita County	1.82
Modernization of secondary substations equipment, overhead line and branch lines of Cornatelul commune, Alunisu locality, Slobozia, Corni, Dambovita County	2.50
Modernization of LV OHL connections for consumers in the PTA area 3168 Moara Domneasca village, Moara Domneasca commune, Rafov County, Prahova	1.55
Modernization of secondary substations PTAB 0624 and PTZ 0196, Ploiesti municipality, Prahova County	3.28
Modernization of electricity distribution installations belonging to SDEE Ploiesti, in apartment blocks in Ploiesti Nord Neighborhood, Prahova County - STAGE II	7.17
Modernization of the 0.4 kV OHL related to PTA 2075 Tiparesti and PTA2047 Goruna and power injection in the Cocorastii Mislii locality, Prahova County	2.50
Increasing the Security Level of the Electricity Supply for customer, supplied from 20kV OHL GOGA and 20 kV ZOHL ANOAGA.	1.18
Modernization of Electricity Distribution Networks in the area of PTA 7536 No. 1, PTA 7538 No. 2, PTA 7537 No. 3, and PTA 7115 CAP in Moscu, Galati County	1.15
Switchover to 20 kV of 6kV network Galati Municipality-PT Sfantii Apostoli	1.23
0.4 kV network modernization and power injection in the area of PTA 5811 Branistea 2 and PTA 5814 Branistea 4, in Branistea locality, Galati County	3.65
Increasing the Security Level of loop 20 kV - 20 kV OHL Braniste, 20 kV derivation PT 6028 Titu- UGC 20 kV Blocks, PTZ 6153 Titu, Dambovita County	2.09
Voltage level improvement, IV OHL modernization and power injection in PTA 4058 and PTA 4083 area, Vulcana de Sus locality, Vulcana Bai commune, Dambovita County	1.98
Modernization of LV OHL network and connections in the Targu Bujor and Pechea areas	1.74

LV network modernization by switching the 0.4 kV OHL to the 0.4 kV UGC, connections modernization and securing on Fabricii, Tigaretei, Tutunului and Salciilor streets, Sf. Gheorghe municipality, Covasna County	3.07
Modernization of primary circuits in the substations managed by COR HV Alba - replacement of circuit breakers in 110 kV cells, Alba County	6.99
Voltage level improvement and modernizing the 0.4 kV OHL in Craciunelu de Jos, Alba County	5.27
increasing security level for 6 kV and 20 kV bus-bars in 110/20/6 kV Brasov Centru Substation, Brasov County	2.66
Modernization of primary circuits in the HV /MV substations managed by COR IT Brasov - replacement of circuit breakers in 110 kV cells, Brasov County	13.07
Voltage level improvement and modernization of connections, Cetatuia locality, Harghita County	1.94
Safety level increasing of electricity supply for 20 kV network in Alba Iulia - Ciugud area, Alba County	4.47
Modernization of 6 kV UGC Bartolomeu Substation - PA 11 and 6 kV UGC Brtolomeu Substation - PA 12, Brasov County	2.91
Increasing the security level of the 20 kV Augustin OHL, Covasna County	5.62
Modernization of MV UGC ORAS II - PTz 9 - PTz 13, PT 3 - PT2, Odorheiu Secuiesc, Harghita County	1.14
Modernization of distribution network in Sacele through switchover from MV&LV OHL in MV&LV UGC, replacement of existing UGC with paper insulation by UGC with cross-linked polyethylene (XLPE) isolation, reconstruction of connections, and relocation of metering groups to the property boundary (Phase 1)	9.64
Fitting out of spaces for the relocation of the operational management activity of RED 110 kV (Brasov, Covasna, Sibiu) and RED MT (Brasov, Covasna)	2.55
Increasing the Security Level of 20 kV OHL Fagaras 1, PTz 21, PTz 72, Fagaras, Brasov County	2.06
Increasing the security level of the electricity supply, modernization and improvement of voltage level, modernization of 0.4 kV OHL connections related to PTA 1, PTA 2, PTA 3 Podu Olt, Brasov County	3.03
Modernization of 20 kV UGC Zizinului, st. Drumul Cernatului, st. Timisul Sec, LES 20 kV Zizin Substation - PT 53.21.01 - PT 53.21.05 Fabrica de case	1.50
LV network modernisation in locality Ludos, Sibiu County	1.25
Modernization of low voltage distribution network, Seica Mica locality, Sibiu municipality, Sibiu County	3.00
Modernization of LV network PT1 Rosia area, 0.4 kV circuit Cornatel st. Principala, Sibiu County	1.04

Modernization of low voltage distribution network, Nemsă locality, Sibiu County	1.11
Voltage level improvement and modernization of LV OHL - Sovata (str. Principala, str. Primaverii, str. Vulturului, str. Cerbului, str. Stelelor, str. Lacului, str. Mierlei), Mures County	2.57
Increasing the security level of 20 kV for electricity supply for consumers in the PA 35 area of Targu Mures municipality, Mures County	1.83
Modernization of 0,4 kV distribution network -str. Dezrobirii (tronsion str. Libertatii - CF) si str. Rampei, Targu Mures, Mures County	1.06
Modernization of 20/0.4 kV pole mounted secondary substations managed by DEER Mures Branch, Mures County	4.43
Connections modernization and securing in Alba subsidiary, stage VI	2.18
Modernization of tLV Network from the Municipal Hospital to PTz 8, Odorheiul Secuiesc municipality, Harghita County	2.10
Modernization of 20 kV distribution network Oras II between 110/20kV Odorheiul Secuiesc Substation- PT 52, PT6-PT23, PT 23- PT 24, PT 24 - PT 86, PT 86- PT 82, PT 82 - PT 26 in Odorheiul Secuiesc, Harghita County	4.79
Extention of distribution network in Buci area, Joseni, Harghita County	2.17

Source: Electrica

Appendix 3 – Applicable regulatory framework

A.3.1 - Applicable legal framework in 2025:

A.3.1.1 Distribution activity

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

2025
▪ Order no. 97/20.12.2024 on the approval of the specific tariffs for the electricity distribution service and the price for reactive electricity, valid from January 1, 2025, for DEER, as well as the values of the investment plans for the fifth regulatory period. The single distribution tariffs for DEER, applicable on January 1, 2025, have an average increase of 12.5% compared to January 1, 2024. - Annex 1 - Specific TARIFFS for the electricity distribution service practiced by DEER, valid from January 1, 2025 - Annex 2 - VALUES of DEER's annual investment plans corresponding to PR5, broken down by financing sources - Annex 3 - Mandatory minimum value for the total investments made from own sources and the mandatory minimum value for investments made in the electricity distribution networks from own sources for each year of RP5, for DEER. ▪ ANRE Order no.1/2025 regarding the amendment and completion of the Framework Conditions for the realization of the implementation schedule of smart metering systems for electricity at national level approved by ANRE Order no. 177/2018 with subsequent amendments and additions: - Completion with new definitions: "MMDC - Multi Meter Data Collector (HES universal)" and "PLC - Power Line Communication"; - Replacement of the phrase "users" with the phrase "places of consumption/production and consumption"; - Modification concerning communication subsystems by introducing the reference to the components necessary to ensure local or remote access to non-validated consumption data in near real time; - Completion with the obligation for the DO to ensure interoperability at the level of equipment, communication technologies and IT applications integrated in the MIS; - Amendment regarding the provision of information to the user on the integration of the place of consumption/production and consumption into the SMI; - Introduction of provisions concerning the technical conditions to be met by the networks into which the SMIs are to be integrated; - Obligation to draw up an analysis of the results recorded in the reporting period, detailing the specific conditions that determined those results, the problems encountered, the measures to be taken in the following period to overcome the problems encountered; - Introducing the provision that the proposal for modification of the SMI implementation timetable submitted by the DO should be accompanied by a justification memorandum and a cost-benefit analysis, prepared according to a framework structure provided in a newly introduced annex; - Access, on request of users, to historical consumption data and to the provision of data for billing of EE consumption based on the data recorded in the SMI. The periodicity of updating of validated historical metering data validated by users and suppliers has been changed to at least one month. For billing, in the event of data communication failure, a derogation has been provided for accepting the use of estimated consumption data; - Conditions for granting access to non-validated consumption data, in near real time, to users. It provides for granting access to users or third parties authorized by the users, to non-validated consumption data, in near real time and ensuring security and interoperability conditions, as well as the related internal procedures, which the DOs are obliged to draw up and make accessible to interested parties, by publishing them on their own websites;

- The obligation of the DOs to integrate in the SMI, as a matter of priority, places of consumption/production and consumption located in areas where notifications have been registered regarding the establishment of energy communities.
- Introducing the obligation for the DO to develop and publish an operational procedure for the remote disconnection/reconnection of consumption/production and consumption sites in order to ensure that the process is carried out in conditions of safety and security of the network elements and of the persons at the consumption/production and consumption site. It was also introduced the provision that, for justified situations, the SB may charge costs for disconnection/reconnection of consumption/production and consumption sites integrated in the SMI.
- amending and supplementing the existing provisions to ensure compliance of the framework conditions with the provisions of Art. 66 paragraphs (5) and (7) of Law 123/2012;
- introduce provisions to create conditions so that the realized SMIs are able to meet the performance criteria set in terms of reliability and accuracy of transmission and use of measurement and instrumentation data collected and transited through the system elements;
- increasing the accuracy and relevance of the monitoring of the process of implementation of the SMI by updating the corresponding annexes; the explanations of the monitored indicators and parameters have been detailed; provisions have been introduced for the preparation of annual monitoring reports in a uniform and sufficiently detailed manner to ensure visibility on the progress of the process of implementation of the SMI
- substantiation of the proposals for modification of the SMI implementation timetable in a unitary manner by introducing Annex no. 6 to the framework conditions, which includes reference framework structures for the preparation of the justifying memoranda and cost-benefit analysis, which substantiate the requests for modification of the SMI implementation timetable;
- replacing the phrase "users integrated in the MIS" with "places of consumption/production and consumption integrated in the MIS" and rewording the references to integration in the MIS so that it refers to places of consumption/production and consumption; the reference to users is made only in relation to information, rights and obligations;
- the inclusion of provisions to ensure that users whose places of consumption/production and consumption are integrated in the SMI have access to non-validated consumption data in near real time, in accordance with the provisions of the Law.

▪ **ANRE Order no.6/2025 - approval of the Regulation for the granting of licenses and authorizations in the electricity sector**

- improving the process of granting/modifying/suspending/withdrawing the authorizations and licenses of economic operators carrying out activities in the field of electricity, by revising the conditions applicable to applicants
- amending the legal provisions regarding the manner of transmission of documents by applicants for authorizations/licenses, in the sense of prioritizing electronic means of communication
- the inclusion of a chapter dedicated to the transfer of energy capacities in which the modalities of realization/exploitation of the energy capacities subject to a transfer are regulated, either as a result of the conclusion of contracts through which the right of ownership/use of these takes place, or as a result of a process of merger/division of the holders of establishment authorizations/licenses
- the inclusion in the Regulation of the situation of modification of the license for the commercial exploitation of energy capacities by including in it some energy capacities over which the applicant may hold the right of provisional exploitation, until the date on which the license holder obtains the definitive exploitation right, in case of transfer of the right of ownership/use over the respective energy capacities.

▪ **ANRE Order No. 20 / May 27, 2025, which amends and supplements the regulatory framework regarding the connection of users to the public electricity network.** The order modifies previous regulations (Orders No. 59/2013, 74/2014, 105/2022, and 51/2019) and enters into force on June 1, 2025

Main provisions:

- Elimination from the category of reinforcement works of automation equipment necessary for operational limitation, clarification of the ownership regime, responsibilities regarding their operation and maintenance. Automation equipment is classified in the category of connection installations.
- Clarification of the data taken into account by the DSO in performing calculations in the solution studies (SS) considering the uniform application by all DSOs.
- Introduction of a new situation for updating the technical connection approvals (ATR) in order to introduce the connection solution with operational limitation.
- Introduction of the user's right to participate in the SS approval meeting and to receive from the DSO the draft study 10 days before the date of the approval meeting.
- Provision of a deadline for the user to establish the financial guarantee (FG) necessary for issuing the ATR and the measures for dismissing the connection request and for the loss of validity of the SS in case of non-compliance with the deadline. The user sends to the DSO proof of establishing the FG within 2 months from the date of communication by the DSO of the approved SS.
- Inclusion of a deadline for sending the ATR, of 10 days from the date the user sends to the DSO the proof of establishing the FG, for the user who has the obligation to establish the guarantee for the issuance of the ATR.
- Modification of the deadline in which the user has the obligation to send the DSO the request to conclude the CR (from 30 to 45 days) before the date of termination of the ATR validity. Also, within the 45-day period, intermediate steps and deadlines were included: within 10 days from the date of registration of the CR conclusion request, the DSO may request the completion of the documentation at least 15 days before the termination of the ATR validity, otherwise the ATR validity ceases and the DSO executes.
- Modification of the deadline in which the DSO has the obligation to send the user the signed CR draft (from 5 working days to 5 or 10 calendar days, as the case may be).
- The obligation of the parties to agree on the contract clauses and to sign the contract by the date of the ATR validity expiration (12 months from the date of issuance) was introduced.
- Introduction of rules regarding the extension of the CR duration, at the user's request, as a result of the extension of the deadline provided in the CR for the energization of the user installation. The user's right to request the extension of the CR duration with successive periods of 12 months was provided, conditional on the establishment by the user of a FG in favor of the DSO. The amount of the FG is 5% of the TR value provided in the CR and increases by 5% of the TR value for each successive 12-month period added to the CR duration.
- Revision of the provisions of Annex no. 5 to the Regulation regarding Specific Rules on the connection of generation sites to electricity networks with voltage equal to or higher than 110 kV, as a result of situations encountered in practice that require clarification of the way its provisions are applied.
- Extension of the extension period of the temporary validity technical compliance certificate (CDCT) for generating units/power plants in categories C and D, with successive periods of 3 months each but limited to a duration that cannot exceed the duration of the testing period.

▪ **Order no. 26/2025 for the amendment of ANRE Order no. 6/2025 regarding the approval of the Regulation for granting licenses and authorizations in the electricity sector**

The main amendments aim at accelerating the licensing process and eliminating practices that do not comply with legal provisions:

- Introduction of a 6-month deadline from the granting of the respective license to provide the presented information in vector GIS format in XML/SHAPE files
- Aspects related to the activity of cadastral and real estate publicity:
- elimination from the Regulation (art. 20 para. (1) letter i)) of the obligation for applicants to present land book excerpts, it being sufficient to present any documents that prove ownership or usage rights over the energy facilities;
- maintaining in the Regulation the references to land book excerpts concerning the lands.
- Establishment of a rule regarding the non-issuance by ANRE of the decision to grant/modify the license of operators who hold the respective energy facilities under any title without having obtained the establishment authorization provided by law, for a period of 6 months from the date of submitting a license granting or modification request by including new energy facilities.
- Regulation of certain obligations by merging certain types of documents, in situations where the information contained in these documents can be included in a single document made available to the authority.

▪ **ANRE Order no. 56 / 08.07.2025 regarding the Methodological Norms on exemption from payment of regulated tariffs applied by the DSO for stored electricity, extracted from the grid, according to GEO 134/2024 – enters into force on July 10, 2025.**

The norms complete the Methodology for setting distribution tariffs approved by ANRE Order no. 67/2024.

Until ANRE establishes the tariff system for stored electricity based on analyses carried out by the DSO regarding the costs and benefits generated by storage installations on the networks in accordance with the provisions of the network tariff setting methodologies, the following regulated tariffs do not apply to stored electricity:

- Tariff for extracting electricity from networks – applied by the transmission and system operator (TL);
- Tariff for purchasing system services – applied by the transmission and system operator (SS);
- Distribution tariff applied to final customers of the distribution service – applied by concessionary (TDc) and non-concessionary DSOs.
- DSOs have the obligation to determine the amount of energy stored by a storage unit and report it to ANRE through monitoring templates.
- The forecasted amount of stored electricity is determined annually by the DSO based on historical data, for a period of up to two years.
- The forecasted amount of distributed electricity used in calculating the TDc tariff for year t+1 is determined for each voltage level as the difference between the total forecasted amount of distributed electricity for year t+1 and the forecasted amount of stored electricity in storage units connected to the DSO networks and, if applicable, connected to downstream DSO networks, for year t+1.
- Charging of distribution tariffs for the energy stored by the DSO based on a contract concluded according to the framework contract approved by ANRE and, until its approval, based on the model of the distribution framework contracts in force
- Concessionary DSOs shall develop a single operational procedure regarding the implementation of the exemption from payment of tariffs for stored electricity.
- The operational procedure must provide at least the following:
 - a) the mechanism for reflecting in invoices the non-application of regulated tariffs for stored electricity;
 - b) rules regarding the adjustment mechanism concerning the amount of stored electricity;
 - c) rules regarding reporting and other detailed procedural elements, if applicable, in order to ensure uniform application.
- Within 60 days from the date of entry into force of the methodological norms, DSOs shall submit to ANRE the internally approved operational procedure and publish it on their own websites.

▪ **ANRE Order no. 58 / 15.07.2025 for the amendment, completion, and repeal of certain ANRE orders regarding the electricity market**, main provisions:

Electricity buyers will be obliged to pay an advance or provide a minimum guarantee at the time of signing contracts concluded on forward markets, as follows:

- 5% of the contract value – for deliveries longer than 6 months;
- 10% of the contract value – for deliveries up to 6 months;
- Payment deadline: 15 days from signing;
- The measure applies to standard contracts, it does not affect EFET bilateral contracts.

Other provisions:

- It is clarified that the contractual price can no longer be modified later depending on the variations of transmission tariffs
- The minimum number of eligible partners required on the continuous double negotiation market is reduced from 8 to 4

Electricity market operators update the operational procedures/contracts/conventions necessary for the application of the order, within 30 days from the date of publication.

Repeal of ANRE Order no. 7/2017 which regulated the obligation to transmit contracts concluded on the regulated or export market, considering the repeal of the legal basis from the Energy Law.

- **GEO no. 134/2024 for the amendment of the Energy Law no. 123/2012, and Law no. 220/2008 for establishing the system for promoting the production of E-RES was published in the Official Gazette no. 1179/26.11.2024.**

The main changes:

- New definitions are introduced for the storage operator and the storage service provider providing storage services
- Storage facility operators are exempt from paying for transmission, system, distribution, GC and cogeneration contribution

- **GEO no. 21/2025 for amending and supplementing Title X of Law no. 227/2015 regarding the Fiscal Code, as well as for the modification and completion of some normative acts**

The annual construction tax is calculated by applying a rate of 0.5% on the net value of the constructions, for which no building tax/building tax is due according to the provisions of Title IX, existing in the taxpayers' patrimony on December 31 of the previous year/on the last day of the amended fiscal year prior to the one for which the construction tax is due;

- **Order 59/29.07.2025 on the approval of the Methodology for establishing performance indicators in relation to the development of a smart grid to promote energy efficiency and integration of electricity produced from renewable sources.**

Establishing a set of indicators to monitor:

- the quality of the electricity distribution/transmission service;
- Integration of renewable electricity generation (E-RES), storage facilities and flexibility services;
- the level of digitization of electricity networks.

The evaluation of the performance of each network operator (RO) is made through a composite performance indicator, determined as a weighted average of the monitored indicators.

The monitoring of the indicators and the determination of the composite performance indicator is done annually, starting with 2027.

In 2024-2025, the composite indicator is determined as a weighted average based on quality indicators, those of integration of production, storage facilities and flexibility services, and the weighting coefficients are equal

For indicators reflecting the degree of digitalisation of networks, it is proposed to set targets to be achieved by DSOs.

The thresholds against which the RRR increases or decreases by 0.5% depending on the value achieved in one year of the composite performance indicator:

- if it is higher than 90%, the RRR is increased by 0.5%;

- if it is less than 70%, RRR is reduced by 0.5%

- **ANRE Order no. 60/2025 – Order regarding the approval of the tariff for the acquisition of system services for CNTEE – enters into force on September 1, 2025**

The tariff for the acquisition of system services, applied by the National Power Transmission Company “Transelectrica” – S.A., is approved at the value of 12.79 lei/MWh, representing an increase of 82% compared to the SS tariffs applied during the period June 1, 2025 – August 31, 2025;

- **ANRE Order No. 67/2025 – Order amending and supplementing the Regulation on the ascertainment, notification, and sanctioning of deviations from energy sector regulations applicable to the investigation activities carried out by ANRE, approved by ANRE Order No. 62/2013 — enters into force on December 9, 2025.**

The definitions in the Annex are updated and supplemented to include relevant terms from national legislation, EU Regulation No. 1227/2011 on wholesale energy market integrity and transparency (REMIT), and relevant investigation regulations;

More explicit rules are introduced regarding the transmission method of official reports of contravention to offenders;

The timeframe within which the offender must pay the fine is established at a maximum of 30 days from notification;

Clarifications are provided regarding the consequences of non-payment or failure to submit proof of payment.

- **ANRE Order No. 68/2025- Order amending the Procedure for establishing and individualizing contravention sanctions based on the turnover resulting from control activities, approved by ANRE Order No. 12/2022 — enters into force on December 8, 2025.**

The procedure for establishing and individualizing contravention sanctions based on turnover is amended to clarify the analysis stages, responsibilities, and the content of the supporting documents used in the decision-making process;

Article 2 is amended to explicitly stipulate that, upon the conclusion of a control process, the specialized department with control attributions shall draft a justificatory report for the proposed sanction;

The content requirements for the justificatory report are supplemented with more detailed criteria.

- **ANRE Order No. 77/2025 – Order regarding the approval of the specific tariffs for the electricity distribution service and the price for reactive electrical energy, valid from January 1, 2026, for DEER, and for amending and supplementing ANRE Order No. 97/2024 regarding the approval of the specific tariffs for the electricity distribution service and the price for reactive electrical energy, valid from January 1, 2025, for DEER, as well as the values of the investment plans for the 5th Regulatory Period (PR5).**

The distribution tariffs for DEER, applicable as of January 1, 2026, undergo an average adjustment of 0% compared to January 1, 2025 (HV -6%, MV +3%, LV +2%).

Annex 1 - Specific TARIFFS for the electricity distribution service applied by DEER, valid from January 1, 2026;

Annex 2 (Annex No. 4 to Order No. 97/2024) - The values of the annual maintenance plans of the company Distribuție Energie Electrică România S.A., corresponding to PR5.

- **ANRE Order No. 79/2025 – Order amending and supplementing ANRE Order No. 53/2024 on the approval of the Methodology regarding the allocation of electrical grid capacity for the connection of electricity generation sites, as well as amending and supplementing certain ANRE orders in the field of connecting users to the public interest electrical grid.**

The amendments primarily refer to the following:

Clarification of the categories of connection requests to which the Methodology's provisions apply, as of January 1, 2026, namely:

- a) Connection requests and capacity allocation requests for generation sites or consumption and generation sites, with an installed capacity of electricity generation facilities equal to or greater than 5 MW, registered with the Network Operators (NO) starting from this date;
- b) Connection requests for generation sites or consumption and generation sites, with an installed capacity of electricity generation facilities equal to or greater than 5 MW, registered prior to January 1, 2026, for which the solution studies conducted for operator endorsement were not submitted to the network operators by December 31, 2025;

c) Connection requests for generation sites or consumption and generation sites, with an installed capacity of electricity generation facilities equal to or greater than 5 MW, registered prior to January 1, 2026, for which the technical connection approvals were not issued by March 31, 2026.

Reimbursement Obligations: A provision stating that, for connection requests falling under the situation stipulated in point 1(b) above, the NO is obliged to reimburse the users—with whom it concluded contracts for drafting the solution studies—for the expenses incurred in carrying out the solution study.

Regulatory Applicability: Clarification that, for the connection of generation sites or consumption and generation sites with an installed capacity equal to or greater than 5 MW to which the Methodology applies, the provisions of the Regulation on the connection of users to public interest electrical grids (approved by ANRE Order No. 59/2013) are no longer applicable regarding: the connection solution with operational limitation, general reinforcement works, and recalculations of operational regimes upon energization for the testing period, provided the energization request for the user's installation for the testing period was submitted to the network operator prior to the completion of the general reinforcement works.

Exceptional Deadlines for 2026: The introduction, as an exception to the Methodology's provisions, of the following deadlines for the year 2026:

a) The deadline set out in Art. 7, by which the Transmission System Operator (TSO) is obliged to publish the available capacities of the electrical grid on its website, is March 31, 2026;

b) The deadline set out in Art. 8 para. (1), by which grid users submit capacity allocation requests, is April 30, 2026;

c) The deadline set out in Art. 11 para. (1), by which the Distribution System Operators (DSOs) submit capacity allocation requests to the TSO, is May 11, 2026;

d) The deadline set out in Art. 11 para. (2), by which the TSO finalizes the list of capacity allocation requests, is May 15, 2026;

e) The deadline set out in Art. 12 paras. (1) and (6), by which the TSO conducts a global solution study and publishes its results, is August 14, 2026;

f) The deadline set out in Art. 13 paras. (1) and (2), by which the TSO begins organizing the auction and publishes the list of auction participants, is August 20, 2026.

Exemption for Grid Consumption: The provision of clarification stating that the Methodology's provisions do not apply to power requests for electricity consumption from the grid associated with consumption and/or generation sites and storage facilities having an installed electricity generation capacity equal to or greater than 5 MW.

Timeline Adjustments: The replacement of certain timeframes stipulated in the Methodology for carrying out activities within the auction process with the final date of those respective timeframes, thereby eliminating the start date.

Cost Allocation for Reinforcement: The introduction of a provision establishing that additional development works whose value is covered by applying the Methodology cannot be considered general reinforcement works to be borne by users for generation sites or consumption and generation sites with installed capacities lower than 5 MW.

Deadline Extensions: The introduction of the clarification that deadlines falling on non-working days or public holidays are automatically extended to the next working day.

Source: Electrica

7.1.1 A.3.1.2 Supply activity

a. Primary legislation:

- **OUG no. 6/2025** - Emergency Ordinance on the measures applicable to end customers in the electricity market in the period April 1, 2025 - June 30, 2025, respectively the measures applicable to end customers in the natural gas market in the period April 1, 2025 - March 31, 2026, and for amending and supplementing some normative acts in the energy sector:
 - the period of application of the support scheme (of the capping type) is 3 months for electricity respectively April 1, 2025 - June 30, 2025 and one year for natural gas, respectively April 1, 2025 - March 31, 2026.
 - for electricity the final price invoiced is:
 - a) maximum 0,68 lei/kWh VAT included, (for consumption by the following categories of customers: 1.household customers whose monthly consumption is between 0 and 100 kWh inclusive; 2.household customers where people who use medical devices, appliances or equipment powered from the electricity grid, necessary for medical treatment, based on confirmation from the specialist and a request submitted to the supplier; 3. household customers who have at least 3 children up to the age of 18 in their care, on the basis of an application and an affidavit; the age limit is extended up to 26 years if the eldest child is in education; 4. single-parent household customers, who have at least one dependent child up to 18 years of age, on the basis of an application and a declaration on their own responsibility; the age limit is extended up to 26 years in case the major child is in education)
 - b) maximum 0,80 lei/kWh, VAT included, for the consumption realized by household customers whose monthly consumption at the place of consumption is between 100,01 and 255 kWh (electricity consumption between 255 and 300 kWh/month is invoiced at the price of maximum 1,3 lei/kWh, VAT included, and in case the consumption exceeds 300 kWh/month the entire consumption is invoiced at the price of maximum 1,3 lei/kWh);

c) maximum 1 lei/kWh, VAT included, for 85% of the monthly consumption realized at the place of consumption for certain categories of consumers (the difference of monthly electricity consumption will be invoiced at the price of maximum 1,3 lei/kWh VAT included, based on the declaration of the legal representative);

d) a maximum of 1 lei/kWh, VAT included, for the full consumption of public and private hospitals, public and private educational establishments, as well as nurseries, public and private social service providers;

e) a maximum of 1 lei/kWh, VAT included, for 85% of the monthly consumption, realized at the place of consumption, for public institutions, other than those mentioned in lit. d), as well as for those belonging to cults officially recognized in Romania (the difference of monthly electricity consumption is invoiced at the price of maximum 1.3 lei/kWh, VAT included);

f) maximum 1.3 lei/kWh, VAT included, for household and non-household consumers who are not covered by lit. a)-e);

- for natural gas, the final invoiced price is: a) maximum 0,31 lei/kWh, VAT included, in the case of household customers; b) maximum 0,37 lei/kWh, VAT included, in the case of non-household customers whose annual consumption of natural gas realized in the previous year at the place of consumption is no more than 50. 000 MWh, as well as in the case of thermal energy producers and non-household customers within the industrial parks regulated by Law no. 186/2013 on the establishment and operation of industrial parks, as amended and supplemented, as well as those within the closed distribution systems defined according to Law no. 123/2012, as amended and supplemented.

- the price of the standard offers elaborated and published by the electricity/natural gas suppliers, cannot exceed the value of the final invoiced price capped; the standard offers for the period July 1, 2025 - June 30, 2026 can be elaborated and published only if there is a 50% of the purchase realized for the offered period, with the obligation to mention the supply component separately;

- final customers' declarations on the capped final price submitted to suppliers under the provisions of GEO 27/2022 remain in force;

- CfD has been included in the final price cap;

- the application of the minimum between the contractual price, the capped price and the price resulting from the application of the GEO remains in force;

- regarding the purchase of electricity: the percentage of recognition for imbalances increases from 5% to 10% value/cost and without limitation for FUI; the limit of the recognized purchase price is maintained, i.e. 700 lei/MWh; directly negotiated bilateral contracts are reported to ANRE within 2 working days from the date of conclusion;

- settlement requests are submitted prior to uploading the data on the ANRE portal related to the price cap; 40% of the amount related to the settlement requests is settled within 10 days from the transfer of the amounts by the MF to the ME and ANPIS accounts (this is not a payment term controllable by the supplier)

- the supplier will notify the customers in its own portfolio of the changes resulting from the application of the provisions of the GEO with the first invoice sent after its entry into force;

- failure by operators to comply with the prescribed deadlines, i.e. the deadline for rectifying the data uploaded to the IT platform and for resubmission of settlement requests and/or self-declarations, constitutes a contravention and is punishable by a fine of between 25,000 lei and 50,000 lei;- amend GEO no. 27 (in force) as follows: for the period April-August 2022, the final deadline for entering the data required for the settlement of the amounts from the state budget or, as the case may be, for the regularization of the amounts settled from the state budget is April 30, 2025; for the period September 2022-August 2023, the final deadline for entering the data required for the settlement of the amounts from the state budget or, as the case may be, for the regularization of the amounts settled from the state budget is April 30, 2025;

- the Law on Electricity and Natural Gas Law No. 123/2012 is amended: generators are obliged to trade at least 50% of their annual electricity production through contracts on electricity markets other than PZU, PI and PE. Exempted from this provision are generators that have in their portfolio only generation capacity from wind, photovoltaic, micro-hydropower plants that benefit from the support scheme through green certificates, as well as cogeneration capacity. OPCOM is obliged to publish daily reference prices, closing prices and traded volumes.

- for natural gas: stock of at least 90% of the underground storage capacity plus the obligation of natural gas producers to deliver at 120 lei/MWh for suppliers/PET/direct customers, with priority order: storage, consumption by domestic customers, PET consumption only for the population.

▪ **GEO no. 19/2025 - Emergency Ordinance on amending and supplementing some normative acts**

- OUG no. 6/2025 is supplemented by broadening the scope of application and including university education (maximum 1 leu/kWh, VAT included, for the full consumption of state, private and private denominational higher education institutions provided for by art. 7 of the Law on Higher Education no. 199/2023, with subsequent amendments and additions).

▪ **GEO no. 20/2025 - Emergency Ordinance on the establishment of a state aid scheme regarding the exemption of certain categories of final consumers from the application of Law no. 220/2008 for the establishment of the system for the promotion of energy production from renewable energy sources**

-is approved the establishment of a state aid scheme, with the objective of exempting from the obligation to purchase green certificates (GC), according to the provisions of Law no. 220/2008 for establishing the system for the promotion of energy production from renewable energy sources, a percentage of the amount of electricity delivered to energy intensive industrial consumers, in compliance with the European Union legislation in the field;

-the authority responsible for administering the state aid scheme is the Ministry of Energy; the state aid scheme applies until December 31, 2031; the total budget of the scheme is the equivalent in lei of EUR 578.4 mn., and the annual amount of state aid granted will not exceed EUR 150 mn. each year;

-beneficiaries of state aid shall notify the annual exemption agreement issued by the Ministry of Energy to ANRE and to the electricity suppliers with which they have concluded electricity sale-purchase contracts, within 5 working days from the date of its receipt. Based on the annual exemption agreement received from its customer, the supplier is exempted from the obligation to purchase a number of green certificates corresponding to the quantity of electricity delivered to its customer, starting with the month immediately following the month in which the notification was sent;

▪ **Order of the Minister of Energy no. 319/2025 - for the amendment of art. 1, para. (7), lit. b) of the Annex to the Order of the Minister of Energy no. 1.120/2024 on the approval of the State Aid Scheme in the form of contracts for the difference for the production of electricity from renewable sources of onshore wind and solar photovoltaic energy**

- Change the capacities for the 2nd CfD auction from 3.500 MW installed capacity (of which 1.500MW offshore wind and 2.000MW solar) to 3.472MW (of which 2.000MW offshore wind and 1.472MW solar).

▪ **ANPC President's Order no. 273/2025 - Order of the President of the National Authority for Consumer Protection for the approval of the Procedure for establishing and applying the turnover penalty resulting from the control activity, in accordance with the provisions of Government Emergency Ordinance no. 6/2025 on the measures applicable to end customers in the electricity**

market in the period April 1, 2025 - June 30, 2025, respectively the measures applicable to end customers in the natural gas market in the period April 1, 2025 - March 31, 2026, as well as for amending and supplementing some normative acts in the energy sector

- The Procedure for the establishment and application of the turnover penalty resulting from the control activity, in accordance with the provisions of Government Emergency Ordinance no. 6/2025 on the measures applicable to final customers in the electricity market in the period April 1, 2025 - June 30, 2025, respectively the measures applicable to final customers in the natural gas market in the period April 1, 2025 - March 31, 2026, as well as for the amendment and completion of some normative acts in the energy sector, as set out in the Annex which is an integral part of this Order, is hereby approved.

- **Order of the Minister of Energy no. 348/2025** - Order of the Minister of Energy for the amendment of the Applicant's Guide - Specific conditions for accessing financing from the Modernization Fund - Supporting investments in new capacities for producing electricity from renewable energy sources for self-consumption for public entities, approved by Order of the Minister of Energy no. 1.431/2023.

- **Order of the Minister of Energy no. 371/2025** - Order of the Minister of Energy for the amendment of the State Aid Scheme for supporting investments in new capacities for the production of electricity from renewable energy sources for self-consumption, related to the Modernization Fund, approved by Order of the Minister of Energy no. 355/2024.

- **Order of the Minister of Energy No. 677/2025** – Order of the Minister of Energy approving the Applicant's Guide — Specific Conditions for Accessing Financing — "Support for the modernization of EU-ETS installations to BAT [Best Available Techniques] levels to increase energy efficiency."

- **Order of the Minister of Energy no. 686/2025** – On 30.06.2025 it was published in the Official Gazette no. 610 – regarding the approval of the Methodological Norms for the recovery of state aid granted based on the Government Emergency Ordinance no. 20/2025, regarding the establishment of a state aid scheme for the exemption of certain categories of final consumers from the application of Law no. 220/2008 for establishing the system for promoting the production of energy from renewable energy sources.
 - A set of methodological norms is approved, aimed at stopping or recovering the state aid granted based on GEO no. 20/2025. The Ministry of Energy adopts the necessary measures for the recovery of the unduly granted state aid, namely the value corresponding to the number of green certificates from which it was exempted from purchasing, to which the related interest is added, and this is to be reimbursed before July 1st of the year following the year in which the aid was granted.

- **GEO no. 35/2025** – On 30.06.2025 it was published in the Official Gazette no. 612, regarding the introduction of a support mechanism for household electricity consumers in a situation of energy poverty.
 - The social protection measures granted to household electricity consumers apply during the period July 1, 2025 – March 31, 2026;
 - The measures consist of granting financial support in the form of an electronic voucher, worth 50 lei, which can be used exclusively for paying electricity bills;
 - The support can only be used to make payments for electricity consumption recorded at the place of consumption for which this support is granted, respectively the support is granted for a single place of consumption;
 - Criteria for classification in the category of consumers affected by energy poverty: single person with a monthly income of maximum 1,940 lei or families with a monthly income/member of maximum 1,784 lei;
 - Electricity suppliers are obliged to include in the electricity consumption bills, starting with July 2025, a barcode with the POD corresponding to each place of consumption.

▪ **GEO No. 59/2025** – On 07.11.2025 it was published in the Official Gazette No. 1035 Emergency Ordinance amending and supplementing certain normative acts within the energy sector.

- The Ordinance transposes RED III (the Third Renewable Energy Directive) into national legislation and establishes provisions regarding Guarantees of Origin (GOs), energy communities, and other related matters.
- Guarantees of Origin (GOs) shall be subject to a distinct regulatory regime based on their corresponding generation capacities: capacities benefiting from Green Certificates (GCs), capacities benefiting from alternative support schemes (e.g., Contracts for Difference – CfD), or capacities that do not benefit from any support scheme. The new regulations governing electricity GOs shall be approved by the National Regulatory Authority for Energy (ANRE) no later than September 30, 2026. A provision has been introduced regarding ANRE's recognition of GOs issued in other Member States. Furthermore, the information presented on the energy label must be substantiated by GOs.

Energy communities (comprising renewable energy communities and citizen energy communities, respectively) are required to enroll in the Energy Communities Register and must have Smart Metering Systems (SMS) installed. They are authorized to trade any residual energy surplus on the wholesale and retail markets, strictly in accordance with ANRE regulations. For the purpose of trading energy both within and outside the community, the entity may hold a supply license (subject to specific exceptions) or an aggregation license. Alternatively, the community may delegate the supply activity to a third-party supplier or aggregator, contingent upon the explicit consent of the delegated party and the community members.

b. Secondary legislation:

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

▪ **ANRE Order no. 1/2025** - Order amending and supplementing the Framework Conditions for the realization of the implementation schedule of smart metering systems for electricity at national level, approved by Order of the President of the National Energy Regulatory Authority no. 177/2018.

- DOs and electricity suppliers have the obligation to inform the user about the integration of the place of consumption in the SMI and about the new conditions determined by the integration of the place of consumption, related to the electricity supply and distribution services; the information is realized by sending the Annex no. 7 "Specific conditions of the place of consumption/production and consumption integrated in the smart metering system", by the supplier with which the user of the place of consumption/production and consumption has an electricity supply contract in force; the transmission of the annex is made together with the first invoice for the electricity consumption issued after the supplier receives the situation of the place of consumption/production and consumption.

▪ **ANRE Order no. 2/2025** - Order regarding the establishment of the mandatory quota for the purchase of green certificates, for the year 2024.

- The mandatory quota for the purchase of green certificates by the economic operators that have the obligation to purchase green certificates for the year 2024 is set at 0.496 green certificates/MWh (compared to 0.4944765 CV/MWh estimated quota for 2024 and 0.4946974 CV/MWh mandatory quota for 2023);

- enters into force on March 1, 2025.

- **ANRE Order no. 5/2025 - Order amending the Order of the President of the National Energy Regulatory Authority no. 52/2024 on the approval of the Framework Contract between the CfD counterparty and the CfD contribution payer for the collection of the CfD contribution and the Framework Contract between the CfD scheme operator and the CfD counterparty**

-the CfD counterparty issues the invoice for the payment of the CfD contribution to the CfD contribution payer and forwards it to the CfD contribution payer, by the 22nd of each month for the previous calendar month (modified from the 20th);

- **ANRE Order no. 4/2025 - Order on the amendment and completion of the Methodology for determining and collecting the contribution related to contracts for difference, approved by Order of the President of the National Energy Regulatory Authority no. 51/2024**

- CfD contribution payers shall transmit to the CfD Counterparty the total amount of electricity invoiced to all consumers served and the total amount of electricity consumed at their own consumption sites, within 10 working days from the beginning of each month (modified from the 10th of each month);

- CfD contribution payers shall pay the invoices transmitted by the CfD Counterparty, within a maximum of 6 days of their receipt, but not later than the last day of the month following the month of consumption (modified from a maximum of 7 days).

- **ANRE Order no. 6/2025 - Order on the approval of the Regulation for granting licenses and authorizations in the electricity sector**

- The Regulation for granting licenses and authorizations in the electricity sector is approved (applications for granting/modification/suspension/withdrawal of licenses and authorizations submitted to ANRE and not finalized before the entry into force of this Order shall be considered in accordance with the provisions of the new Regulation).

- **ANRE Order no. 9/2025 - Order for the amendment of the Regulation on the terms and conditions for parties responsible for balancing, approved by Order of the President of the National Energy Regulatory Authority no. 127/2021**

- the Regulation on the terms and conditions for the parties responsible for balancing is amended, respectively the formulas for the determination of imbalances, the deadlines for the transmission of information between economic operators, the methodology for the final calculation of the settlement of the electricity market are amended.

- **ANRE Order no. 10/2025 - Order on the approval of the contribution for contracts for difference (CfD)**

- the contribution for Contracts for Difference (CfD) totaling 0.000206 lei/kWh, excluding VAT;

- the Order shall enter into force on April 1, 2025.

▪ **ANRE Order no. 11/2025 - Order amending and supplementing the Order of the President of the National Energy Regulatory Authority no. 91/2022 for the approval of the Regulation on the last resort supply of electricity**

- the FUI Regulation is amended (the Regulation establishes the procedure for the designation by ANRE of the suppliers of last resort of electricity, the conditions for the performance and termination of the activity of electricity supply of last resort, the manner of establishing the price applied by the suppliers of last resort to the customers taken over, as well as the procedure for taking over the consumption sites of final customers who have not ensured the supply of electricity from any other source);

- amend the definitions for: Nomination list of FUI - List containing the nominated FUI for each month within the Rotation Period, Rotation Period - Period consisting of a number of consecutive calendar months equal to the number of nominated FUIs, in which each FUI is nominated for one month only;

- for each rotation period, the ANRE publishes the FUI Nomination List whereby each FUI is allocated a calendar month in which it is obliged to take over the consumption sites; the FUI Nomination List is published by the ANRE on its own website at least 5 days before the beginning of a rotation period; in the event that, during a rotation period, the ANRE nominates a new FUI, it will be included on the last position in the Nomination List;

- the provisions regarding the invoicing of electricity consumption by the FUI are amended (within a maximum of 10 working days from the communication of the imbalances determined on the basis of the measured and approved values related to a calendar month, the FUI issues an invoice for the electricity consumption realized in the respective month);

- the provisions of the framework contract are amended (the clauses in the electricity supply contracts concluded under the framework contract for the supply of electricity to end customers taken over by the supplier of last resort that are contrary to the provisions of the Framework contract for the supply of electricity to end customers taken over by the supplier of last resort, approved by ANRE Order no. 91/2022 for the approval of the FUI Regulation with the amendments and additions made by this Order, shall be amended by law from the date of entry into force of this Order, except for the provisions relating to the duration of the contract);

- for non-household final customers with a power of more than 1 MVA/consumption site, the obligation of the FUI to ensure the supply of electricity under the UI regime is 3 months from the date of takeover (reduced from 6 months);

- at any time during the period in which the FUI ensures the supply of electricity under the UI regime, it may submit to the taken over customers offers for the supply of electricity under the competitive regime;

- the provisions on the financial guarantee are amended (the final customer may waive the obligation to provide a financial guarantee by making a monthly advance payment);

- in all situations of taking over of consumption sites, FA, FUI, OD and OTS have the obligation to transmit through POSF the specific messages corresponding to each action; the deadlines that apply in the process of changing the supplier will be those provided in ANRE Order no. 3/2022 for the approval of the Regulation - POSF;

- the order enters into force on April 1, 2025.

- **ANRE Order no. 12/2025** — published in the Official Gazette no. 320 of 10.04.2025, regarding the takeover by electricity suppliers of the electricity produced and delivered into the grid by prosumers who own power plants from renewable sources with an installed electric power of no more than 200 kW per place of consumption and who benefit from the quantitative compensation mechanism provided in art. 731 para. (3) of the Electricity and Natural Gas Law no. 123/2012, during the period between April 1–June 30, 2025.
 - It is established how the quantitative compensation is applied according to the provisions of the Methodology for establishing the rules for trading electricity produced in power plants from renewable sources with an installed electric power of no more than 400 kW per place of consumption belonging to prosumers, during the period April 1–June 30, 2025 (application of GEO 6/2025).

- **ANRE Order no. 13/2025** – published in the Official Gazette no. 349 of 15.04.2025, for the amendment and completion of the Regulation regarding last resort supply of natural gas, approved by the Order of the President of the National Energy Regulatory Authority no. 173/2020
 - At any time during the period in which the Last Resort Supplier (LRS) ensures the supply of natural gas under the last resort regime, it may send to the taken-over clients offers for the supply of natural gas under a competitive regime;
 - ANRE publishes on its own website the decisions of designation as LRS / decisions of rejection of the request for designation as LRS, within a maximum of three working days from the date of their issuance, updates on its website the List of designated LRSs and the Nomination List of LRSs, and highlights in POSF the status of designated LRS of the respective supplier;
 - In all situations of takeover of consumption points FA, LRS and OR have the obligation to send through POSF the specific messages corresponding to each action;
 - If the consumption of final clients that needs to be taken over under the last resort regime exceeds 50% of the volume of natural gas supplied in the similar month of the previous year to final clients under a competitive regime from the portfolio of the supplier who also has the status of nominated LRS, it may request ANRE the allocation of the consumption points that need to be taken over. If none of the LRSs expresses availability for takeover, the allocation is made proportionally by ANRE among the designated LRSs, based on the share (%) of the quantity of natural gas supplied under a competitive regime to final clients by each supplier designated as LRS in the total quantity of natural gas supplied under a competitive regime to final clients by all suppliers designated as LRS.

- **ANRE Order No. 14/2025** - published in the Official Gazette No. 382 of April 29, 2025) – Order amending the Order of the President of the National Regulatory Authority for Energy No. 124/2022, and regarding the amendment and supplementation of the Order of the President of the National Regulatory Authority for Energy No. 127/2021.
 - Article 6 of Order No. 124/2022 is amended to stipulate that, no later than December 1, 2026, CNTEE Transelectrica S.A., Rețele Electrice România S.A., Distribuție Energie Electrică România S.A., Distribuție Energie Oltenia S.A., and Delgaz Grid S.A. shall develop their respective operational procedures for the implementation of the provisions set forth in Annex No. 1.

- **ANRE Order no. 15/2025**, published in the Official Gazette no. 423 of 08.05.2025, approving the General Rules regarding the implementation of market making activity on centralized natural gas markets and organized electricity markets.
 - The General Rules regarding the implementation of market making activity are approved – the rules aim to establish the principles and general requirements applicable to market making activity carried out on trading platforms administered and supervised by electricity/natural gas market operators;
 - The market maker contractually commits to introduce and maintain in the market, within a minimum time interval during the trading session, set by the market operator, firm simultaneous buy and sell offers and to conclude transactions based on them;

- The provision of market making activity is carried out according to the clauses of a contract negotiated and concluded with the market operator, based on a framework contract developed and published by the market operator on its own website; the contract is concluded for a minimum period of 3 months from the date of signing.

- **ANRE Order no. 16/2025**, published in the Official Gazette no. 453 of 15.05.2025, approving the regulated tariff for electricity exchanges with neighboring countries, applied by the National Electricity Transmission Company "Transelectrica" S.A.
 - The regulated tariff for electricity exchanges with neighboring countries of 1.50 euro/MWh, excluding VAT, applied by CNTEE "Transelectrica" - S.A., is approved. The tariff applies to all import, export, and transit electricity transactions scheduled with the power systems of neighboring countries;
 - The order enters into force on May 15, 2025.

- **ANRE Order no. 17/2025**, published in the Official Gazette no. 426 of 09.05.2025, establishing measures for informing final electricity customers
 - Establishes the measures for informing final customers by electricity suppliers, considering the termination, starting July 1, 2025, of the electricity support scheme established by GEO no. 6/2025;
 - Electricity suppliers, by June 10, 2025, are required to inform their final customers in their portfolio about: the termination, starting July 1, 2025, of the applicability of the electricity support scheme and the fact that, starting July 1, 2025, the final electricity price invoiced by the supplier will be the contractual price, which is, as applicable, the price communicated to the final customer at the time of concluding the supply contract or the one communicated upon updating the economic conditions of the contract. For final customers supplied under the last resort regime, the method of determining the final invoiced price applies to those whose contractual price does not change as of July 1, 2025.

- **ANRE Order no. 21/2025**, published in the Official Gazette no. 510 of 28.05.2025, regarding the approval of the tariff for the acquisition of system services for the National Electricity Transmission Company "Transelectrica" — S.A.
 - The tariff for the acquisition of system services, applied by CNTEE "Transelectrica" - S.A., is approved at the value of 7.07 lei/MWh, a decrease of 61% compared to the SS tariffs applied during the period September 1, 2024 – May 31, 2025;
 - The order enters into force on June 1, 2025.

- **ANRE Order No. 26/2025**, published in the Official Gazette No. 566 of June 19, 2025 – Order amending and supplementing the Regulation for the granting of licenses and authorizations in the electricity sector, approved by ANRE Order No. 6/2025.
 - The Regulation is amended to stipulate that the sworn statements (declarations on own responsibility) of the shareholders/associates exercising control over the applicant, as well as those of the administrators/members of the applicant's board of directors, shall be drafted in accordance with Template No. 2.1 or 2.2, set forth in Annex No. 2.

- **ANRE Order no. 28/2025**, published in the Official Gazette no. 603 of 27.06.2025, regarding the approval of the contribution for high-efficiency cogeneration
 - The contribution for high-efficiency cogeneration is approved at the value of 0.0084 lei/kWh, an increase of 240% compared to the previous tariff;
 - The order enters into force on July 1, 2025.

- **ANRE Order no. 57/2025** published in the Official Gazette no. 680 dated July 21, 2025 – Order amending and supplementing the Order of the President of the National Energy Regulatory Authority no. 93/2024 regarding the approval of tariffs and financial contributions charged by the National Energy Regulatory Authority in 2025
 - For holders of ANRE licenses/decisions in the electricity/natural gas sector who do not submit supporting documents on the ANRE portal for the regularization of the financial contribution, the financial contribution for the year 2025 will be provisionally determined based on the highest value of the calculation base declared by the respective economic operator for the regularization of financial contributions in the last two years. After the license holders submit the supporting documents, ANRE will perform the final regularization as the difference between the financial contribution for 2025 and the provisionally determined financial contribution for 2025.
 - Enters into force on July 21, 2025

- **ANRE Order no. 58/2025** published in the Official Gazette no. 704 dated July 29, 2025 – Order for the amendment, completion, and repeal of certain orders of the President of the National Energy Regulatory Authority regarding the electricity market
 - The general rules for organized forward electricity markets are amended by introducing provisions that require electricity buyers to pay an advance or provide a minimum guarantee at the time of contract signing, as follows:
 - 5% of the contract value for deliveries longer than 6 months;
 - 10% of the contract value for deliveries up to 6 months;
 - The deadline for payment of the advance/provision of the guarantee is 15 days from the contract signing date. The party that chooses the method of securing contract execution—either advance payment or provision of guarantees—is the buyer.
 - For trading based on EFET-type contracts, the eligibility list must include a minimum of 4 eligible partners with a non-zero credit limit, reducing the minimum number of eligible partners required on the continuous double negotiation market from 8 to 4.
 - It is specified that the transaction price includes the tariffs for injecting electricity into the grid and does not change when these tariffs are updated.
 - Market operators must update the operational procedures/contracts/conventions necessary to implement these provisions within 30 days from the date of publication of the order.
 - Enters into force on July 29, 2025.

- **ANRE Order no. 60/2025 (published in Official Gazette no. 796 of August 27, 2025)** – Order regarding the approval of the tariff for the acquisition of system services for the National Power Transmission Company “Transelectrica” — S.A., applicable from September 1, 2025
 - The tariff for the acquisition of system services, applied by the National Power Transmission Company “Transelectrica” – S.A., is approved at the value of 12.79 lei/MWh, representing an increase of 82% compared to the SS tariffs applied during the period June 1, 2025 – August 31, 2025;
 - Enters into force on September 1, 2025.

- **ANRE Order no. 61/2025 (published in the Official Gazette no. 841 of 12.09.2025)** – Order for the amendment and completion of the Regulation regarding the establishment of the method of collecting the contribution for high-efficiency cogeneration and the payment of the bonus for electricity produced in high-efficiency cogeneration, approved by the Order of the President of the National Energy Regulatory Authority no. 116/2013, applicable from September 12, 2025
 - The provisions of this Regulation also apply to operators of storage installations;
 - The concept of contributors is introduced, which includes the following categories:
 - electricity consumers through their suppliers,
 - suppliers,
 - electricity producers,
 - network operators,
 - operators of storage installations.
 - Enters into force on September 12, 2025.

- **ANRE Order No. 66/2025 (published in the Official Gazette No. 974 of October 22, 2025)** – Order approving the contribution for high-efficiency cogeneration.
 - Approves the contribution for high-efficiency cogeneration at the value of 0.0136 RON/kWh, representing a 61.9% increase compared to the previous tariff.
 - Enters into force on November 1, 2025.

- **ANRE Order No. 65/2025 (published in the Official Gazette No. 977 of October 23, 2025)** – Order amending and supplementing the Order of the President of the National Regulatory Authority for Energy No. 105/2018 approving the General Rules regarding centralized natural gas markets.
 - Clarifies and expands the definitions of market segments and introduces derivative products within the Annex.
 - Clarifies the Virtual Trading Point (VTP) as the venue for the transfer of ownership rights.
 - Explicitly introduces market-making activity through the designation of one or more interested participants.
 - Introduces an independent annex detailing the list of principal tradable products.
 - Enters into force on October 23, 2025.

- **ANRE Order No. 67/2025 (published in the Official Gazette No. 1136 of December 9, 2025)** – Order amending and supplementing the Regulation for the ascertainment, notification, and sanctioning of deviations from the regulations issued in the energy sector, applicable to the investigation activities carried out by the National Regulatory Authority for Energy, approved by the Order of the President of the National Regulatory Authority for Energy No. 62/2013.
 - Updates and supplements the definitions within the Annex to incorporate relevant terms from national legislation, EU Regulation No. 1227/2011 on wholesale energy market integrity and transparency (REMIT), and applicable investigation regulations.
 - Introduces more explicit rules regarding the transmission of contravention protocols (records of infringement) to offenders.
 - Establishes a maximum deadline of 30 days from notification for the offender to pay the imposed fine.
 - Provides clarifications regarding the consequences of non-payment or failure to present proof of payment.
 - Enters into force on December 9, 2025.

- **ANRE Order No. 68/2025 (published in the Official Gazette No. 1132 of December 8, 2025)** – Order amending the Procedure for determining and individualizing contravention sanctions based on turnover resulting from control activities, approved by ANRE Order No. 12/2022.
 - Amends the procedure for determining and individualizing contravention sanctions based on turnover, aiming to clarify the analysis stages, responsibilities, and the content of supporting documents utilized in the decision-making process.
 - Amends Article 2 to expressly stipulate that, upon the completion of a control, the specialized structure with control attributions shall draft a report justifying the proposed sanction.
 - Supplements the content of the aforementioned report with more detailed requirements.
 - Enters into force on December 8, 2025.
- **ANRE Order No. 69/2025 (published in the Official Gazette No. 1132 of December 8, 2025)** – Order approving the contribution for Contracts for Difference (CfD).
 - Approves the total contribution for Contracts for Difference (CfD) at the value of 0.000144 RON/kWh, exclusive of VAT.
 - Enters into force on January 1, 2026.
- **ANRE Order No. 70/2025 (published in the Official Gazette No. 1178 of December 19, 2025)** – Order amending and supplementing the Methodology for the determination and collection of the contribution related to Contracts for Difference, approved by the Order of the President of the National Regulatory Authority for Energy No. 51/2024.
 - Expands the CfD methodology by explicitly including storage operators as CfD contributors.
 - Clarifies the terms for reporting and justifying costs and introduces new definitions regarding estimates.
 - Enters into force on December 19, 2025.
- **ANRE Order No. 71/2025 (published in the Official Gazette No. 1169 of December 17, 2025)** – Order supplementing Annex No. 1 to the Order of the President of the National Regulatory Authority for Energy No. 52/2024 approving the Framework Contract between the CfD Counterparty and the CfD Contributor for the collection of the CfD contribution, and the Framework Contract between the CfD scheme operator and the CfD Counterparty.
 - Introduces operators of storage facilities that supply their own places of consumption and/or supply electricity to consumers connected to the storage battery busbars.
 - Introduces the total quantity of electricity invoiced by the storage facility operator to all consumers connected to the storage battery busbars, including the quantity of electricity consumed at its own places of consumption, during the previous calendar month.
 - Enters into force on December 17, 2025.
- **ANRE Order No. 73/2025 (published in the Official Gazette No. 1173 of December 18, 2025)** – Order approving the tariff for the procurement of system services for the National Power Grid Company "Transelectrica" S.A.
 - Approves the tariff for the procurement of system services applied by the National Power Grid Company "Transelectrica" S.A. at the value of 14.70 RON/MWh, representing an increase of approximately 15% compared to the previous tariff.
 - Enters into force on January 1, 2026.
- **ANRE Order No. 74/2025 (published in the Official Gazette No. 1173 of December 18, 2025)** – Order approving the tariffs for the electricity transmission service and the price for reactive electricity, valid from January 1, 2026, for the National Power Grid Company "Transelectrica" S.A., and amending and supplementing the Order of the President of the National Regulatory Authority for Energy No. 99/2024 regarding the approval of tariffs for the electricity transmission service and the price for reactive electricity for the National Power Grid Company "Transelectrica" S.A., valid from January 1, 2025, as well as the values of the investment plans for the 5th regulatory period.
 - Approves the transmission tariff - the component for injecting electricity into the grid (TG) at the value of 3.63 RON/MWh, representing an increase of approximately 10% compared to the previous tariff.
 - Approves the transmission tariff - the component for extracting electricity from the grid (TL) at the value of 36.45 RON/MWh, representing an increase of approximately 10% compared to the previous tariff.
 - The new tariffs are applicable as of January 1, 2026.

2025

- **ANRE Orders No. 75/2025, 76/2025, 77/2025, 78/2025 (published in the Official Gazette No. 1173 of December 18, 2025)** – Regarding the approval of specific tariffs for the electricity distribution service and the price for reactive electricity for: Societatea Distribuție Energie Oltenia S.A., Societatea Delgaz Grid S.A., Societatea Distribuție Energie Electrică România S.A., and Societatea Rețele Electrice România S.A.
 - The new tariffs are applicable as of January 1, 2026.
 - **ANRE Order No. 81/2025 (published in the Official Gazette No. 1176 of December 18, 2025)** – Order establishing the estimated mandatory quota for the acquisition of Green Certificates for the year 2026.
 - The estimated mandatory quota for the acquisition of Green Certificates by economic operators obligated to purchase Green Certificates for the year 2026 is set at 0.499387 Green Certificates/MWh.
 - Enters into force on January 1, 2026.
 - **ANRE Order No. 82/2025 (published in the Official Gazette No. 1176 of December 18, 2025)** – Order approving the tariffs and financial contributions levied by the National Regulatory Authority for Energy in the year 2026.
 - Establishes an annual financial contribution of 0.1% of the net turnover, calculated in accordance with accounting regulations, for economic operators in the electricity sector holding an electricity supply license granted by ANRE as of January 1, 2026.
- Enters into force on January 1, 2026.

Source: Electrica

7.1.2 A.3.1.3 Renewable energy production segment

2025

- **GEO no. 6/2025** regarding the measures applicable to final customers in the electricity market during the period April 1, 2025 – June 30, 2025, and the measures applicable to final customers in the natural gas market during the period April 1, 2025 – March 31, 2026, as well as for the amendment and completion of certain normative acts in the energy sector, with subsequent amendments and completions:
 - In order to maintain adequate liquidity in the electricity market, producers are obliged to trade at least 50% of their annual electricity production through contracts on electricity markets, on markets other than DAM (Day-Ahead Market), IDM (Intraday Market), and Balancing Market;
 - Producers who have in their portfolio only generation capacities from wind, photovoltaic, micro-hydropower sources benefiting from the green certificate support scheme, as well as electricity generation capacities in cogeneration, are exempt from this provision.
- **ANRE Order no. 26/2025** for the amendment of ANRE Order no. 6/2025 regarding the approval of the Regulation for granting licenses and authorizations in the electricity sector: Main amendments aim to accelerate the licensing process and eliminate practices that do not comply with legal provisions:
 - Introduction of a 6-month deadline from the granting of the license to provide the presented information in GIS vector format in XML/SHAPE files;
 - Aspects related to land registry and real estate publicity:
 - Removal from the Regulation (art. 20 para. (1) letter i)) of the obligation for applicants to present land book excerpts, being sufficient to present any documents proving ownership or usage rights over energy capacities;
 - Retention in the Regulation of references to land book excerpts concerning land;
 - Establishment of a rule regarding the non-issuance by ANRE of the decision to grant/modify the license for operators who hold the respective energy capacities under any title without having obtained the establishment authorization provided by law, for a period of 6 months from the date of submitting a license granting or modification request by including new energy capacities;

- Regulation of obligations by merging certain types of documents, in cases where the information contained in these documents can be included in a single document provided to the authority.

- **ANRE Order No. 80/2025** amending ANRE Order No. 127/2021 regarding the testing period

Key Amendments:

- Definition Refinement: Clarification of the "testing period" definition by explicitly correlating its conclusion with the issuance of the technical conformity certificate.
- Limitation on Extensions: An extension of the testing period may be granted strictly on a one-time basis.
- Provisions for Complex Testing: In justified cases involving complex tests, the relevant Network Operator (NO), subject to the consent of the Transmission System Operator (TSO), may permit the execution of tests over a mutually agreed continuous period.
- Classification Criteria: Clarification of the circumstances under which an installation is deemed to be in the testing period, contingent upon its specific grid connection solution.
- Capacity Additions: Specification of the regulatory regime applicable when new power capacity is added to an existing installation.
- Legislative Repeals: Repeal of Article 8, Paragraphs (3) and (4) of the Regulation regarding the granting of licenses and authorizations in the electricity sector, approved by ANRE Order No. 6/2025.

A.3.2. Changes to the legal framework in 2026 up to the date of current report

The following are the relevant legislative changes that took place at Group level in the period between the end of the financial year 2025 and the date of this report.

A.3.2.1. Supply segment

2026	
a) Primary legislation	On January 29, 2026, ANRE Order no. 2/2026 was published in the Official Gazette no. 69, establishing measures for informing final natural gas customers. • The objective is to increase the awareness level of final customers in view of the termination, starting April 1, 2026, of the support scheme established by GEO 6/2025. • Natural gas suppliers are mandated to send an information notice to final customers by March 2, 2026, regarding: - The fact that the support scheme under GEO 6/2025 will expire on April 1, 2026; - The fact that, starting April 1, 2026, the final invoiced price will be the contractual price (as communicated at the signing of the contract or during subsequent economic updates); - The method for determining the final invoiced price for customers supplied under the last resort (SoLR) regime; - The possibility of changing the natural gas supplier; - Procedures for entering into a supply contract on the competitive market and how customers can perform a comparative analysis of standard supply offers available on the market. • In cases where the contractual price does not change on April 1, 2026, the supplier must still inform the customer by March 2, 2026, regarding the applicable price from that date forward. • These notices must be communicated by the supplier either as an attachment to the invoice or through the communication method agreed upon in the contract.
b) Secondary legislation	On January 13, 2026, ANRE Order No. 83/2025 was published in the Official Gazette No. 15, regarding the approval of the Regulation for granting establishment authorizations and licenses in the natural gas sector and for supplementing certain orders of the president of the National Authority for Energy Regulation (ANRE): • Introduces a modernized regulation regarding the procedures for granting, amending, suspending, and withdrawing the establishment authorizations and licenses required for activities in the natural gas sector; • Establishes a unitary, updated, and coherent framework for issuing establishment authorizations for objectives in the natural gas sector, as well as for issuing and managing licenses for activities within the sector; • Clarifies the roles and responsibilities of economic operators and of ANRE; • The Regulation applies to economic operators requesting authorizations or licenses provided for by Law No. 123/2012 (ANRE Orders No. 199/202* and No. 200/2020 are repealed). On January 29, 2026, ANRE Order No. 2/2026 regarding the establishment of certain information measures for natural gas end customers was published in the Official Gazette No. 69. The Order outlines the following:

	• Objective: It aims to increase the level of awareness among end customers regarding the termination of the support scheme established by GEO 6/2025, effective April 1, 2026. • Supplier Obligations: It establishes that natural gas suppliers are obligated to send a notification to end customers by March 2, 2026, detailing: - The fact that, as of April 1, 2026, the support scheme established by GEO 6/2025 will cease to apply; - The fact that, starting April 1, 2026, the final natural gas price invoiced by the supplier will be the contractual price. As applicable, this is the price communicated to the end customer either at the time of concluding the supply contract or when updating the economic conditions related to the contract; - The method for determining the final invoiced price, starting April 1, 2026, for end customers supplied under the supplier of last resort (SoLR) regime; - The option to change their natural gas supplier; - The procedures for concluding a natural gas supply contract on the competitive market, specifically how the end customer can conduct a comparative analysis of the standard natural gas supply offers available on the market. • Unchanged Contracts: For end customers whose contractual price will not change on April 1, 2026, the supplier is obligated to inform them by March 2, 2026, regarding the price that will be applicable starting April 1, 2026. • Communication Methods: These notifications must be communicated by the supplier either as an attachment to the invoice or through the communication channel agreed upon by the parties in the contract (or subsequently communicated by the end customer, should the communication preference be updated). On February 25, 2026, ANRE Order No. 3/2026 regarding the establishment of the mandatory green certificate acquisition quota for the year 2025 was published in the Official Gazette No. 142. The Order specifies the following: • Mandatory Quota: It establishes the mandatory green certificate acquisition quota for economic operators obligated to purchase green certificates for the year 2025 at 0.49983 green certificates/MWh. This value corresponds to a final electricity consumption exempted from the payment of green certificates of 7,823.0757 GWh. • Effective Date: The Order enters into force on March 1, 2026.

Source: Electrica

Appendix 4 – Corporate Governance

A.4.1. The Board of Directors of ELSA's subsidiaries

All the Boards of Directors of ELSA's subsidiaries were composed of nonexecutive directors (5 members in the case of DEER and EFSA and 3 members in the case of FISE and electricity production companies). Starting with 01 January 2026, the DEER Board of Directors consists of 7 nonexecutive members and the FISE Board of Directors consists of 5 nonexecutive members. The composition of these were as follows:

The distribution subsidiary DEER – 1 January 2025 – date of the report

01 January – 31 December	01 January 2026 – present
Anna-Maria Vasile - Chair	Anna-Maria Vasile - Chair
Laura – Victoria Iancu	Laura – Victoria Iancu
Niculina – Cristina Somlea	Niculina – Cristina Somlea
Oana Babagianu	Oana Babagianu
Constantin Cristian Olaru	Constantin Cristian Olaru
	Ionut Marius Avram
	Tudor-Ioan Turcu

Source: Electrica

The end date of the mandates of DEER's directors at the date of this report is 31 December 2026.

The supply subsidiary EFSA – 1 January 2025 – date of the report

1 January – 18 March	19 March – 27 March	28 March – 30 March	31 March – 30 April	1 May – 5 May	6 May – 30 September	01 October – 14 December
Ioana – Andreea Lambru - Chair	Ioana – Andreea Lambru - Chair	Ioana – Andreea Lambru - Chair	Ioana – Andreea Lambru - Chair	Ioana – Andreea Lambru - Chair	Ioana – Andreea Lambru - Chair	Ioana – Andreea Lambru - Chair
Dragos – Stefan Roibu	Adrian Bazavan	Marius Lungu	Marius Lungu	Marius Lungu	Marius Lungu	Adrian Tutuianu
Adrian Bazavan	Marius Lungu	Mircea Dolha	Mircea Dolha	Mircea Dolha	Mircea Dolha	Marius Lungu
Marius Lungu	Mircea Dolha		Ionela Cuciureanu	Ionela Cuciureanu	Ionela Cuciureanu	Mircea Dolha
Mircea Dolha			Mihai Ioanitescu		Bogdan Pascu	Ionela Cuciureanu

15 December – 31 December	01 January 2026 - present
Ioana – Andreea Lambru - Chair	Alexandru – Aurelian Chirita - Chair
Marius Lungu	Marius Lungu
Mircea Dolha	Carmen-Elena Dobrota
Ionela Cuciureanu	Iulia- Octavia Negruti
	Olivia-Mihaela Cozma

Source: Electrica

The end date of the mandates of EFSA's directors at the date of this report is 31 December 2026.

The energy services subsidiary SERV – 1 January 2025 – date of the report

01 January – 04 March	04 March – 03 August	04 August – 21 August	22 August - 31 December	01 January – 18 January 2026
Tanase Dorel - Chair	Tanase Dorel - Chair	Cristian – Dumitru Ungureanu	Alexandru – Aurelian Chirita - Chair	Ioana – Andreea Lambru
Ramona Moldovan	Cristian – Dumitru Ungureanu	Mihaiela Frasinianu	Cristian – Dumitru Ungureanu	Bogdan Pascu
Mihaiela Frasinianu	Mihaiela Frasinianu		Mihaiela Frasinianu	Mihaiela Frasinianu
				Radu-Mihai Popa
				Vali-Sonia Botezatu
19 January 2026 – present				
Bogdan Pascu				
Mihaiela Frasinianu				
Radu-Mihai Popa				
Vali-Sonia Botezatu				

Source: Electrica

The end The end dates of mandates of SERV's directors at the date of this report is 31 December 2026.

The production subsidiary SWE - 1 January 2025 – date of the report

01 January – present
Alina Camelia Mustatea
Elena Stancu
Mihai Ioanitu

Source: Electrica

The end dates of the mandates of SWE's directors at the date of this report is 29 July 2027.

The production subsidiary NTE - 1 January 2025 – date of the report

01 January – 12 August	13 August – 18 August	19 August - present
Stefania Andruhovici	Elena Stancu	Elena Stancu
Elena Stancu	Mihai Ioanitorescu	Mihai Ioanitorescu
Mihai Ioanitorescu		Oana Eugenia Lahman

Source: Electrica

The end dates of the mandates of NTE's directors at the date of this report is 29 July 2027.

The production subsidiary FPE - 1 January 2025 – date of the report

01 January – 12 August	13 August – 18 August	19 August – present
Oana Eugenia Lahman	Oana Eugenia Lahman	Elena Stancu
Elena Stancu	Elena Stancu	Mihai Ioanitorescu
Stefania Andruhovici		Oana Eugenia Lahman

Source: Electrica

The end dates of the mandates of FPE's directors at the date of this report is 31 December 2026.

The production subsidiary CPP - 1 January 2025 – date of the report

01 January – 06 February	07 February - present
Mihai Ioanitorescu	Elena Stancu
Sebastian Petre Enache	Mihai Ioanitorescu
Elena Stancu	Oana Eugenia Lahman

Source: Electrica

The end dates of the mandates of CPP's directors at the date of this report is 29 July 2027.

A.4.2. Executive management of ELSA's subsidiaries

The tables below show the subsidiaries' executive managers with delegated management duties by Board of Directors of ELSA subsidiaries in 2025, as well as until the date of this report, as follows:

The distribution subsidiary DEER– until the date of the report

Name	Period (day month year)	Function	Mandate until the date (for acting executive managers at the date of the report) (day month year)
Mihaela Rodica Suciu	5 October 2022 - present	General Manager	5 October 2026
Anamaria Cristina Andro	7 July 2023 - present	Financial Division Manager	31 December 2026
Gabriel Gheorghe	01 February 2023 - present	Strategy and Planning Division Manager	31 December 2026
Ionel Boja	1 August 2023 - present	Commercial Division Manager	31 December 2026
Ionel Radu	9 May 2024 – 31 March 2025	Operations & Development Division Manager	
Vasile Claudiu Tudose	1 April – 31 December 2025	Operations & Development Division Manager	
Ionel Radu	1 January 2026 - present	Operations & Development Division Manager	31 December 2026

Source: Electrica

The supply subsidiary EFSA – until the date of the report

Name	Period (day month year)	Function	Mandate until the date (for acting executive managers at the date of the report) (day month year)
Darius-Dumitru Mesca	1 October 2019 – 19 October 2025	General Manager	
Paul Ferdoschi	1 January 2026 - present	General Manager with authorization to take over the duties of the position	31 December 2026
Dan - Ioan Morar	1 October 2024 - present	Deputy General Manager	31 December 2026
Ruxandra-Madalina Rusu	20 May 2022 – 21 May 2025	Financial Division Manager	
Camelia Georgeta Gafita	17 September 2025 - present	Financial Division Manager	31 December 2026
Paul Ferdoschi	20 May 2022 – present	Sales Division Manager	31 December 2026

Name	Period (day month year)	Function	Mandate until the date (for acting executive managers at the date of the report) (day month year)
Mihai Beu	20 May 2022 – present	Portfoliu Management Division Manager	31 December 2026
George-Marian Fertu	13 October 2022 - present	Operations Division Manager	31 December 2026

Source: Electrica

The energy services subsidiary SERV – until the date of the report

Name	Period (day month year)	Function	Mandate until the date (for acting executive managers at the date of the report) (day month year)
Vasile Apostol	18 October 2024 - 06 April 2025 (between 06 March - 06 April 2025 the mandate contract was suspended)	Director General	
Elena Stancu	06 March - 05 April 2025	Director General	
Ionut Marius Avram	06 April – 23 April 2025	General Manager	
Eduard Valentin Coman	24 April - present	General Manager	31 December 2026
Ionut Marius Avram	06 March - 05 April 2025	Deputy General Manager	
Adrian Ionut Chiran	06 April 2025 - present	Deputy General Manager	31 December 2026
Mariana Vilceanu	18 October 2024 - 03 March 2025	Financial Manager	
Oana Eugenia Lahman	06 March - 05 April 2025	Financial Manager	
Magdalena Necula	06 April - 18 August 2025	Financial Manager	
Daniel Marian Ticlea	18 August 2025 – 18 March 2026	Financial Manager	
Florica Cocari	19 March 2026 - present	Taking over the duties of the Financial Manager	Maximum 60 days
Vasile Ionel Bujorel Oprean	17 December 2023-28 February 2025 (with interruption from 01 to 16 October 2024)	Green Energy Division Manager	

Source: Electrica

A.4.3. Number of shares owned by the executive managers and directors of Electrica Group

As table below shows the situation of ELSA shares held by the members of the board of directors of the companies in the Group, currently on the position, a situation valid as of 31 December 2025:

Nr.	Name	Number of shares	Weight in the share capital (%)
1	Marian Cristian Mocanu	500	0.00014725
2	Dragos Valentin Neacsu	20	0.00000589
3	Oana Babagianu	48	0.00001414

Source: Central Depository, Electrica

As of December 31, 2025, according to the Central Depository, no executive manager of the Group companies, in office, held shares in ELSA.

According to information held by ELSA, there is no contract, understanding or family relationship between the executive managers of the Group companies mentioned in this chapter, currently on the position, and another person who may have contributed to their appointment as executive managers.

According to available information, the members of the BoD and the executive managers of the Group companies mentioned in this chapter, currently on the position, have not been involved, in the last five years, in any litigations or administrative procedures related to their activity within the Group and to their capacity to fulfil their work-related duties within the Group.

A.4.4. General Meetings of Shareholders of ELSA subsidiaries

Corporate approvals at GMS/BoD level in the case of ELSA's subsidiaries are regulated through their articles of association, as well as through the implemented corporate policies.

ELSA, as majority shareholder of its subsidiaries, voted in their GMS in 2025 on various topics, amongst which the most important are related to:

- revenue and expenses budgets, financial statements, financial part of the individual annual investment plan, distribution of the annual result;
- setting KPIs for the Board members;
- updating of NACE codes (NACE – rev3);
- conclusion of the Syndicated Credit Agreement, in the case of DEER, EFSA, ELSA;
- increasing the general debt limit calculated by reference to EBITDA, followed by the suspension of its application until the approval of the company's financial statements for 2025, in the case of EFSA;
- increasing the number from 5 to 7 BoD's members in the case of DEER and from 3 to 5 BoD's members in the case of FISE starting with January 1, 2026;

- increase in compensation for FISE BoD's members;
- EFSA's contracting from BNP Paribas of a short-term credit facility for potential commitments, used in the form of issuing Letters of Guarantee;
- the financial plan associated with the 10-year RED Development Plan 2026 – 2035, in the case of DEER;
- increase of EFSA's share capital;
- appointment of the directors in the Board of Directors of the subsidiaries.

Starting with the end of 2019/beginning of 2020, a unitary policy was implemented within the Group's subsidiaries, regarding the organization and conduct of the General Meetings of Shareholders of the Electrica Group companies, whose objectives are for each company to obtain the corporate approvals in the competence of the GMS in a timely manner, in order to carry out in good conditions the operational activity, in compliance with all legal and statutory provisions, implementation of a unitary system of convening, organizing, carrying out the GMS meetings in Electrica Group, as well as better tracking of the implementation of GMS resolutions.

Appendix 5 – Table list

Table 1. Details of issued securities	6
Table 2: Issued bonds	6
Table 3. Key financial data for 2025 - 2023	8
Table 3. Key financial data for 2025 - 2023	10
Table 4. Green Bonds Issuance Details	26
Table 5. ELSA's subsidiaries	41
Table 6. ELSA's associates	41
Table 7. Long term investments owned by ELSA	42
Table 8. The key drivers of changes in the electricity market	49
Table 9. Ownership structure	55
Table 10. BSE Index and weight.....	57
Table 11. MSCI Index.....	57
Table 12. International Index - FTSE	57
Table 13. Shares traded on BSE and Global Depositary Receipts (GDRs) on LSE	61
Table 14. Members of the BoD 01 January 2025 – 30 April 2025	71
Table 15. Members of the BoD 1 May 2025 – 31 December 2025	72
Table 16. Participation of the BoD members at the meetings and of the committees in 2025	79
Table 17. ELSA's Executive management during 2025, appointed on the basis of mandate contracts	87
Table 18. ELSA's compliance with the provisions of the BVB Corporate Governance Code	89
Table 19. Operating segments.....	139
Table 20. The electricity distribution tariffs approved by ANRE starting with 1 January 2026	140
Table 21. Number of users and volume of installations as of 31 December 2025.....	143
Table 22: Degree of attrition of the installations.....	144
Table 23: Investment program approved by ANRE for the year 2025 and 2026-2029 period (RON mn.)	145
Table 24: Consolidated investments planned 2025 vs achieved 2025 IFRS-EU (RON mn.).....	145
Table 25: The synthetic structure of investments achieved by distribution subsidiary in 2025 (RON mn.)	146
Table 26: PIF planned vs achieved 2025 for DEER (mil. RON)	147
Table 27: PIF RAB Evolution 2014 – 2025 (RON mn.).....	147
Table 28. Number of employees evolution 2025 – 2021.....	153
Table 29. Consolidated statement of the financial position 2025-2023 (RON. mn)	158
Table 30. Cash and cash equivalents 2025-2023	160
Table 31. Number of shares 2025 - 2023	161
Table 32. Revaluation reserves 2025-2023 (RON mn.).....	161
Table 33. Legal reserves 2025-2023 (RON mn.).....	161
Table 29. Consolidated statement of the financial position 2025-2023 (RON. mn)	163
Table 30. Cash and cash equivalents 2025-2023	165
Table 31. Number of shares 2025 - 2023	166
Table 32. Revaluation reserves 2025-2023 (RON mn.).....	166
Table 33. Legal reserves 2025-2023 (RON mn.).....	166
Table 34. Consolidated statement of profit or loss (RON mn.)	168
Table 35. Electricity, natural gas and goods purchased 2025-2023 (RON mn.).....	169
Table 34. Consolidated statement of profit or loss (RON mn.)	173
Table 35. Electricity, natural gas and goods purchased 2025-2023 (RON mn.).....	174
Table 36. Consolidated cash flow statement (RON mn.).....	178
Table 36. Consolidated cash flow statement (RON mn.).....	180
Table 37. Separate statement of the financial position (RON mn.)	182
Table 38. Loans granted to subsidiaries (long term) (mln. RON).....	184
Table 39. Loans granted to subsidiaries (short term) (mln. RON).....	184
Table 40. Dividends 2025-2023 (RON mn.).....	185

Table 41. 2024 Provisions (RON mn.)	185
Table 42. Green Bonds (RON mn.).....	185
Table 43. Separate statement of profit or loss (RON mn.).....	187
Table 44. Separate statement of cash flow (RON mn.)	189
Table 45. Main risks for Electrica Group	196
Table 46. Credit risk and expected credit losses for trade receivables as of 31 December 2025	207
Table 47. Credit risk and expected credit losses for trade receivables as of 31 December 2024	207
Table 48. Credit risk and expected credit losses for trade receivables as of 31 December 2023	207
Table 49. Contractual maturities of financial liabilities (RON mn.)	208
Table 50. Exposure to currency risk 2025-2023.....	209
Table 51. Average rate and year-end spot rate	209
Table 52. Sensitivity analysis.....	209
Table 53. Fixed-rate and variable-rate instruments.....	210
Table 54. Cash flow sensitivity analysis for variable-rate instruments	210

Appendix 6 – Figures list

Figure 1: Consolidated revenue of Electrica Group (RON mn.).....	9
Figure 2: EBITDA (RON mn.) and EBITDA margin (%)	9
Figure 3: Consolidated net profit (RON mn.).....	9
Figure 4: Net debt (RON mn.)	9
Figure 1: Consolidated revenue of Electrica Group (RON mn.).....	11
Figure 2: EBITDA (RON mn.) and EBITDA margin (%)	11
Figure 3: Consolidated net profit (RON mn.).....	11
Figure 4: Net debt (RON mn.)	11
• Figure 5: Romanian electricity distribution map.....	12
Figure 6: Evolution of the number of users (mn.).....	13
Figure 7: Quantity distributed (TWh)	13
Figure 8: Revenues - distribution segment (RON mn.).....	13
Figure 9: EBITDA – distribution segment (RON mn.).....	13
Figure 10: Net Profit – distribution segment (RON mn.).....	14
Figure 11: Net debt/(cash) – distribution segment (RON mn.).....	14
Figure 8: Revenues - distribution segment (RON mn.).....	14
Figure 9: EBITDA – distribution segment (RON mn.)	14
Figure 10: Net Profit – distribution segment (RON mn.).....	15
Figure 11: Net debt/(cash) – distribution segment (RON mn.).....	15
Figure 12: Revenues and Subsidies revenues - supply segment (RON mn.)	16
Figure 13: EBITDA - supply segment (RON mn.).....	16
Figure 14: Net profit - supply segment (RON mn.)	17
Figure 15: Net debt/(Cash) - supply segment	17
Figure 16: Map of Energy Production for Electrica Group	18
Figure 17: Group Liquidity	19
Figure 18: Ownership structure as of 31 December 2025.....	56
Figure 19: Electrica's monthly median volume vs. FTSE Russell minimum threshold (inclusion and maintenance) - 1 January 2023 – 31 December 2025.....	58
Figure 20: Monthly volume and average price of Electrica shares and GDRs (1 January 2023 – 31 December 2025)	59
Figure 21: Percentage evolution of Electrica's adjusted closing price vs. the BET-TR index during 2025	60
Figure 22: Gross dividends distributed (2014-2024) (RON mn.).....	66
Figure 23: Gross dividend per share (RON) and dividend yield (%).....	66
Figure 24: The geographical coverage of the companies in the Electrica Group in 2025	139
Figure 25: The structure of CAPEX achievements for distribution operator within the Group, in 2025 (RON mn.)	146
Figure 26: Market share of distribution segment in 2024.....	149
Figure 27: Total market shares, 2025	150
Figure 28: Competitive market shares, 2025.....	150
Figure 29: Quantity of electricity supplied to the retail market (TWh).....	150
Figure 30: Evolution of consumer numbers (ths.).....	150
Figure 31: The structure of consumers in terms of the amount of electricity supplied in 2025	151
Figure 32: The structure of consumers in terms of income generated in 2025	151
Figure 33: Frequency index 2023-2025	155
Figure 34: Revenue for 2025 and comparative information (RON mn.).....	169
Figure 35: EBITDA and EBITDA margin for 2025 and comparative information (RON mn. and %)	170
Figure 36: EBIT and EBIT margin for 2025 and comparative information (RON mn. and %)	170
Figure 37: Net profit and Net profit margin for 2025 and comparative information (RON mn. and %)	171

Figure 38: Analysis of net regulated result - OMFP 1802/2014 - OMFP 2844/2016 - IFRS-EU for distribution segment 2025 (RON mn.)	172
Figure 34: Revenue for 2025 and comparative information (RON mn.).....	174
Figure 35: EBITDA and EBITDA margin for 2025 and comparative information (RON mn. and %)	175
Figure 36: EBIT and EBIT margin for 2025 and comparative information (RON mn. and %)	175
Figure 37: Net profit and Net profit margin for 2025 and comparative information (RON mn. and %)	176
Figure 38: Analysis of net regulated result - OMFP 1802/2014 - OMFP 2844/2016 for distribution segment 2025 (RON mn.)	177

Glossary

ANRE	Romanian Energy Regulatory Authority
ASF	Romanian Financial Supervisory Authority (Autoritatea de Supraveghere Financiara)
BPS	Basis points
BoD	Board of Directors
BRP	Balance Responsible Party
BSE	Bucharest Stock Exchange
BTA	Business Transfer Agreement
CAPEX	Capital Expenditure
CGC	Corporate Governance Code
CMC	Competitive Market Component
CMBC (EA/CN)	Centralized Market for Bilateral Contracts (Extended Auction/Continuous Negotiation)
CMNG-AN	Centralized Market for Bilateral Natural Gas Contracts – Auction and Negotiation
CMNG-PA	Centralized Market for Bilateral Natural Gas Contracts – Public Auction
CMNG – OTC	Centralized Market for Bilateral Natural Gas Contracts – OTC
CMUS	Centralized Market for Universal Service
CNTEE	The National Transmission System Operator
CSR	Corporate Social Responsibility
DAM	Day Ahead Market
DAM-NG	Day Ahead Market – Natural Gas
DEER	Distributie Energie Electrica Romania
DSO	Distribution System Operator
DMS	Distribution Management System
EEA	European Economic Area
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortization
EDN	Electrical Distribution Network
EGMS	Extraordinary General Meeting of Shareholders
EFSA	Electrica Furnizare SA
ELSA	Electrica SA
ERM	Enterprise Risk Management

EU	European Union
EUR	The monetary unit of several member states of the European Union
FCA	Financial Conduct Authority – United Kingdom
FPM-LT	Medium and Long-Term Flexible Products Market
GC	Green Certificates
GDP	Gross Domestic Product
GDR	Global Depositary Receipts
GEO	Government Emergency Ordinance
GMS	General Meeting of Shareholders
HV	High Voltage
IAS	International Accounting Standard
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standard
IM-NG	Intraday Market for Natural Gas
IMS	Integrated Management System
IPO	Initial Public Offering
IR	Investor Relations
ISIN	International Securities Identification Number
KPI	Key Performance Indicators
kV	KiloVolt
LOC	Land Ownership Certificate
LR	Last Resort
LSH	Labor safety and health
LV	Low Voltage
MV	Medium Voltage
MVA	Mega Volt Ampere
MWh	MegaWatt hour
MKP	Management Key Position
NAFA	National Agency for Fiscal Administration
NES	National Electricity System
NL	Network Losses
NRC	Nomination and Remuneration Committee

OMPF	Order of Ministry of Public Finances
OGMS	Ordinary General Meeting of Shareholders
OHS	Occupational Health and Safety
OHSAS	Occupational Health and Safety Assessment Series
OPCOM	Romanian Gas and Electricity market operator
PCB	Polychlorinated Biphenyls
RAB	Regulated Asset Base
RM	Retail Market
RON	Romanian monetary unit
RRR	Regulated Rate of Return
SAD	Distribution Automation System
SAPE	Societatea de Administrare a Participatiilor in Energie
SCADA	Supervisory Control And Data Acquisition
SDEE	Societatea de Distributie a Energiei Electrice SA
SDMN	Societatea de Distributie a Energiei Electrice Muntenia Nord SA
SDTN	Societatea de Distributie a Energiei Electrice Transilvania Nord SA
SDTS	Societatea de Distributie a Energiei Electrice Transilvania Sud SA
SED	Servicii Energetice Dobrogea SA
SEM	Servicii Energetice Muntenia SA
SEO	Servicii Energetice Oltenia SA
SoLR	Supplier of last resort
SPO	Secondary Public Offering
TWh	TeraWatt hour
TSO	Transmission and system operator
UM	Unit of Measurement
US	Universal Service
USD	United States Dollar
VAT	Value Added Tax

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

Sustainability Reporting for the year 2025

ELECTRICA GROUP



SUSTAINABILITY REPORTING FOR THE YEAR 2025

Free translation from Romanian, which is the official and binding version, and will prevail, in the event of any discrepancies with the English version

Table of Contents

ESRS 2 – General disclosures.....	1
Index of ESRS disclosure requirements	579
Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)	757
ESRS E1 – Climate change	68
ESRS S1 – Own workforce	613
ESRS S4 – Consumers and end-users.....	10890
ESRS G1 – Business Conduct	12911

ESRS 2 – General disclosures

BP-1 General basis for the preparation of the sustainability statement

Electrica Group, composed of Societatea Energetica Electrica S.A. ("ELSA" or "Electrica S.A."), the parent company, and its seven subsidiaries: Distributie Energie Electrica Romania S.A. ("DEER"), Electrica Furnizare S.A. ("EFSA"), Electrica Serv S.A. ("SERV"), Sunwind Energy S.R.L. ("SWE"), New Trend Energy S.R.L. ("NTE"), Foton Power Energy S.R.L. ("FPE") and Crucea Power Park S.R.L. ("CPP")¹, has prepared the Sustainability Reporting ("Sustainability Statement" or "Statement") in accordance with the European Sustainability Reporting Standards ("ESRS"), as outlined in Annex 1 to Delegated Regulation (EU) 2023/2772 of July 31, 2023, which supplements Directive 2013/34/EU of the European Parliament and of the Council, transposed into local legislation by Minister of Finance Order No. 85/2024.

The Statement also includes information required by the EU Taxonomy Regulation, in accordance with Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088.

ELSA and its subsidiaries are collectively referred to as the "Group," "Electrica Group," or "Electrica." Electrica Group's Sustainability Statement has been prepared on a consolidated basis, covering the reporting period from January 1 to December 31, 2024, in alignment with the financial reporting period. The consolidation perimeter of this Statement is the same as that of the consolidated financial statements of Electrica Group. Electrica S.A. is the only entity within the Group that falls within the scope of the CSRD ("Corporate Sustainability Reporting Directive"), transposed into national legislation through Ministry of Finance Order No. 85/2024, having the obligation to report on an individual basis for the financial year 2024 in its capacity as large listed company (i.e., a public interest entity). The other entities within Electrica Group do not have an individual reporting obligation for the financial year 2024, as they are not public interest entities. However, Electrica S.A., as the parent company of a Group, prepares annual consolidated financial statements. According to *ESRS 1.62*, "if the reporting undertaking is a parent company required to prepare consolidated financial statements, the sustainability statement will be for the group". Thus, starting from the financial year 2025, Electrica S.A., in its capacity as the listed parent company of a large Group, is required to prepare a consolidated sustainability statement, which will be part of the Annual Report for the financial year 2025.

Starting with the reporting year 202, sustainability related information is integrated into the section dedicated to the Sustainability Reporting within the Annual Report.

In accordance with legal provisions, the Sustainability Reporting of Electrica Group was subject to a limited assurance process (for details, please see the Independent Auditor's Report on Sustainability Reporting as of and for the Financial Year Ended December 31, 2025, document available on Electrica's corporate website after this sustainability reporting).

The companies included in the reporting perimeter are:

- Societatea Energetica Electrica S.A. ("ELSA"),
- Distributie Energie Electrica Romania S.A. ("DEER"),
- Electrica Furnizare S.A. ("EFSA"),

¹All four companies, Sunwind Energy S.R.L. (SWE), New Trend Energy S.R.L. (NTE), Foton Power Energy S.R.L. (FPE), and Crucea Power Park S.R.L. (CPP) are under the operational control of Electrica Group and are currently in the development phase of renewable energy projects. Specifically, SWE has three part-time employees, while NTE, FPE, and CPP have no employees, reflecting their current project stage and the absence of active operations. As a result, this report does not include data on emissions, waste, or other social metrics for these companies. However, they adhere to the governance principles of Electrica Group, which is committed to promoting sustainability across its entire operational scope.

- Electrica Serv S.A. ("SERV"),
- Sunwind Energy S.R.L. ("SWE"),
- New Trend Energy S.R.L. ("NTE"),
- Foton Power Energy S.R.L. ("FPE"),
- Crucea Power Park S.R.L. ("CPP").

All current operations of the Group are carried out on Romanian territory.

ELSA holds the strategic coordination role within the Group. In addition to its role as the parent company, ELSA conducts renewable energy production activities through its subsidiaries SWE, NTE, FPE and CPP, and also develops and operates energy generation and storage capacities directly, including the Stanesti (7.5 MWp) and Vulturu (9.75 MWp) photovoltaic parks.

ELSA subsidiaries: activities and areas of expertise

Distributie Energie Electrica Romania S.A. (DEER) - is the electricity distribution operator covering 18 counties in Romania, ensuring grid user service by operating installations that function at voltages between 0.4 kV and 110 kV (power lines, substations, and transformer stations). The company engages in activities such as grid construction and modernization, maintenance and repairs, measurement of electricity consumption, and provision of electricity distribution services.

Electrica Furnizare S.A. (EFSA) - its main activity is the commercialization of electricity and natural gas for end customers within Romanian territory, being authorized to trade electricity within Hungarian territory as well. Additionally, it offers solutions to optimize consumption for customers.

Electrica Serv S.A. (SERV) - provides repair and other related services to third parties and maintenance, repairs, and various services to companies within Electrica Group (car rental, building rental etc.).

Sunwind Energy S.R.L. (SWE) - develops the "Satu Mare 2" photovoltaic project in Satu Mare County, with a planned installed capacity of 27 MWp, located near the city of Satu Mare.

New Trend Energy S.R.L. (NTE) - develops the "Satu Mare 3" photovoltaic project in Satu Mare County, with a planned installed capacity of 62.5 MWp.

Foton Power Energy S.R.L. (FPE) - develops the "Bihor 1" photovoltaic project near the municipality of Oradea, with a planned installed capacity of 77.5 MWp and an electricity storage capacity of 17 MWh.

Crucea Power Park S.R.L (CPP) – develops the "Crucea Est" wind project in the outskirts of Crucea commune, Constanța County, with a planned installed capacity of 121 MW (and up to 138 MWp installed capacity in turbines) and a designed electricity storage capacity of 60 MWh (15 MW × 4h). As of 31 December 2024, ELSA held 60% of the company's share capital, with the acquisition completed on 7 February 2025.

ELSA associated entities (uncontrolled by Electrica and not included in the sustainability reporting scope)

Electrica Esyasoft Smart Solutions S.A. - Entity 25% owned by Societatea Energetica Electrica S.A. and 75% by Esyasoft Enterprise Holding RSC L.T.D. It offers smart grid technologies including storage solutions – batteries and grid digitization.

Other immobilized securities held by ELSA (not included in the sustainability reporting scope)

CCP.RO Bucharest S.A. engages in financial intermediation activities, excluding insurance and pension fund activities (risk management through derivative products in the energy market), with a holding percentage of 5.92% as of December 31, 2025. ELSA's 5.92% shareholding remained unchanged following the share capital increase, as ELSA subscribed and fully paid the number of shares corresponding to its ownership quota, as approved by the Extraordinary General Meeting of Shareholders of CCP.RO on 13 November 2025.

For more details and information regarding the organizational structure of Electrica Group, please refer to the Administrators' Report, section Electrica Group – Organizational Structure, which forms part of this Annual Report.

Since July 2014, ELSA has been a majority privately-owned company, listed on the Bucharest and London stock exchanges and the green bonds issued by the company in July 2025 are listed on the Luxembourg Stock Exchange.

ELSA's shareholder structure includes the Ministry of Energy as the largest shareholder, highlighting its strategic importance in Romania's energy landscape. Additionally, the Company benefits from the support and trust of significant institutional investors, along with corporate and individual shareholders.

The Sustainability Reporting does not only cover Electrica Group's own operations, but it also includes relevant information from the value chain, both upstream and downstream, where applicable. The double materiality assessment covered the evaluation of the impacts associated with both the Group's own operations, products and services, as well as its business relationships. Therefore, the sustainability reporting for Electrica Group covers the value chain both upstream and downstream in line with the requirements of *ESRS 1, section 5.1 Reporting undertaking and value chain*.

Electrica Group's value chain is built upon the individual value chains of each company within the Group. Given the diversity of business areas—ranging from distribution and supply to energy services, each company manages its own value chain autonomously, tailoring it to its strategic role and to the specific characteristics of the market in which it operates.

Distributie Energie Electrica Romania S.A. (DEER) plays a strategic role in the energy sector of Romania, ensuring the distribution of electricity through its distribution grid to consumers. The eighteen branches serve the counties in the area covered by DEER, namely: Cluj, Bihor, Satu Mare, Maramures, Bistrita-Nasaud, Salaj, Alba, Brasov, Covasna, Harghita, Mures, Sibiu, Prahova, Buzau, Galati, Braila, Dambovită and Vrancea. DEER's upstream value chain consists of electricity producers – conventional and renewable power plants – and the transmission operator, Transelectrica, who ensures the delivery of energy into the grid. Furthermore, the value chain includes direct suppliers of essential equipment such as transformers, cables, and materials for maintenance and modernization of distribution grids. Lower-level suppliers within the supply chain, such as component manufacturers and raw material suppliers, contribute to providing the necessary resources. Downstream, energy suppliers manage the commercial relationship with end customers – residential and non-residential ones, while distribution operators deal with the actual delivery of energy to end users.

For **Electrica Furnizare S.A. (EFSA)** the value chain is structured around suppliers of electricity and natural gas, including the energy transportation, such as Transelectrica, which plays an important role in delivering energy to distribution grids, as well as partners that offer technological solutions for improving energy consumption efficiency. Downstream, EFSA directly interacts with end customers and implements tailored solutions to reduce consumption.

Electrica SERV S.A. (SERV or FISE) has a value chain composed of suppliers of spare parts, equipment, and materials needed for repair and maintenance works. Downstream, SERV serves both companies within the group and external customers, contributing to the functionality of energy infrastructures.

Regarding the renewable energy companies, **Sunwind Energy S.R.L. (SWE), New Trend Energy S.R.L. (NTE), Foton Power Energy S.R.L. (FPE) and Crucea Power Park S.R.L. (CPP)**, the value chain includes suppliers of development, design, procurement and construction services, as well as suppliers of equipment designated for photovoltaic and wind parks. Downstream, these companies contribute to delivering energy from renewable sources to the national grid.

Electrica Group has a set of policies and procedures designed to ensure the compliance of the value chain with sustainability, ethics, and safety standards. Electrica Group's suppliers have a contractual obligation to comply with the provisions of the Code of Ethics and Business Conduct (of the subsidiary which they enter a contract with). The adherence of suppliers, service providers and contractors to Electrica's Code of Ethics and Conduct ensures their responsibility, integrity, and good conduct in business relationships. This measure promotes an ethical and sustainable business environment.

The Risk Management & Know Your Customer (KYC) Department, through dedicated personnel, performs the necessary verification of the business partners and applies the know your customer measures, ensures that all partner identification measures are applied, conducts KYC assessments regarding business partners, and participates in risk assessments for business partners (upon request, with a focus on the risks of money laundering and international sanctions, in line with applicable legislative requirements).

Electrica Group maintains two distinct business partner assessment processes, each having a specific purpose: KYC for legal compliance and ESG assessment for responsible governance. While KYC is conducted according to the requirements of Law 129/2019, the ESG evaluation process ensures the integration of high sustainability standards in the supply chain. Currently, there is no centralized KYC assessment system at Group level – SERV carries out the KYC assessment through SLA (Service Level Agreement), SPVs conduct KYC assessment upon request, also through SLA, and EFSA and DEER manage this process separately.

Before entering a contractual relationship, suppliers are subject to a prequalification process based on ESG (environmental, social, and governance) criteria. Complementing this framework, the "Business Partner Knowledge Policy (customers and suppliers)" contributes to the identification and assessment of the reputation, creditworthiness, and nature of the potential partners' businesses before entering a contractual relationship. This applies to both new partners and current ones, where updates of previous assessments are necessary. The policy creates a context for centralized risk assessments at the subsidiary level, aiming at mitigating reputational risks, credit risks, and counterparty risks. Besides the "Business Partner Knowledge Policy (customers and suppliers)", the suppliers of products, services and works are assessed based on the "Supplier Evaluation and Management Instruction". Within this process, the "Self-Assessment Questionnaire" is used, which, among others, requests governance-related information, such as the existence of a Code of Ethics and Business Conduct or a policy for money laundering prevention. In the case of DEER, the company is not a reporting entity to ONPCSB, as it does not fall under the categories mentioned in

Article 5 of Law 129/2019 and its implementation rules. Therefore, the obligations provided in this legislative framework, including the use of the Self-Assessment Questionnaire for governance aspects such as the code of ethics and the money laundering prevention policy, are not applicable to DEER and were not applied during 2025.

Electrica Group has not used the option to omit certain information regarding intellectual property, know-how or innovation results, as provided in section 7.7 of ESRS 1 on classified and sensitive information.

Electrica Group has not used the exception from presenting information regarding imminent developments or aspects under negotiation, according to the provisions of Article 19a paragraph (3) and Article 29a paragraph (3) of Directive 2013/34/EU transposed by MFP Order no. 85/2024.

The Sustainability Reporting for Electrica Group covers the value chain both upstream and downstream in line with the requirements of ESRS 1, section 5.1 Reporting undertaking and value chain.

Accounting policies were consistently applied throughout the financial year 2025 and are detailed in this document.

We periodically review the estimates and judgments applied, updating them based on the experience gained in applying accounting policies and on developments in reporting standards. Any revision to the way data is prepared or presented is recognized in the period in which the review takes place. For additional information about the key estimates, judgments, and assumptions applied, please refer to the pages with quantitative data tables regarding sustainability information in this Statement.

BP-2 Disclosures in relation to specific circumstances

For the preparation of this Sustainability Reporting, Electrica Group has used short-term, medium-term, or long-term horizons, as defined in ESRS 1, as follows: short term (<1 year) similar to the reporting period used for the 2024 financial statements, medium term (1-5 years), between the end of the short-term reporting period and up to five years, and long term (>5 years), covering a period longer than five years.

Regarding the sources used for estimates and the uncertainty of results, the Group acknowledges the uncertainties associated with prospective information and the fact that this can be subject to changes. Where applicable, the assumptions and rationales used for the estimates were defined.

Regarding greenhouse gas (GHG) emissions from Scope 3, the company uses primary data from suppliers whenever possible. When primary data is not available, recognized sources are used and methodologies compliant with the GHG Protocol are adhered to, or indirect sources are used, such as average sectoral data or other relevant information sources that reflect activities in the value chain to achieve a solid level of accuracy in the reported emissions. Scope 3 emissions estimates were made with a level of accuracy considered adequate. However, given that they are based on indirect sources and average sectoral data, there is a certain degree of uncertainty associated with these estimates. The level of accuracy of this data is defined in this Sustainability Reporting, according to the reporting requirement E1-6 from the ESRS E1 standard. To improve the accuracy of Scope 3 emissions estimates, Electrica Group aims at ensuring closer collaboration with suppliers and partners in the value chain, with the objective of collecting direct and as accurate data as possible, thus reducing reliance on average sectoral estimates. Planning such actions in the medium and long term will be assessed to ensure greater accuracy in the future and reduce uncertainty. This information is extensively presented in the ESRS E1 Climate Change chapter.

Furthermore, the Group has used estimates to calculate various quantitative metrics and monetary values included in this statement. Information regarding the sources of uncertainty, assumptions, approximations, and rationales applied by the Group in the process of measuring these metrics are detailed within each relevant topical standard that includes such quantitative data.

Starting with the 2024 reporting year, Electrica Group's Sustainability Statement is prepared in accordance with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). At Group level, the sustainability statement includes comparative data for all indicators reported under ESRS in 2024. For the carbon footprint, data is presented in accordance with the GHG Protocol and includes the baseline year, the previous year (which corresponds to the 2024 baseline year), and the current year 2025. For the indicators under ESRS E1-5 (energy mix) and for information related to the EU Taxonomy, no comparative data is presented. Therefore, this document includes any corrections to previous reporting only with respect to these indicators.

Electrica Group has implemented and certified integrated Quality, Environment, Health, and Occupational Safety management systems at the group company level, in accordance with the requirements of international standards SR EN ISO 9001: 2015, SR EN ISO 14001: 2015, and SR EN ISO 45001:2023.

In addition, at ELSA level the Information Security Management System certification has been obtained in accordance with the requirements of the SR EN ISO/IEC 27001:2023 standard, as well as the Energy Management System certification in accordance with the requirements of the SR EN ISO 50001:2019 standard.

In 2025, DEER obtained the certification of its Energy Management System, in accordance with the requirements of the SR EN ISO 50001:2019 standard.

Audits for each company within the Group were conducted by auditors from the external certification body SRAC Cert affiliated with IQNet.

During the preparation of the 2025 Sustainability Reporting, Electrica Group identified an error in the calculation of the emissions reported for 2024 under Scope 2, specifically regarding the quantity of purchased technical consumption (CPT), as well as under Scope 3, category 3.1 – Purchased goods and services concerning the classification of certain expenses. Accordingly, the following corrections were made:

- For the quantity of CPT purchased and reported under Scope 2, the emission factor was updated to the value applicable at national level, considering that the energy required for CPT was procured through OPCOM in 2024.
- For the emissions reported under Scope 3, category 3.1 – Purchased goods and services, the identified error concerned the classification of certain expenses within this category.

To ensure the accuracy of the reported data and to avoid double counting of emissions at Group level, as well as to provide correct and transparent information to all stakeholders, the values for the year 2024 (used as the baseline year) were restated. The impact of these adjustments on the Group's previously reported total emissions (Scopes 1, 2 and 3) remains below the commonly used materiality threshold of 5%, in accordance with the GHG Protocol. The revised values are presented in section ESRS E1-6 Gross GHG emissions for Scopes 1, 2 and 3 and Total GHG Emissions.

Electrica Group has included the following data points through references:

General Disclosures - ESRS 2–BP-1.5b i-ii: additional details and information regarding Electrica Group's organizational structure

General Disclosures - ESRS 2-GOV-1 AR 21- 2 Information regarding the composition and diversity of the administrative, management and supervisory bodies

General Disclosures - ESRS 2-GOV-1.20a – Information regarding the composition and diversity of the administrative, management and supervisory bodies

General Disclosures - ESRS 2-GOV-1 AR 5 – Information regarding the assessment of the BoD's performance and access to external expertise

Governance

GOV-1 The role of the administrative, management and supervisory bodies

The two structures fulfilling the management and supervision roles of the Company are the General Meeting of Shareholders (GMS) and the Board of Directors (BoD).

Information regarding the composition and diversity of the members of the management, administrative, and supervisory bodies, according to the requirements of ESRS 2-AR 21 points (a) and (b), are detailed in the Administrator's Report, Chapter 4 – Corporate Governance in ELSA, which is part of this Annual Report.

As of 31 December 2025, the gender distribution of the BoD was 1:6 (female/male) (as of 31 December 2024 was 2:5 (female/male)).

ELSA's BoD members have extensive experience in fields relevant to the operations of the Group, being competent in strategic management, corporate governance, financial markets, auditing, and risk management. Their expertise covers diverse sectors such as energy, finance, commercial law, and public administration, contributing to the sustainable development of the company and strengthening its market position.

During 2025, the composition of the Board of Directors was as follows:

- At the beginning of the year, the Board was composed of the following members: Mr. Mihai Diaconu, Mr. Ion-Cosmin Petrescu, Ms. Georgiana Bogasievici, Mr. Dragos-Valentin Neacsu, Mr. Adrian-Florin Lotrean, Mr. Marian-Cristian Mocanu and Ms. Valentina-Elena Siclovan.
- On 29 January 2025, the Board of Directors elected Mr. Mihai Diaconu as Chair of the Board of Directors, starting 1 February 2025, for the duration of his mandate as director. At the same time, the Board decided to eliminate the positions of Vice-Chair of the Board of Directors, effective 29 January 2025.
- On 5 February 2025, the General Meeting of Shareholders appointed Mr. Mihai Diaconu as a member of the Board of Directors with a mandate valid until 26 January 2028.

On 29 April 2025, following the resignation of Ms. Valentina-Elena Siclovan from her position as director, the Board of Directors appointed Mr. Craciun Mihnea-Andrei as an interim member of the Board, starting 1 May 2025 and serving until the next Ordinary General Meeting of Shareholders of Electrica or, at the latest, 30 April 2026.

Relevant elements regarding the professional experience of the BoD members are presented below:

Mr. Mihai Diaconu - Chair and Non-Executive Director of Electrica S.A., appointed on October 21, 2024 (the start date of the first mandate) has nearly 15 years of experience in central public administration, including leadership positions in the Ministry of Finance, where he coordinated the drafting of normative acts and strategies to improve public financial services. Since February 2022, he has held the position of Secretary of State, managing international judicial files and approving the budgets of public enterprises. He has also held positions in various Boards of Directors, such as at Telecomunicatii C.F.R. S.A. and the National Credit Guarantee Fund for SMEs. His competencies focus on corporate governance, financial strategies, and public resource management, which are essential in the context of Electrica S.A.'s activities.

Mrs. Valentina Elena Siclovan - Independent Non-Executive director since July 24, 2023 (the start date of the first mandate), Chair of the Audit and Risk Committee, and a member of the Climate Governance and Public Affairs Committee of the group. With over 20 years of experience in leadership roles both in the public and private sectors, Mrs. Siclovan has held significant positions in international finance and the energy sector. She was VP Banking at the Black Sea Trade and Development Bank and Vice President at Gaz de France Suez (Engie). She has also served on various boards of directors, including at Tarom and EnergoNuclear SA. Mrs. Siclovan holds degrees in Finance and Accounting and is certified in Corporate Governance from INSEAD Fontainebleau. On 27 March 2025, Ms. Valentina Siclovan resigned from her position as member of the Board of Directors and Chair of the Audit and Risk Committee, effective as of 1 May 2025 (with 30 April being her last day in office).

Mrs. Georgiana Bogasievici - Non-Executive director since January 26, 2024 (the start date of the first mandate), and President of the Climate Governance and Public Affairs Committee. With a career in law and public administration, Mrs. Bogasievici has competencies in environmental management and public procurement. She holds a master's degree in civil and Procedural Law and professional training courses in diplomacy. She also serves in the Ilfov County Council.

Mr. Adrian-Florin Lotrean - Independent Non-Executive director since April 28, 2021 (the start date of the first mandate), Chairman of the Nomination and Remuneration Committee, and a member of the Audit and Risk Committee of the group. With extensive experience in insolvency and restructuring, Mr. Lotrean has coordinated significant projects in the energy sector and has been involved in the restructuring of large companies, such as Electrocentrale Constanta and CET Arad. He has also held the position of Chair of the Board of Directors at the Municipal Thermal Energy Company Bucharest, being involved in resuming investments in Bucharest's heating grid.

Mr. Cristian Mocanu - Non-Executive director since January 26, 2024 (the start date of the first mandate), Chairman of the Strategy and Corporate Governance Committee, and a member of the Nomination and Remuneration Committee of the group. With over 17 years of experience in business law, Mr. Mocanu has been involved in various consultancy projects and dispute resolution, with a particular focus on insolvency and restructuring. He has also advised clients from diverse sectors, from energy and banking to IT&C and industrial production.

Mr. Dragos-Valentin Neacsu - Independent Non-Executive director since April 28, 2021 (the start date of the first mandate), member of the Climate Governance and Public Affairs Committee, and President of the Audit and Risk Committee. With extensive experience in investment management and financial markets, Mr. Neacsu has held significant roles in international and national organizations, including the Bucharest Stock Exchange. He is an active promoter of sustainability and has represented the interests of the independent directors' community in consultations with the European Commission regarding European regulations.

Mr. Ion-Cosmin Petrescu - Non-Executive director since April 28, 2021 (the start date of the first mandate), a member of the Nomination and Remuneration Committee and the Strategy and Corporate Governance Committee. With extensive experience in business development, sales, and management, Mr. Petrescu leads IT activities, State Aid, and Reporting at the National Credit Guarantee Fund for SMEs and is involved in digitalization at the Prime Minister's Chancellery. Previously, he has worked in the oil and gas sector, demonstrating competencies in optimizing business processes and Lean Management.

Mr. Mihnea Craciun - Interim Independent Non-Executive director as of 1 May 2025 (start date of first mandate), and member of the Climate Governance and Public Policy Committee as of 14 May 2025.

Mr. Craciun has over 20 years of experience in banking and investment, with a specialization in structured finance and investment banking, gained within institutions such as ING and the EBRD. Between 2007–2021, he held strategic positions within the EBRD, including Deputy Director for Romania, where he managed complex transactions in the energy and infrastructure sectors. He has also served as a member of the Board of Directors of E.ON Romania. Since 2021, he has led Endeavor Romania, supporting local entrepreneurs in international scaling and facilitating access to global mentoring and financing networks. He is an active advocate of corporate governance and sustainability, contributing to the development of the Romanian entrepreneurial ecosystem and the local venture capital market.

In terms of sustainability, the Board of Directors (BoD) oversees and controls the company's activities, ensuring their alignment with the Group's long-term strategic interests. In support of this role, the Strategy and Corporate Governance Committee (CSGC) and the Climate Governance and Public Affairs Committee contribute to integrating ESG aspects into the company's strategy and decisions. The responsibilities of the BoD include setting strategic direction, monitoring the company's performance, and aligning with market developments, according to the provisions of ELSA's Regulations of the Board. Additional details can be consulted on the official website: [Corporate Governance Electrica](#). Electrica Group developed a new sustainability strategy approved at the end of 2024, covering the period 2025-2030. According to this strategy, the Non-Executive Chair of the BoD supervises the implementation of the ESG strategy.

In 2025, Electrica conducted training sessions dedicated to strengthening the expertise and competencies of the management and leadership bodies in the sustainability field, as part of the Electrica & BBS – Workshop Project. These sessions addressed essential topics such as business strategy and agility in the ESG context, ESG leadership, strategic planning, and KPIs for the organization, sustainable investments, reporting and control, as well as business strategies in the energy sector. These training sessions offered a structured and applied learning opportunities, supported by experts in the field, reflecting Electrica's commitment to integrating ESG principles into corporate strategy and governance.

The responsibility for ELSA operational activities is entrusted to the Executive Management, according to the limits and regulations established in the Internal Regulation ("RI") and Organization and Functioning Regulation ("ROF") and other internal corporate documents that delegate authority, supported by an operational team of experienced managers, who play a crucial role in implementing operational and financial plans, monitoring performance, and managing operational risks, including sustainability aspects.

ELSA's Executive Management

The Board of Directors can appoint and revoke the executive members of ELSA, being also responsible for approving their competency delegations. The responsibilities of the non-executive and executive members of the company are established through the mandate contracts under which the BoD members perform their activities, via ELSA's Organization and Functioning Regulation, and through the applicable legal provisions.

The composition of the executive management team as of December 31, 2024, is available in the Directors' Report, Chapter 4.6 Executive Management of ELSA, which is part of this Annual Report.

As at 31 December 2025, 33.33% of the executive team members were female (compared to 50% in 2024) and 66.67% were male (compared to 50% in 2024).

More details about the biographies of the current executive managers can be accessed on ELSA's website: [Executive Management ELSA](#).

The ELSA executive team has ESG-related responsibilities, as follows: the CEO oversees the development of the ESG strategy, is accountable for its implementation, and manages communication with investors and stakeholders. The CFO also serves as the Group-level ESG Officer, ensuring the financial resources required for ESG initiatives, coordinating ESG efforts across the Group, and overseeing sustainability reporting to the Board of Directors and to the capital market.

Executive managers are responsible for reviewing sustainability plans and initiatives, defining and tracking ESG performance metrics through ELSA's integrated management system.

Regarding the annual process of developing the Sustainability Reporting in accordance with the requirements of the Corporate Sustainability Reporting Directive (CSRD), European Sustainability Reporting Standards (ESRS), and other related reporting requirements within Electrica, this is managed by the Executive Management in close collaboration with the CGCPP committee, which endorses relevant documents and subsequently submits them to the BoD for approval.

Responsibility for coordinating the sustainability reporting process at Electrica Group lies with the Group ESG Reporting Officer, part of the Treasury Department, who operates with the support of the ESG Department. The process is managed under the final responsibility of ELSA's Chief Financial Officer (CFO), who ensures that the company has the necessary resources and competencies to prepare the Sustainability Statement. The extended sustainability team within ELSA and its subsidiaries contributes to the collection, validation, and consolidation of data, with each entity being required to provide accurate, traceable information within the established deadlines.

Advisory Committees

During 2025, the activity of the Board of Directors was supported by four consultative committees:

- The Nomination and Remuneration Committee,
- The Audit and Risk Committee,
- The Strategy and Corporate Governance Committee, and
- The Climate Governance and Public Affairs Committee.

Each of these committees is composed of three directors and chaired by one of them. The members of the consultative committees are elected for a period of one year.

The composition of the four committees, in terms of gender, as well as the complete list of each committee's duties, can be consulted by accessing the Corporate Governance section within the Directors' Report, which is part of this Annual Report.

Responsibilities of the Committees

The **Nomination and Remuneration Committee** recommends to the BoD the application of policies in the field of human resources, including recruitment and dismissal, talent management and development, and succession planning within the company and its subsidiaries. This committee also oversees the annual evaluation process of the effectiveness of the BoD and its consultative committees, as well as their remuneration policy.

The **Audit and Risk Committee** is responsible for periodically verifying and monitoring the main risks, including those related to sustainability, and making recommendations to the BoD regarding financing methods and significant economic transactions.

The **Strategy and Corporate Governance Committee** has duties related to the review of the Delegation for Authority Policy and the Authority Delegation Standard within the company to maintain an effective and efficient decision-making process and makes recommendations to the BoD in this regard. In addition to periodically reviewing the overall strategic planning process, developing proposals regarding long-term strategic direction, acquisitions and investments, this committee is also responsible for reviewing the Corporate Social Responsibility Policy and Stakeholder Engagement.

The **Climate Governance and Public Affairs Committee** has the following responsibilities:

- ensuring the framework for implementing initiatives that contribute to achieving the EU's goal of zero greenhouse gas emissions by 2050;
- implementing the Principles of the World Economic Forum for effective climate governance;
- ensuring the long-term resilience of the Group's companies from the perspective of potential structural changes in the business environment resulting from climate change;
- ensuring an optimal level of knowledge, relevant experience, and the capacity to support the necessary debates within the decision-making process of the BoD, considering the risks and opportunities arising from climate change;
- determining the most effective way to integrate climate change considerations into the organizational structures of the Company;
- monitoring the continuous evaluation process, at the executive management level, of the materiality of risks and opportunities derived from climate considerations for the Company, in the short, medium, and long term;
- ensuring regular exchange of opinions and continuous dialogue at the industry level with policymakers, investors, and other stakeholders, to encourage the common use of relevant methodologies and information sharing;
- ensuring consistent and transparent communication of identified material climate risks to all stakeholders, especially investors, and, where necessary, regulatory and supervisory authorities;
- defining a set of long-term performance objectives and key performance metrics (KPIs) that contribute to achieving the objective of "zero impact of greenhouse gas emissions produced by Electrica Group's activity on the environment," which will be proposed to the BoD for approval;

- making recommendations regarding the setting of annual targets for the KPIs falling under the responsibility of the executive management, following consultations with the executive management and after obtaining their commitment;
- ensuring the alignment of executive management compensation methods to promote the long-term sustainability and prosperity of the Company. The Committee will consider issuing recommendations for including KPIs related to climate objectives within the remuneration schemes provided in the Remuneration Policy for Directors and Executive Managers;
- monitoring and evaluating the achievement of KPIs related to climate objectives and making recommendations to the BoD regarding their revision or taking sanctioning measures, as appropriate;
- periodically reviewing internal policies and regulations that impact climate objectives and making recommendations to the BoD regarding the adequacy of investment levels necessary to achieve climate objectives within the set timeframe;
- ensuring a climate of trust by collaborating with investors to understand their interests and priorities to achieve effective climate governance.

The functioning of the Climate Governance and Public Affairs Committee is regulated by the Board of Directors through a document that is publicly available on the [company's website](#). The regulation establishes the rules of organization and operation of the committee, as well as its specific responsibilities, thus ensuring a formal and efficient structure for achieving its objectives.

The Climate Governance and Public Policy Committee met six times during 2025 (compared to ten meetings in 2024). The main topics discussed included:

- Approval of the consolidated Sustainability Statement for the 2024 financial year;
- Sustainability reporting: conclusions on the 2024 reporting process and next steps;
- The 2025–2026 action plan for alignment with sustainability requirements and integration of stakeholder expectations in the context of sustainable finance;
- Approval of the climate risk and vulnerability assessment at Electrica Group level.

The performance evaluation of the Board of Directors and its advisory committees is carried out annually, either through self-assessment or with the support of an external consultant. For 2025, the ELSA Board of Directors decided to conduct its performance evaluation using an internally developed questionnaire, updated in line with the new BVB requirements.

The topics covered and the results of the assessment carried out in 2025 are detailed in the Annual Report 2025, in the section Activities of the Board of Directors of ELSA and its advisory committees in 2025 within the Directors' Report, which is part of this Annual Report.

Subsidiaries' Boards of Directors

The Boards of Directors of ELSA's subsidiaries and their composition throughout 2025 can be consulted in **Annex 4 – Corporate Governance in ELSA's Subsidiaries, section Boards of Directors of ELSA Subsidiaries**, included in the Administrators' Report, which forms part of the Annual Report.

The Executive Management of the subsidiaries and its composition throughout 2025 can also be consulted in **Annex 4 – Corporate Governance in ELSA's Subsidiaries, section Executive Management of ELSA Subsidiaries**, included in the Administrators' Report, which forms part of the Annual Report.

At subsidiary level, the CEO is responsible for ensuring the implementation of the ESG strategy across all operations of the subsidiary. The designated executive director, acting as the subsidiary's ESG Officer, oversees the implementation of ESG initiatives locally, while the remaining executive directors are responsible for reviewing initiative plans and integrating ESG performance indicators into the performance management system at subsidiary level.

As at 31 December 2025, the Board of Directors of Electrica Group consisted of seven members, all holding non-executive positions, of whom four were independent, representing 57% of the total composition.

Number of members of the Board of Directors by age groups is:

Age group	Year 2024	Year 2025
under 30 years old	0	0
30-50 years old	5	6
over 50 years old	2	1

Number of members of the executive management team by age groups is:

Age group	Year 2024	Year 2025
under 30 years old	0	0
30-50 years old	3	3
over 50 years old	1	0

Distribution of BoD members, by gender:

Gender	2024		2025	
	Number	Percentage	Number	Percentage
Male	2	28%	1	14.29%
Female	5	72%	6	85.71%

Composition of the BoD members of the companies in Electrica Group by gender:

Company	Gender	2024		2025	
		Number	Percentage	Number	Percentage
EFSA*	Female	1	25%	2	50%
	Male	3	75%	2	50%
DEER	Female	4	80%	4	80%
	Male	1	20%	1	20%
SERV	Female	1	25%	1	33%
	Male	2	75%	2	67%
SWE	Female	2	67%	2	67%
	Male	1	33%	1	33%
NTE	Female	2	67%	2	67%
	Male	1	33%	1	33%
FPE	Female	3	100%	2	67%
	Male	0	0	1	33%
CPP	Female	2	67%	2	67%
	Male	1	33%	1	33%

**At the end of December, the Board consisted of four mandates, three of which expired at year-end and were subsequently replaced by new mandates, with new members appointed in January 2026.*

Age group distribution of BoD members in the companies within Electrica Group is as follows:

Company	Gender	2024		2025	
		Number	Percentage	Number	Percentage
EFSA	under 30 years old	-	-	-	-
	30-50 years old	3	75%	2	50%
	over 50 years old	1	25%	2	50%
DEER	under 30 years old	-	-	-	-
	30-50 years old	2	40%	3	60%
	over 50 years old	3	60%	2	40%
SERV	under 30 years old	-	-	1	33.33%
	30-50 years old	3	100%	1	33.33%
	over 50 years old	-	-	1	33.33%
SWE	under 30 years old	0	-	0	-
	30-50 years old	1	33%	1	33%
	over 50 years old	2	67%	2	67%
NTE	under 30 years old	0	-	0	-
	30-50 years old	1	33%	1	33%
	over 50 years old	2	67%	2	67%
FPE	under 30 years old	0	0%	0	-
	30-50 years old	2	67%	1	33%
	over 50 years old	1	33%	2	67%
CPP	under 30 years old	0	-	0	-
	30-50 years old	1	33%	1	33%
	over 50 years old	2	67%	2	67%

Within the company, the administrative, managerial, and supervisory bodies are represented by the Board of Directors ("BoD" or "Board"), Advisory Committees (Audit and Risk Committee, Nomination and Remuneration Committee, Strategy and Corporate Governance Committee, Climate Governance and Public Affairs Committee), and senior executive management. The Board of Directors is responsible for the overall strategy and governance of the company and overseeing its activities, while the mentioned committees have specific roles in supporting the BoD in their areas of expertise, respectively audit, risk, nomination, remuneration, strategy, and understanding the threats and opportunities arising from climate change.

The responsibilities of each body or individual are reflected in the company's governance documents, including the Articles of Incorporation, Regulations of the Management Board, and Governance Policy. These documents define the roles and duties of the management bodies and advisory committees, which are aligned with the Group's objectives regarding risks, opportunities, and impacts, including medium and long-term goals.

The responsibility for overseeing environmental, social, and governance (ESG) aspects lies with the Board of Directors of Electrica, which has the role of integrating sustainability aspects into the Group's strategy and operations. These responsibilities extend to the management structures within each subsidiary of the Group, supporting the implementation and coordination of sustainability initiatives. ELSA management monitors sustainability progress through periodic reporting, at least annually, through the consolidated Sustainability Statement.

Roles and responsibilities are delegated to specific committees of the Board of Directors, each with a defined mission as follows:

- The Audit and Risk Committee focuses on assessing and monitoring the Group's financial and operational risks, ensuring the integrity of financial reporting processes and managing associated risks.
- The Climate Governance and Public Affairs Committee is responsible for identifying and evaluating risks and opportunities related to climate change, analyzing and approving Electrica Group's Sustainability Strategy, and proposing partnerships on sustainability and ESG topics. All this aims at promoting long-term sustainability and at ensuring an adequate strategic framework for achieving the Group's climate objectives.

The management bodies and the Climate Governance and Public Affairs Committee have a role in establishing and monitoring long-term climate risks and sustainability targets. The Committee proposes relevant performance targets/objectives and metrics for reducing emissions and achieving sustainability goals. They are then monitored through annual reports and evaluations, and progress is assessed based on performance metrics.

The Climate Governance Committee and Public Affairs is responsible to assess the progress made towards sustainability objectives and make recommendations to the BoD regarding necessary adjustments.

Annual reporting is the main mechanism through which Electrica Group's management monitors sustainability progress.

In 2025, the governance, management and supervisory bodies within Electrica Group contributed to strengthening the methodological framework underlying the double materiality analysis process, through their active involvement in reviewing and aligning the assessment tools used. Throughout the year, the entire operational team — including executive management and responsible directors — continued to participate in various ESG-themed working groups, where they discussed the new

reporting requirements under the CSRD, as well as legislative and regulatory developments in the sustainability field relevant to the Group's business activities.

The presence of representative unions in each subsidiary and the fact that approximately 97% in 2025 (98% in 2024) of Electrica Group's employees are union members ensures respect for employees' rights and promotes a stable and equitable working environment. The absence of union actions in 2024 and 2025 reflects a solid and constructive relationship between management and employees, contributing to increased workforce satisfaction and motivation.

GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The Board of Directors considers material impacts, risks, and opportunities when overseeing the group's strategy, major decisions, and risk management processes.

The Climate Governance and Public Affairs Committee (CGCPP) periodically reviews internal policies and regulations impacting climate objectives, monitors and evaluates the achievement of performance metrics related to these objectives, and issues recommendations to the Board of Directors. During the reporting period, the Committee addressed several key topics, including the oversight and endorsement of the preparation and publication process of the consolidated Sustainability Statement, as well as the review of the 2025–2026 action plan for aligning with sustainability requirements and integrating stakeholder expectations in the context of sustainable finance.

In 2025, Electrica Group strengthened the application of its internal double materiality (DMA) methodology, initially developed in 2024 in accordance with the provisions of ESRS 1 and ESRS 2. In line with the Group's commitment to periodically update its material topics, a review of sustainability impacts, risks and opportunities was carried out between September and November 2025, reflecting the implementation of the 2025–2030 Sustainability Strategy and the expansion of the operational perimeter across the subsidiaries.

The process was coordinated by the ESG Department, established at ELSA level in 2024, in collaboration with the specialised structures within the Treasury Department and the extended ESG Project Team, comprising experts from the risk and management functions and the sustainability officers of the subsidiaries.

The reporting process was coordinated by the ESG Reporting Officer within the Treasury Department, with support from the ESG Department, in accordance with the Sustainability Reporting Procedure. The activities were carried out in collaboration with the extended ESG project team, composed of representatives from risk, management and other relevant support functions, as well as the sustainability focal points from the subsidiaries, who contributed to the collection, validation and submission of the data required for the consolidated reporting.

This team managed the entire 2025 reporting exercise, using digital tools for documentation and traceability to assess the relevance of material topics, involve governance structures in prioritizing impacts, and ensure the alignment of sustainability policies and targets at Group level. The 2025 process integrated the lessons learned from the previous year and the auditor's recommendations, strengthening continuity and coherence between the previous analysis and the current strategic context. Additional details on the methodologies applied are provided in the chapters dedicated to compliance with ESRS E1 – Climate Change.

Throughout 2025, in the preparation of the sustainability reporting, the sustainability team provided updates to the Board of Directors and the Climate Governance and Public Policy Committee (CGCPP). These updates covered both the progress of the reporting process and the significant

impacts, risks and opportunities identified through the DMA assessment. In 2025, the internal DMA methodology enabled a detailed evaluation of the impacts, risks and opportunities associated with the sustainability topics referenced in ESRS 1. The update included the list of significant impacts, risks and opportunities, the results of the assessment process, as well as details regarding the stakeholder consultation process. The results of the evaluation were validated and approved by the extended ESG project team and were communicated to the executive management and the Board of Directors of ELSA.

Throughout 2025, sustainability-related initiatives continued with the implementation of the proposals put forward by the coordinating sustainability team, following their confirmation with the relevant governance structures, namely the Board of Directors and the Climate Governance and Public Policy Committee (CGCPP). These proposals relate to the policies, action plans, indicators and targets required for the effective management of all impacts, risks and opportunities identified as significant through the DMA process, as well as the initiation of the corresponding activities, such as the climate risk and vulnerability analysis.

At Electrica Group level, the risk-management process, designed to support the achievement of objectives and activities under sound profitability conditions is regulated by the system procedure ELSA-PS-6.1_Risk Management. Under this procedure, the organisational unit responsible for risk management is the MR&KYC Department (Risk Management & Know Your Customer). Decisions related to risk-management activities are taken by the Risk Oversight Committee (CpSR), the Audit and Risk Committee (CAR) and the Chief Executive Officer of ELSA.

Risk management is a process that includes identification, evaluation, management (including treatment), development of action plans for risk mitigation, periodic review, monitoring and assignment of responsibilities. The MR&KYC Department systematically analyses the risks associated with objectives and activities, develops adequate treatment plans to limit potential consequences and assigns responsibilities for their implementation. Risk management across the Group is a continuous process covering all operational areas and involving all employees in identifying risks within their scope of activity, ensuring timely adoption of the necessary measures.

By aligning the double materiality assessment process with the system procedure on Risk Management and harmonising the scoring and evaluation methodology for sustainability-related risks and opportunities, the company enabled these IROs to be analysed in a directly comparable manner alongside other risk categories relevant to its business, bringing them to a common analytical basis.

Starting with the 2025 financial year, Electrica Group strengthened the mechanism linking the 2025–2030 Sustainability Strategy to operational business decisions. The Group Strategy undergoes periodic review to directly integrate the conclusions of the DMA process. This approach allows the Group to recalibrate its strategic directions based on the evolution of identified impacts, risks and opportunities (IROs).

A core pillar of this process is the implementation of a robust risk-management framework supported by digital monitoring tools. This system enables:

- Early identification: detection of emerging risks and regulatory developments;
- Innovation and growth: evaluation of opportunities created by the energy transition and renewable-energy projects (such as SWE, NTE, FPE and CPP);
- Stakeholder dialogue: integration of insights from communities, employees and partners into the DMA process, ensuring a deep understanding of how Board decisions influence the local ecosystem and the environment.

Active management of IROs thus becomes an intrinsic component of the decision-making process for all major investment projects. This alignment ensures that Electrica Group's new strategic objectives serve not only as compliance indicators but also as drivers of resilience and long-term value creation.

Furthermore, throughout 2025, the governance, management and supervisory bodies addressed various sustainability-related matters, continuing their oversight in line with the Group's sustainability governance framework.

Throughout 2025, the management, supervisory and administrative bodies also continued to address the following sustainability-related matters:

Brief description of impacts, risks, and material opportunities addressed by the administrative, management, and supervisory bodies or relevant committees	Responsible administrative, management, and supervisory bodies	Frequency
Strengthening the position in the renewable energy sector – In 2025, Electrica Group expanded its green generation portfolio through the commissioning of the CEF Vulturu photovoltaic plant (9.75 MWp) and the full acquisition of Crucea Power Park. These investments increase the Group's installed capacity and contribute to reducing its carbon footprint.	Board of Directors CGCPP Committee Strategy and Corporate Governance Committee Executive Team	Annually / As needed, depending on the strategic context
Strategic partnership with Romgaz for green projects – Electrica Group signed a Memorandum of Understanding with Romgaz for the joint development of greenfield renewable energy and storage projects of up to 400 MW. This partnership opens new investment opportunities and strengthens the Group's contribution to the national energy transition.	Board of Directors CGCPP Committee Strategy and Corporate Governance Committee Executive Team	Annually / As needed, depending on the strategic context
Financial diversification and access to green capital - in 2025, Electrica secured funding for sustainable projects through a syndicated loan of RON 3.1 billion, a EUR 500 million green bond issuance, and EUR 200 million financing from the EIB. These instruments strengthen the Group's ability to finance renewable energy projects and sustainable infrastructure.	Board of Directors CGCPP Committee Strategy and Corporate Governance Committee Executive Team	Annually / As needed, depending on the strategic context
Development of social initiatives to support local communities	Board of Directors Executive Team ESG Director	Semi-annually / Whenever significant opportunities are identified
ESG educational program for company employees	CEO ESG Director	Completed in 2024 and finalized in 2025
Development of external partnerships for sustainability-related information and collaboration initiatives	Board of Directors CGCPP Committee CEO ESG Director	Annually / Whenever significant opportunities are identified

These aspects are included in both the 2024–2030 Corporate Strategy and the 2025–2030 Sustainability Strategy and will be validated and integrated into strategic decisions through the active involvement of the governing and supervisory bodies, with their implementation reflected across the subsidiaries over the coming period.

GOV-3 Integration of sustainability-related performance in incentive schemes

The [Remuneration Policy for Directors and Executive Managers](#) sets the thresholds and guidelines for remuneration, the remuneration structure, and the mechanisms to ensure the alignment between remuneration levels—both financial and non-financial—for the BoD members, executive managers within Electrica, and executive managers (with mandate contracts) from subsidiaries.

The remuneration level is determined by external factors such as market practices and sector-specific conditions, along with internal factors, including ensuring internal equity, the company's business strategy, and other relevant elements. The remuneration policy is periodically reviewed, at least once every four years, by the Board of Directors, with the support of the Nomination and Remuneration Committee (NRC) and subject to approval by the General Meeting of Shareholders (GMS). The most recent review of the remuneration policy was approved at the [Electrica GMS](#) in April 2023, without changes to the previously established remuneration limits for directors and executive managers, and it may be consulted on [Electrica Group's website](#). Starting in 2022, Electrica has prepared and published the [Remuneration Report for Directors and Executive Managers](#) in accordance with the provisions of Law no. 24/2017 on issuers of financial instruments and market operations. The report provides an overview of the remunerations and benefits granted and/or due to the persons concerned during the reference financial year, individually, including newly recruited executives and former executive management members, in accordance with the applicable policy.

The incentive systems established by the company for the members of the administrative, management, and supervisory bodies are based on a combination of fixed and variable remuneration. The variable remuneration is linked to the financial, operational, and sustainability performance of the Group, considering short, medium, and long-term objectives. Directors do not receive variable remuneration.

Performance is also assessed in relation to sustainability-related targets. These targets include, but are not limited to increasing energy efficiency, implementing sustainable and renewable energy projects, and carrying out sustainability initiatives and reporting. These objectives are incorporated into performance indicators and are monitored to ensure alignment with the Group's sustainability strategies.

The proportion of variable remuneration dependent on sustainability related targets varies based on hierarchical level and the responsibilities of each position. For members of the BoD and of the executive management, a portion of the variable remuneration is tied to achieving sustainability related goals.

Variable remuneration (annual or long-term) is directly correlated with the performance objectives and metrics, as follows:

- Performance metrics are linked to achieving sustainable financial results in the partially regulated context in which Electrica Group operates (e.g. EBITDA, investment plans) as well as non-financial performance acknowledged by stakeholders (e.g., zero-tolerance for occupational accidents, increasing occupational safety, etc.);
- Specific short-term (annual) performance metrics are related to projects and initiatives with an annual implementation timeframe, ensuring the achievement of medium and long-term strategic objectives (e.g., implementation of transformation/modernization projects for the Group's operational entities, digitalization projects, and IT&C infrastructure modernization), allocated to each Manager based on their contribution, according to the responsibility areas managed through the mandate contract;
- Long-term performance metrics consider achieving medium and long-term strategic objectives as established by the Company's strategy, including, for example, business development in the green energy sector.

The amount of total variable remuneration is calculated to be directly related to the individual performance level, determined by the performance metrics undertaken, as well as the company's financial performance and the Group's overall results, with the possibility of non-payment of the variable component in case of unsatisfactory performance. Thus, if the minimum acceptable level of a performance indicator is not met, the Manager will not be entitled to the corresponding variable remuneration. The value of variable remuneration (both annual and long-term) will be limited to a maximum of 100% of the total achievement of the relevant performance metrics.

The conditions for the incentive systems for the members of the Board of Directors and the executive management team are established and approved by the GMS, based on proposals developed by the Nomination and Remuneration Committee.

At the level of the BoD and Executive Management, the purpose of the annual variable remuneration is to stimulate and recompensate performance, corresponding to the fulfillment of the financial and non-financial annual targets. The performance indicators are established annually by the BoD, at the recommendation of the Nomination and Remuneration Committee, and are structured per three separate categories, each of them with different quotas according to the roles and responsibilities of each executive manager: financial indicators - 30%/40%, specific indicators - 50%/40% and individual indicators - 20%. During the financial year 2025, ELSA included at least one sustainability objective (respectively a percentage that varies between 10% and 25% of specific performance metrics) for the Executive Management members (CEO and CFO) responsible for the company's daily operations.

GOV-4 Statement on due diligence

The due diligence process of Electrica Group is designed to identify, prevent, mitigate, and respond to actual and potential negative impacts on the environment and people.

Thus, compliance with and application of internal policies and regulations is verified by the Audit and Risk Committee or by the departments designated for this purpose.

For the supply chain, no verification processes were carried out during the reporting period. Currently, contracts with suppliers include clauses/ criteria that address their commitment to sustainability matters.

Core elements of Due Diligence	Paragraphs in the Sustainability Statement
a) Embedding due diligence in governance, strategy, and business model	ESRS 2 - GOV-2 ESRS 2 - GOV-3 ESRS 2 - SBM-3
b) Engaging with affected stakeholders at all key due diligence stages	ESRS 2 - GOV-2 ESRS 2 - SBM-2 ESRS 2 - IRO-1 Disclosure Requirements on policies in topical ESRS Disclosure requirements for engagement processes in social ESRS
c) Identifying and assessing adverse impacts	ESRS 2 - IRO-1 ESRS 2 - SBM-3
d) Taking actions to address those adverse impacts	Relevant DRs for actions in topical ESRS Relevant DRs for transition plans in environmental ESRS
e) Tracking the effectiveness of these efforts	Relevant DRs for metrics in topical ESRS Relevant DRs for targets in topical ESRS

GOV-5 Risk management and internal controls over sustainability reporting

The process of risk management and internal control regarding sustainability reporting is part of the risk management process, which is an integral part of the Group's management and is adapted to the business processes within the Group. The risk management policy aims at implementing the principles defined by SR ISO 31000:2010 Risk Management at the organizational level. An aggregate report is prepared annually and presented to the Board of Directors of ELSA, accompanied by the financial statements.

However, to ensure an effective risk management and a solid internal control system, it is necessary to implement a robust internal governance framework within Electrica Group, covering also the preparation process of the Sustainability Statement. According to the CSRD and ESRS requirements, sustainability reporting is integrated into the Consolidated Annual Report, which includes the directors' report and the consolidated financial statements. Therefore, the review and approval process for this statement for 2025 followed the same rigorous procedures applicable to the approval of the consolidated financial statements. Thus, the Board of Directors is the governance body that reviews and approves the sustainability reporting. Prior to the approval by the BoD, the CGCPP and the Audit and Risk Committee are responsible for monitoring the process, including the effectiveness of corporate governance, internal control systems, and risk management related to sustainability reporting.

The Audit and Risk Committee within the Board of Directors of ELSA has the highest governance level with a role in reviewing the effectiveness of the organization's risk management processes.

The responsibilities of the Audit and Risk Committee regarding risk management activities are:

- periodically checking the main risks to which the Group is exposed, recommending appropriate policies to the BoD for identifying, mapping, managing, and reducing risks;
- monitoring the main categories of risks to mitigate and evaluate the effectiveness of the Group's risk management system;
- making recommendations to the Board of Directors regarding the financing of capital and debt;
- making recommendations to the Board of Directors regarding significant economic transactions under the competence of the General Assembly of Shareholders and evaluating the risks associated with such transactions.

The consolidated Sustainability Statement is prepared annually by the Sustainability Team within the Finance Division, led by the Chief Financial Officer, together with the extended sustainability team. The coordination team manages the entire process of preparing the sustainability report and reports to the governing bodies whether the departments and teams involved have sufficient resources, tools, or professional training courses to fulfill their tasks, including contributing to the preparation of this statement.

At the executive management level, in each company within Electrica Group there is a Risk Oversight Committee, consisting of the CEO, the Chief Financial Officer, and the Risk Manager. This committee's main purpose is to analyze the main risks faced by the company and make recommendations regarding risk management through specific measures.

In 2025, Electrica Group implemented for the first time a formalized process for managing sustainability-related risks and impacts, in line with the Sustainability Reporting Policy (code ELSA-POL-ESG-1) and the Sustainability Reporting Procedure (code ELSA-PO-ESG-1.1). The process includes the periodic assessment of sustainability impacts, risks, and opportunities through the double materiality analysis, the collection and validation of ESG data across all Group entities, the central consolidation of information, and the submission of the Sustainability Statement to a limited external assurance audit. At the same time, the responsibilities, workflows, and governance mechanisms for ESG reporting were clearly defined at the level of the governing bodies and the departments involved, thus ensuring transparent, coherent, and CSRD- and ESRS-compliant reporting.

The internal reporting framework, including financial reporting, has a common objective: to provide relevant information to investors and other stakeholders. Material information from the perspective of the Sustainability Statement is analyzed and assessed in the process of preparing the financial statements. The Group applies the same level of rigor in evaluating and reporting financial information, as well as sustainability aspects. Both the annual financial statements and the Sustainability Statement are subject to an external audit by an independent audit firm, and both audit reports are brought to the attention of the Board of Directors.

As relevant aspects are identified in the internal control and data review process for sustainability reporting, they are communicated to the teams involved in the report preparation process and considered for continuously improving the reporting quality.

Regarding material sustainability risks, Electrica Group makes a distinction between risks identified through the double materiality assessment process and other operational or strategic risks. All risks considered material following the DMA are presented in the chapters dedicated to each material topic in section SBM-3 or IRO1, as applicable. As part of the process, during the 2025 update of the double materiality analysis, several discussions and workshops were held with the ESG project team and key experts from the Finance and Risk departments. During these sessions, the financial materiality assessment scales were reevaluated and agreed upon to ensure alignment with the Risk Management System Procedure.

Building on the IROs identified in the 2024 analysis, a comprehensive reassessment and restructuring process was carried out—covering the reframing, regrouping and reclassification of all positive and negative impacts, risks, and opportunities. Certain IROs were removed after being deemed no longer relevant in the current context, with appropriate justification. At the same time, the 2025 analysis enabled the identification of new IROs, reflecting the Group's strategic, operational and regulatory developments.

Strategy

SBM-1 Strategy, business model and value chain

Activity and strategy of Electrica Group

Electrica Group is one of the main distributors and suppliers of electricity on the Romanian market, with extensive coverage in the country's major cities, such as Bucharest, Brasov, Cluj-Napoca, Timisoara, Iasi, Sibiu, Constanta, and many others. The Group's main business segments consist of the distribution of electricity to users, the supply of electricity to household and non-household consumers, the segment of services pertaining to external distribution grids, as well as the segment regarding the production of electricity from renewable sources. The Group serves the corporate market with energy service packages, addressing a vast portfolio of clients. Electrica also covers the individual consumer market, including clients who directly pay for services and those who benefit from services through various sustainability programs. The energy services segment is well represented through the distribution of electricity and the provision of innovative energy solutions.

Thus, besides the parent company, ELSA, the main activities of the Group's subsidiaries are structured as follows:

Subsidiary	Activity
DEER	Electricity distribution in the geographical areas of North Transylvania, South Transylvania, and North Muntenia
EFSA	Electricity trading and natural gas supply
SERV	Services in the energy sector (maintenance, repairs, construction)
SWE	Electricity production
NTE	Electricity production
FPE	Electricity production
CPP	Electricity production

Significant groups of products and services offered by Electrica Group include:

- Electricity distribution – Electricity supply through an extensive distribution grid.
- Energy efficiency services – Solutions for optimizing energy consumption and reducing costs.
- Energy consulting services – Consulting for the implementation of efficient energy solutions.
- Commercializing energy products – Products for energy efficiency and renewable energy solutions.
- Monitoring and control services – Advanced systems for monitoring and controlling energy consumption.
- Sustainability services – Solutions for reducing carbon footprint and promoting sustainability.
- Digitization services – Digital platforms for managing energy consumption and customer interaction.
- Energy infrastructure services – Development and modernization of energy infrastructure.
- Education and awareness services – Programs to educate and raise awareness among consumers about energy efficiency.

Significant customer groups served:

- Company employees - Beneficiaries of energy service packages and corporate solutions.
- Individual consumers - Accessing energy services based on direct payment or through various sustainability programs.
- Families - Clients of energy efficiency services and renewable energy solutions.
- Sustainability-focused clients - Those accessing solutions to reduce carbon footprint and promote sustainability.
- Energy infrastructure market clients - Those benefiting from the development and modernization of energy infrastructure.

Electrica Group does not conduct activities in the sectors mentioned by ESRS reporting requirement 40 d). Specifically, Electrica does not generate revenue from the fossil fuel sector, including exploration, mining, extraction, production, processing, storage, refining or distribution (coal, oil, and natural gas), except for natural gas supply at EFSA level. Electrica does not generate revenue from activities aligned with taxonomy related to fossil gases, as per applicable provisions. Additionally, Electrica Group does not engage in the manufacturing of chemical products falling under division 20.2 of Annex I to Regulation (EC) No 1893/20061.

The group is also not involved in the field of controversial weapons, such as anti-personnel mines, cluster munitions, chemical or biological weapons, nor in the sector of tobacco cultivation or production. Electrica does not have any products or services prohibited on certain markets.

All revenues generated by Electrica Group come exclusively from activities aligned with its principal line of business, namely energy services as detailed earlier, without including any of the aforementioned sectors, as presented in the consolidated financial statements for the year ended December 31, 2024. Electrica Group focuses its development strategy on consolidating its leading position in the Romanian energy services market and expanding its presence nationally and internationally.

The Group's outputs include energy distribution and supply services, energy efficiency and modern infrastructure solutions. The benefits generated include energetic safety, cost reduction for customers, information and education, respectively increased long-term value for investors.

Regarding the main strategic directions undertaken through the Corporate Strategy for the period 2024 – 2030 and through the Sustainability Strategy 2025-2030, these have aimed at:

- Contributing to the transition to a green economy;
- Promoting grid security and business sustainability;
- Accelerating digital transition in the Group's operations.

The sustainability related objectives presented are linked to the electricity supply and support the energy transition for individual and industrial customers.

The general objectives for 2030 proposed in the corporate strategy cover all operations of the Group, and one of the general objectives of the strategy is precisely the implementation of sustainability and ESG aspects in business models, which involves among others, implementing a comprehensive governance framework for stakeholder engagement, and promoting sustainable practices at the Group level.

Furthermore, for the reporting period under review, the Group has determined that it can contribute to the achievement of the following Sustainable Development Goals:

 4 EDUCAȚIE DE CALITATE	Ensuring quality education and promoting lifelong learning opportunities for all
 5 EGALITATE DE GEN	Achieving gender equality and empowering all women and girls
 7 ENERGIE ACCESIBILĂ ȘI CURATĂ	Ensuring access to affordable, reliable, sustainable, and modern energy for all
 8 MUNCĂ DECENTĂ ȘI CREȘTERE ECONOMICĂ	Promoting sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all
 9 INDUSTRIE, INOVAȚIE ȘI INFRASTRUCTURĂ	Building resilient infrastructure, promoting inclusive and sustainable industrialization, and fostering innovation
 12 CONSUM ȘI PRODUCȚIE RESPONSABILĂ	Ensuring sustainable consumption and production patterns
 13 ACȚIUNE CLIMATICĂ	Taking urgent action to combat climate change and its impacts

The ESG pillars established in the Sustainability Strategy 2025-2030 are:

- Environment
 - Environmental protection
 - Carbon footprint
 - Energy consumption
 - Waste management

- Social
 - Occupational safety and security
 - Ensuring a skilled workforce
 - Diversity and inclusion
 - Community impact
- Governance
 - Compliance with ethics, integrity, anti-corruption, and non-discrimination regulations in business and within the company
 - Consumer data protection
 - Cybersecurity management

In line with the ESG implementation model established through the 2025–2030 Sustainability Strategy at the level of ELSA and its subsidiaries, responsibilities for the development, monitoring, and implementation of the Strategy within ELSA and across the subsidiaries are held by the Boards of Directors, the executive teams, and the ESG teams

Regarding the development and monitoring of the Strategy, the following are involved:

1. Board of Directors

- a. ELSA's BoD: The non-executive chair of the BoD ensures the supervision of the ESG strategy implementation at the Group level, while the Climate Governance and Public Affairs Committee is responsible for evaluating and monitoring the impact on all subsidiaries.
- b. Subsidiaries' BoDs: The non-executive chair is responsible for supervising the implementation strategy at the subsidiary level, while the ESG officer monitors ESG integration in all operational aspects of the subsidiary.

2. Executive team

- a. ELSA's Executive Team: ELSA's CEO coordinates the development of the ESG Strategy, ensures the implementation of the strategy at ELSA level, and communicates with investors and stakeholders. ELSA's CFO, who is also the Group ESG Officer, ensures financial resources for ESG initiatives, coordinates ESG efforts across the Group, and reports to the administrative body and the capital market.
- b. Executive team at each subsidiary: The subsidiary's CEO ensures the implementation of the ESG strategy in all subsidiary operations, while the designated Executive Director, who is also the subsidiary ESG Officer, is responsible for implementing ESG initiatives locally.

3. Sustainability team & ESG Department

- a. ESG Department/ESG Team ELSA: The primary role is represented by the planning, implementation, and monitoring of the ESG strategy at the Group and subsidiary levels. Key responsibilities include:
 - Developing a Group-level sustainability strategy aligned with the Group Corporate Strategy;
 - Building and consolidating a dedicated ESG system to automate data collection necessary for reporting;
 - Conducting a double materiality assessment.

Another important role is communication and consultation, establishing a formal dialogue process with stakeholders, as well as ESG education and training, which involves developing a continuous training program for employees to enhance their awareness and skills in the ESG field.

b. ESG Department/ ESG team subsidiary

The ESG Responsible of the subsidiary ensures the effective implementation of the ESG strategy at subsidiary level, monitors local ESG performance, and prepares periodic reports for the Group-level ESG team and for the subsidiary's Board of Directors.

The [Group's 2025-2030 Sustainability Strategy](#) was approved during the Board of Directors meeting of 17 December 2024 and has been published on the company's website. The Strategy is structured around six pillars:

- Green energy and modern infrastructure for a sustainable future
- Diversification of services and products to align with the green transition
- Safety, development, and inclusion for a just future
- Social responsibility for sustainable community development
- Digitalization, innovation, and operational optimization
- Sustainable, responsible, and ethical business practices.

Business Model and Value Chain

The governance model of Electrica Group is constantly adapted, both individually and at Group level, to be aligned with the increasingly demanding requirements of the capital market and best practices in corporate governance, as well as to increase competitiveness.

The Sustainability Statement does not only cover Electrica Group's own operations, but it also includes relevant information from the value chain, both upstream and downstream where applicable. The double materiality assessment included an evaluation of impacts associated with the Group's own operations, products, and services, as well as its business relationships.

Electrica Group's value chain is built on the individual value chains of each company within the Group. Each company within the Group manages its own value chain according to its field of activity.

According to its Code of Ethics and Business Conduct, ELSA uses clauses regarding sustainable development/environmental policy in commercial relationships with suppliers and partners. Furthermore, the 2025-2030 Sustainability Strategy established that the ESG department/ESG team

of each subsidiary promotes ESG standards in relations with local suppliers and partners. Additionally, one of the objectives of the 2024-2030 Sustainability Strategy for Pillar III – Governance – is to develop a culture of sustainability within the organization and the supply chain. An initiative aimed at achieving this objective is the periodic evaluation of suppliers based on ESG criteria.

The main inputs used by Electrica Groups are electricity acquired and/or internally produced (including from renewable sources), equipment and materials for distribution grids, digital infrastructure, employees' technical skills and know-how for maintenance and energy related consultancy.

Within Electrica Group, the Policy on Knowing Business Partners (customers and suppliers) is implemented, and the Procurement Policy is approved in the Boards of Directors of the subsidiaries. According to internal procurement procedures, suppliers of products, services, and works are evaluated based on the "Supplier Evaluation and Management" Instruction, which is applicable within ELSA, EFSA, and SERV (FISE). This process also involves the Self-Assessment Questionnaire, which collects relevant information regarding corporate governance, including the existence of a Code of Ethics and Business Conduct and an anti-money laundering policy. For purchases made by DEER, the supplier evaluation process is subject to Law 99/2016 on sectoral acquisitions, respecting a distinct regulatory framework different from that applied in other entities of the Group.

Products and Services

The company provides distribution, supply, and renewable energy production services as follows:

Distribution	Supply	Production	Services
~4 million users	~3.3 million consumption points	Electricity from renewable sources – photovoltaic (operational) and wind (project stage).	46.2% – Revenues from services/works provided to third parties 44.0% – Revenues from services/works provided within the Group 1.4% – Rent revenues from third parties 8.4% – Rent revenues within the Group

During the reporting period, there were no significant changes in the product and service groups offered.

Employees and Geographic Structure

Electrica Group has a total of 7,484 employees² (7,794 employees in 2025), distributed as follows:

- ELSA: 96 employees (88 employees in 2024);
- DEER: 6,262 employees (6,473 employees in 2024)
- EFSA: 717 employees (787 employees in 2024)
- SERV: 406 employees (446 employees in 2024)
- SWE: 3 employees (3 employees in 2024)
- NTE: 0 employees (0 employees in 2024)
- FPE: 0 employees (0 employees in 2024)
- CPP: 0 employees (0 employees in 2024)

² Number of active individual employment contracts as of 31.12.2024, plus the mandate contracts of the executive managers.

Revenue Breakdown

The total revenue breakdown is presented in the table below:

Description	2024*	2024
Total revenues (*restated 2024)	8,979,439	10,910,254
Revenues according to significant ESRS sectors ³	N/A	N/A
Revenues from fossil fuels (coal, oil, and natural gas)	N/A	N/A
Revenues from coal	N/A	N/A
Revenues from oil	N/A	N/A
Revenues from natural gas [thousand RON]	155,188	195,950
Revenues from economic activities aligned with the taxonomy on fossil gases	N/A	N/A
Revenues from chemicals	N/A	N/A
Revenues from controversial weapons	N/A	N/A
Revenues from the cultivation and production of tobacco	N/A	N/A

In accordance with ESRS 1, Electrica Group has carried out a mapping of the value chain, analyzing the impacts, risks, and opportunities associated with each stage, as well as the interconnections between actors. This analysis highlighted vulnerabilities and dependencies in direct and indirect commercial relationships, supporting the development of an appropriate strategy.

Electrica Group's business strategy for the period 2024-2030 includes Electrica's objectives for 2030, as follows:

- Diversification of renewable energy sources;
- Diversification of services, including energy efficiency;
- Widespread implementation of ESG;
- Digitalization and innovation;
- Sustainable electrification, modern and efficient infrastructure;
- Organizational excellence.

³ Generates more than 10% of the company's revenues and/or is related to current significant impacts or potential significant negative impacts on the company.

Electrica Group's 2025–2030 Sustainability Strategy also sets objectives for each of the ESG Pillars, the initiatives planned to achieve these objectives, as well as the targets established. The objectives and targets that apply to the 2025 reporting period, together with the progress made during the reporting year in relation to these objectives and targets, are presented below:

Objective	Initiative	Target	Progress made in 2025
Pillar I – Environment			
Environmental protection			
Protecting biodiversity and reducing the impact of the Group's activities on flora and fauna	Updating studies on biodiversity impact, noise pollution	Periodic updates	No updates to the impact study were made in 2025.
Pillar I – Environment			
Energy consumption			
Reducing technological self-consumption from distribution activities	Increasing the level of investments made on the three voltage levels LV, MV, and HV	Annual reduction of technological self-consumption according to ANRE targets	✓
Increasing CAPEX dedicated to financing sustainable activities, according to the EU Taxonomy	Creating a framework for analysis and prioritizing investments related to sustainable activities	Evaluation framework and functional promotion mechanism	✓
	Utilization of renewable energy production capacities for self-consumption	5% per year self-consumption from RES	✓
	Development of RES	500 MW installed in RES projects	In progress
Pillar II – Social			
Occupational health and safety			
Maintaining ISO certification regarding Occupational health and Safety at Work	Training through special and innovative training programs on workplace safety and health, as well as fire defense and civil protection	Implementation of a digital training and reporting platform	✓
Health and safety as the number 1	Reporting and managing	Continuous reporting: zero work accidents	✓

Objective	Initiative	Target	Progress made in 2025
priority within the Group companies – “Zero accidents”	near-miss events	(fatal)	
Pillar II – Social			
Ensuring a skilled workforce			
Strengthening the reputation as a top employer	Signing indefinite-term, full-time individual employment contracts, in a majority proportion	Internal processes for redistribution and improvement/retraining of personnel approaching retirement age	✓
Continuous contribution to the training of the next generation of professionals	Providing benefits (health, social assistance, vacation)	Constant annual growth	✓
	Retention of skilled employees through competitive compensation	Salary growth based on performance and alignment with higher industry standards	✓
	Training programs with specialized and innovative courses to acquire new skills and support the generational mix and knowledge exchange	Specific targets aim to ensure a skilled workforce and high-level professional development	✓
	Internal processes for redistributing/retraining staff approaching retirement age to ensure knowledge transfer		✓
	Youthful workforce and specialization in future professions		✓
	Expansion of the dual education training program		✓
Ensuring a methodological framework for the best international practices in	Modernization of the performance management system	Effective implementation of innovative systems annually	✓

Objective	Initiative	Target	Progress made in 2025
performance management systems			
Pillar II – Social			
Diversity and inclusion			
Promoting a culture of diversity and inclusion	Compliance with: "The Diversity, Equality and Inclusion Policy at ELSA level" "The Policy on Preventing, Combating and Sanctioning Any Form of Workplace Harassment"	Promoting cultural conditions for an inclusive and impartial workplace	✓
Monitoring the distribution of employees by gender and age	Compliance with: "The Diversity, Equality and Inclusion Policy at ELSA level" "The Policy on Preventing, Combating and Sanctioning Any Form of Workplace Harassment"	Strengthening and increasing the representation of women within the organization Promoting the inclusion of people with disabilities	✓
Pillar II – Social			
Impact on the community			
Reducing the negative impact generated by organisational activities on the health and safety of users and the communities served, by managing the risks associated with distribution services.	Implementing technical and operational measures to eliminate the risk of electrocution, reduce noise pollution, and ensure compliance with legal limits regarding electromagnetic field intensity.	Carrying out educational programmes and expanding the dual-education training system to improve the technical competence and preventive behaviours of personnel involved in distribution operations.	✓

Objective	Initiative	Target	Progress made in 2025
Improving the experience of distribution service users by increasing the efficiency and quality of interactions with them.	Implementing and using centralised tools for the collection, management and resolution of user complaints.	Standardising and optimising the complaints-handling process so that user feedback is received and addressed in a coherent, transparent and service-improvement-oriented manner.	✓
Supporting social or environmental causes through charitable actions Community involvement	Organising humanitarian campaigns and volunteer activities Providing scholarships, organizing, performance-recognition events, and ensuring training conditions for specialisations in the energy sector	Organising at least one charitable action per year with measurable impact in the community	✓
Pillar II – Social			
Employee involvement (annual employee satisfaction survey)			
Survey participation rate	Annual implementation and monitoring of the survey	1 survey per year	✓
Pillar II – Social			
Social dialogue			
Modernizing the framework for dialogue with employee representatives	Specific proposals for social dialogue	Development of modern communication channels and feedback collection Ensuring an optimal governance framework	✓

Objective	Initiative	Target	Progress made in 2025
Pillar III – Governance			
Corporate governance			
Developing a sustainability culture within the Group and across the supply chain	Incorporating sustainability-related KPIs at the level of the executive management Including ESG criteria in supplier selection	Introducing sustainability KPIs for the CEO and CFO An annual evaluation Developing sustainability-related policies and procedures	✓
Constant alignment with best Corporate Governance practices	Increasing the visibility of integrity-whistleblowing tools Affiliation with national and international initiatives on human rights, gender equality, and business ethics Increasing employee awareness of ethical aspects Maintaining the independence criterion for members of the Boards of Directors Achieving the gender equality target on the board of directors as per European regulation	Annual presentation for all employees Training 2 hours/year for all employees 33%	Completed / In progress
Zero acts of corruption	Implementation of mechanisms for identifying and assessing corruption risks	Zero confirmed corruption incidents	✓

Objective	Initiative	Target	Progress made in 2025
Cybersecurity management	Maintaining governance structures for cybersecurity management and raising employee awareness of cybersecurity risks	Annual information programs and procedures Implementation of the NIS 2 Directive, transposed through Government Emergency Ordinance (GEO) 155/2024. Conducting cyber-risk simulations in line with the recommendations of the ISO 27001 auditor. Carrying out assessments for risks specific to the energy sector, in accordance with the requirements of the NIS 2 Directive and DNSC orders.	✓

The targets related to electricity supply include: “ensuring everybody’s access to accessible, safe, durable and modern energy and reduction on CPT”. The targets related to communities and clients include: “impact in community, raising awareness, educational programs and access at sustainable services”. The targets related to employees include: “workforce diversity, inclusion, safety and upskilling”.

SBM-2 Interests and views of stakeholders

The Group has a Stakeholder Engagement Policy, which ensures the sustainable development of the company by aligning the interests of shareholders, employees and the company as a whole with the interests of customers, retail investors and the communities in which Electrica operates. The [Stakeholder Engagement Policy](#) emphasises openness and continuous dialogue with stakeholders, including employees, employers and government representatives, in order to address common topics of interest related to economic and social policies.

Stakeholders are defined as entities or individuals that can influence or be influenced by the Group's activities, some of which may belong to both categories. Electrica operates in a complex environment with a wide spectrum of stakeholders who interact with the group companies either directly or indirectly. These stakeholders include individuals or legal entities whose activities can be influenced by the Group's decisions and operations, or who can, through their actions, impact

Electrica's capacity to implement its strategies or achieve its objectives. Depending on the level of involvement and impact, they are classified into two categories.

- *Stakeholders directly or indirectly affected by Electrica's activities.* This category includes groups whose lives or activities are influenced by Electrica's operations, either through the direct impact of energy services or through business relationships across the value chain. These include:
 - employees and workers, who represent the pillars of the organization's functioning;
 - consumers and end-users/customers, who benefit from the energy services offered;
 - suppliers and workers in the value chain, who provide the resources and materials necessary for operations;
 - the local community, which benefits from Electrica's sustainability and welfare initiatives, as well as those located near its operations.
- *Users of sustainability related information.* This category includes primary users of financial reporting, as well as users of sustainability reporting. These include:
 - shareholders and investors, interested in the organization's financial performance and sustainability;
 - national and international professional/sectorial associations;
 - civil society and non-governmental organizations, which assess the social impact of Electrica's activities;
 - central and local authorities regulating the Group's activities;
 - financial institutions interested in the Group's activities and investments;
 - capital market participants;
 - the media, which communicates the Group's results and initiatives to the general public.

Certain stakeholders are included in both categories defined by the ESRs:

- Employees are affected stakeholders due to their direct link to the undertaking, but they may also act as users of sustainability-related information.
- Regulatory authorities and NGOs act as users of the sustainability reports, but they also represent affected groups, like the community or the environment.

Affiliated parties are consulted at the beginning of each strategic planning period, annually, and whenever a decision/plan/project, which produces direct or indirect effects on stakeholders, is grounded through methods such as public debates, symposiums, planning cells, and other sociological methods.

Additionally, in 2025, Electrica Group conducted a consultation process with affected stakeholders to understand and integrate their interests and views regarding the current and potential, positive and negative impacts of the Group on them. This process was carried out in accordance with the Sustainability Materiality Assessment Methodology, developed by Electrica's sustainability team together with external consultants. Members of the sustainability team were selected to cover all the companies in the Group, thus ensuring a comprehensive evaluation of impacts, risks, and opportunities.

Communication with stakeholders and stakeholder engagement were essential for the success of the double materiality assessment. Electrica Groupe uses two main methods to communicate and engage with stakeholders in impact identification:

- Direct consultation: they include meetings, interviews and discussions with internal and external stakeholders, such as employees, customers, suppliers, authorities and local communities. These consultations allow for the obtaining of direct and detailed feedback regarding impacts and concerns related to the Group's activity.
- Questionnaires and surveys: Electrica Group distributes questionnaires and surveys to collect stakeholders' opinions and views with regard to environmental, social and governance matters. These instruments support the identification and prioritization of the relevant issues based on the feedback received from respondents.

To facilitate consultation with external stakeholders, a simplified questionnaire has been developed, including an average of two questions for each standard from a more accessible and adequate format for such communication. Therefore, the generic question addressed was: "How important do you think it is for the company to establish targets / actions / policies for the X sustainability matter?".

The consultation process was supported by the use of a new methodological tool designed to ensure better traceability in the analysis of the results. For EFSA, the results of the consultation carried out in June 2024 conducted through an equivalent process to the one described below were used. For this subsidiary, the response rate was very high, exceeding 80%, and therefore a new consultation was not required, as there were no changes in the business model or other relevant aspects of its activity

The purpose of these activities is to ensure transparency in decision-making and the constant involvement of stakeholders in the strategic decision-making process. Moreover, Electrica has implemented a dedicated integrity warning policy based on the principles outlined in the Code of Ethics and Business Conduct.

In previous reporting periods, the Group developed and implemented a process that allowed it to identify relevant categories of stakeholders and material/ significant topics needed to evaluate the impact on the economy, society, and the environment.

Starting in 2024, through the double materiality assessment, Electrica Group initiated an independent process focused on identifying and prioritizing relevant material topics for its own activities, in accordance with ESRS 1 requirements. The process was carried out with the support of a consulting company and included direct involvement of stakeholders relevant to Electrica Group. The results of the consultation formed the basis for the double materiality assessment, whose conclusions were assessed and used in developing the sustainability strategy for the period 2025-2030. This strategy is integrated into the business strategy of the Group, thus ensuring alignment with stakeholders' expectations and interests. In 2025, as part of the process to update the double materiality assessment, Electrica Group organized several working sessions with the extended sustainability project team with the objective of reviewing and validating the initial list of material topics to be submitted for stakeholder consultation. The review was based on a comparison between trends identified in the electric utilities industry, the results of the previous year's materiality assessments, and the best practices and expectations formulated by ESG rating agencies and the Group's key financiers. On this basis, the topics considered material in 2024 were reconfirmed as relevant for 2025, and the list was supplemented with the topic 'Non-discrimination', given the importance of the relationship with consumers and the need to address potential impacts affecting them. The final list served as the foundation for developing the consultation questionnaire subsequently used in the stakeholder engagement process.

The company has a short, medium, and long-term action plan for integrating ESG principles into its business model.

In 2025, the administrative, management, and supervisory bodies of Electrica Group were informed at least twice a year about stakeholders' perspectives and interests within the double materiality assessment process.

The Board of Directors was informed about the results of the double materiality assessment, which highlighted the priority and relevant ESG topics for strategy and sustainability. Administrative bodies and executive management were involved throughout the assessment process, being informed at each stage, from identifying potentially material topics and consulting stakeholders to final validation of priority topics. This active involvement allowed executive managers and administrative teams to contribute to the evaluation of ESG topics' impact on the company and make informed decisions regarding their integration into the organizational strategy.

Through this structured process, the Electrica Group ensures the integration of stakeholder interests into strategic and operational decision-making, thereby strengthening organizational transparency and accountability. The information obtained through the stakeholder consultation carried out in 2025 for the DMA process will be used, where necessary, to adjust and update the Group's sustainability strategic objectives in 2026, ensuring continuous alignment with stakeholder expectations and sustainability requirements. Starting with the 2024 financial year, the Electrica Group uses the Sustainability Reporting as a mechanism to provide transparent access to this information, strengthening stakeholder relations and offering a structured framework for monitoring progress. Accordingly, no measures related to updating the Group's strategy or business model have yet been identified; if required, such measures will be communicated in future sustainability statements. The Sustainability Strategy for the period 2025–2030 was approved at the end of 2024, and during 2025 the development of an action plan for its implementation was analyzed.

For 2025, the Electrica Group assessed the need to update the list of material topics and concluded that no modifications were required, as no significant changes occurred in the business model, operational context, or stakeholder expectations compared to the previous year. Consequently, the topics validated in the previous process remain fully relevant to the Group's activity, and a new materiality assessment will be carried out in 2026, in accordance with the applicable strategic timeline and requirements.

Electrica Group considers the workforce a key pillar of its activity and a key group of stakeholders. Respect for employees' rights and human rights is a strategic priority, and their views, expectations and interests are integrated into the Group's strategy and business model, directly influencing operational and strategic decisions. Electrica takes responsibility for building sustainable and fair relations with all stakeholders, based on transparency, open dialog and mutually beneficial collaboration. By maintaining a constant dialog with employee representatives and their involvement in key decision-making processes, Electrica ensures that the needs and expectations of its workforce be understood and respected.

At the same time, the Group is constantly investing in employees' safety and well-being, providing safe and decent working conditions, access to vocational training and skills development, thus contributing to increased productivity, skills retention and long-term sustainability of the business model.

One of the strategic objectives of [Electrica Group's 2030 strategy](#) is organizational excellence. The strategic directions for achieving this objective are:

- the development and implementation of education programs to meet the Group's long-term needs,
- the modernization of the performance management system and the implementation of performance indicators (including ESGs),
- cultural transformation,
- skill continuous attraction and development through training and mentoring programs.

With 7,484 employees on 31 Decembrie 2025 (7,794 employees on 31 December 2024), own workforce represents a key group of shareholders interested in Electrica Group's activities.

To determine the total number of staff for 2024 and 2025, Electrica Group used the number of employees representing the number of persons existing at the end of the reporting period, except for the suspended contracts. The same methodology was applied to analyze the gender distribution of employees and the type of contract (permanent/temporary, full/part-time).

Interaction with employees takes place organically, encouraging direct communication through internal instruments such as trade union negotiations, employee satisfaction questionnaires, information tools such as intranet pages or regular internal communications, etc. The process of assessing the business strategy is dynamic and interactive, incorporating employee feedback from the results of the annual surveys, including the outcome of the consultation process in the double materiality assessment, as well as through internal communication channels or through continuous dialog.

Electrica Group reaffirmed its commitment to mainstream respect for human rights in all interactions with affected stakeholders, including own workforce, value chain workers and local communities. This fundamental principle guides every aspect of our activities and business relationships, as reflected in the Code of Ethics and Business Conduct. This document sets out the company's ethical values and standards, in accordance with the United Nations Guiding Principles on Business and Human Rights.

In addition, the Group has implemented an *Integrity Whistleblowing Policy*, which provides a secure and confidential mechanism for reporting any suspicion of human rights violations or ethical standards.

At the end of 2025, all employees of Electrica Group are covered by the provisions of the Collective Labor Agreement.

The strategy and operational structure of Electrica Group are proactively adjusted to minimizing negative impacts on labor, responding to current problems through the implementation of a hybrid working style, strengthening occupational health and safety policies and investing in training and professional development programs.

Consumers and end-users are an important group of stakeholders for Electrica Group, which recognizes the importance of involving them in the decision-making process and the development of its services.

As part of its sustainability strategy, Electrica Group is committed to developing a responsible and sustainable business that supports the needs and interests of its consumers and end-users. Furthermore, it integrates these interests into its business strategy and decision-making processes at the Group level. This strategic objective aligns with the Global Sustainable Development Goal (SDG) 9, Industry, Innovation, and Infrastructure, which promotes the efficient use of resources

and green technology, creating the foundations for a sustainable industry. In this purpose, during the reporting period, the Group implemented internal technologies to develop new products and services, resulting in improved sustainability, efficiency, and increased consumer and end-user satisfaction.

In addition, the Group promotes transparent communication channels with all stakeholders, including customers/consumers and end-users. This approach fosters economic benefits by consolidating business partnerships and attracting new commercial opportunities. It enables the Group to expand its market presence and develop long-term relationships with customers and end-users. Through authentic and direct communication, Electrica makes efforts to address the needs and concerns of its clients and end-users, thereby strengthening their trust and support for the Group's strategic objectives.

Electrica Group maintains dialogue with its clients/consumers and end-users to better understand their needs and expectations. According to the [Stakeholder Engagement Policy](#), Electrica Group is committed to ensuring a transparent and open communication process with all stakeholders, including end consumers. This policy highlights the importance of:

- Periodic consultation (annually and whenever necessary): Organizing meetings and surveys to collect direct feedback from clients/consumers and end-users, allowing the adjustment of services based on their requirements and preferences.
- Information transparency: Providing clear and accessible information about the services and products offered, facilitating effective communication and a full understanding of the company's offers.
- Effective complaint management: Implementing a system for receiving and promptly addressing complaints, ensuring the continuous improvement of the clients/customers and end-users' experience.

According to Electrica's 2030 Strategy, the business model and strategy of Electrica Group regarding this stakeholder group aim to:

- *Expand the range of services* – Develop energy efficiency solutions, provide consultancy for energy audits, and offer financing options for customers.
- *Achieve sustainable market share growth* – Expand the B2B and B2C segments through digitalization, service optimization, and enhancement of user experience.
- *Implement an integrated feedback system* – Collect and analyze data to personalize services and increase client/consumer and end-user satisfaction.

In 2025, the same strategy was maintained as for the previous year, focusing on retaining the client portfolio by developing specific measures to increase customer satisfaction.

To identify clients/customers and end-users' requirements and incorporate them into the business model, Electrica Group analyzes customer feedback. Users and consumers can access the company's official channels, both online and offline, to communicate directly. These channels are permanently available to everyone and are constantly promoted.

To maintain communication with users and other stakeholders, DEER provides online communication channels, including email addresses and phone numbers, both at central and branch level. Communication can also take place in person at customer service centers and the 18 branch offices.

Furthermore, to improve relations with users and other stakeholders, DEER conducts an annual satisfaction survey that measures the satisfaction levels of users and external customers regarding

DEER's activities and services. The results of these surveys are sent to department heads for the implementation of improvement measures where applicable. The stakeholder consultation process is organized in partnership by the Ethics, Sustainability, and Compliance department/ethics advisor and the department/ responsible people for Marketing, Public Relations, and CSR, with support from other approved structures within the company. For instance, at DEER, according to procedure DEER-PO-15-04 - Customer Satisfaction Monitoring, this activity involves the participation of management, the Distribution Customer Management Department, the Human Resources Department, and all organizational entities that engage directly with employees, external customers, and the company's stakeholders.

The interests and viewpoints of consumers and end-users are diverse, encompassing economic, social, and environmental dimensions.

Respect for human rights is a priority in this process, ensuring compliance with relevant international and national standards.

Moreover, the interests and perspectives of consumers and end-users were also considered within the double materiality assessment process, through questionnaires sent to clients/customers and end-users regarding the material topics of Electrica Group.

Considering the market trends related to customer relationship management increasingly shifting to the online space, the digitalization strategy, storage methods, strengthening cybersecurity, and the confidentiality of consumer and end-user data remain ongoing concerns for Electrica Group.

SBM-3 Material impacts, risks and opportunities and their interaction with the business strategy and model

Throughout 2025, Electrica Group conducted the identification and evaluation of material impacts, risks, and opportunities related to the Group's activities, in accordance with due diligence principles and ESRS requirements. The assessment was carried out concerning all companies in the Group, covering both internal operations and interactions with suppliers and partners. This consultation process included the submission of specific questionnaires to each stakeholder category, aiming at identifying the current and potential impacts of the company on them, assessing stakeholders' perceptions regarding the magnitude of these impacts, and gathering information about other impacts that were not initially identified. Through this consultation and validation process, Electrica Group effectively identified and assessed sustainability impacts, grounding the preparation of this Sustainability Statement and the update of the Group's strategic sustainability objectives.

Specifically, the manner in which the company's strategies and activities influence the people and the environment was investigated, considering both direct impacts generated by internal activities and indirect impacts arising from business relationships. Positive and negative impacts were assessed from a temporal perspective—short, medium, and long-term—and were classified based on their connection to internal operations or the value chain of each company in the Group, whether upstream or downstream.

Thus, the most relevant impacts, risks, and opportunities for the Group's activities were identified as follows:

- Regarding environmental aspects, the company prioritizes climate change adaptation and mitigation and energy efficiency. At the level of its own activities, the main identified risks result from the adoption of regulations and policies that may generate additional costs regarding carbon emissions, the need to modernize infrastructure, or the transition to cleaner energy sources, as well as technology requirements that would require significant investments for the implementation of smart grid technologies in projects aimed at eliminating and mitigating

greenhouse gas emissions. Along the value chain, the main identified risks are climate-related, affecting the infrastructure's resilience to thermal stress, damage, and continuity of energy supply, as well as natural dependence, reduced energy production, delays, and increased costs caused by adverse weather conditions impacting the company's operations and costs. However, allocating resources for climate change policies, optimizing energy consumption, and transitioning to cleaner energy sources are identified as opportunities for the company, thereby strengthening its competitive positioning.

- In the social area, impacts, risks, and opportunities focus on the following material topics: safe work environments, social dialogue, safety and health, skill training and development, measures against harassment and violence, diversity, and confidentiality. These topics represent material impacts for Electrica as they address important aspects of social responsibility towards both employees and consumers and communities. Working conditions, diversity, violence prevention, and confidentiality are essential for a safe and fair working environment, while access to information and responsible business practices support consumer trust. The company ensures these aspects through the implementation of relevant policies and operational procedures. For consumers, key aspects include access to information, products, and services, non-discrimination, and responsible business practices.
- Regarding business conduct aspects, Electrica identified material impacts such as corporate culture, supplier relations, and corruption-related issues. Involvement in acts of corruption and lack of transparency in supplier relationships can affect the company's reputation, but implementing strict anti-corruption policies and promoting transparency can strengthen business relationships and diversify supply sources. A culture of transparency and compliance increases stakeholders' trust and prevents integrity risks. A weak corporate culture can affect employee morale and the company's reputation, while a healthy culture enhances employee well-being and partner trust, reinforcing the positive market image.

This is Electrica Group's second Sustainability Report prepared in accordance with the provisions of the CSRD Directive and the European Sustainability Reporting Standards (ESRS) and in the previous reporting periods (prior to 2023), sustainability-related information was analysed and reported in accordance with the international GRI (Global Reporting Initiative) standards.

Although earlier assessments were limited in scope, Electrica recognises the need to adapt its strategy to respond to emerging sustainability challenges and opportunities. Consequently, at the end of 2024, Electrica Group developed a new Sustainability Strategy for the period 2025–2030. This strategy expands upon the initiatives already implemented to reduce environmental impact and builds on previous strategic objectives, while also addressing additional topics relevant to the company.

Electrica bases its strategy and business model on resilience principles, with the capacity to manage material impacts and risks, as well as to capitalize on identified opportunities. The impact, risk, and opportunity management process (IRO) is integrated into the business strategy, allowing alignment of sustainability priorities with overall development objectives.

The identified impacts, risks, and opportunities are presented in section IRO 1. Additionally, a detailed explanation of impacts, risks, and opportunities associated with each material topic is available in the section dedicated to each ESRS topical standard. The link between identified impacts and associated risks and opportunities (IRO) is detailed for each topic and sub-topic according to ESRS standards.

Material risks and opportunities for 2025 were integrated into the double materiality assessment process, being analyzed within the two categories: current and anticipated, to ensure their financial

impact assessment. Regarding material risks and opportunities, Electrica Group did not identify immediate financial effects on the financial position, economic performance, and cash flows. Additionally, no risks requiring significant adjustments to the reported values of assets and liabilities in the financial statements for the next reporting period were highlighted.

Instead, anticipated financial effects were identified, which may influence the financial position, performance, and cash flows of Electrica Group in the short, medium, and long term. These risks and opportunities were evaluated from the perspective of their financial impact on different time horizons, providing a clear picture of how they may influence the company's financial stability.

Anticipated Risks

A major factor that may generate medium-term risks is the evolution of regulations regarding greenhouse gas (GHG) emissions and the energy transition. Adapting to new legislative requirements may necessitate significant investments in modernizing the distribution infrastructure, integrating renewable sources, and implementing technological solutions that support emissions reduction. These adjustments may generate additional costs and influence the Group's cash flows.

There is also a risk of financial penalties and reputational impact if the Group does not develop an effective energy transition plan, which could affect investor relations and access to financing. However, in the industry in which we operate - characterized by an advanced level of decarbonization and specific technical and operational constraints - the implementation of such a plan poses significant challenges and requires a more complex analysis, as the opportunities for further emission reduction are more limited compared with other economic sectors. At the same time, the physical risks associated with climate change, such as extreme weather events (heatwaves, floods, storms, etc.), may impact distribution networks and the operation of critical infrastructure. These events could generate additional costs both for repairs and for strengthening the infrastructure, as well as possible interruptions in energy supply, affecting revenues, customer/consumer satisfaction, and end-user experience.

Moreover, the energy transition involves a change in consumption patterns, which may create uncertainties regarding the evolution of electricity demand, influencing the Group's commercial strategy and future investments.

Anticipated Opportunities

At the same time, the energy transition and the growing demand for renewable energy sources and smart distribution solutions can generate growth opportunities for Electrica Group. Developing and expanding infrastructure for integrating renewable energy, implementing smart grids, and adopting energy efficiency solutions will enhance the Group's position as a key player in the energy sector. Moreover, increased investor interest in sustainable companies can provide access to green financing, supporting investments in modernizing and digitizing infrastructure. Additionally, developing services related to e-mobility, energy efficiency, and integrated solutions for consumers can represent a new source of long-term revenues.

In this Sustainability Statement, no specific impacts, risks, or opportunities other than those covered by the standards are presented.

For all details regarding the Group's impacts, risks, and opportunities, and how Electrica integrates them into its strategy and business model, please refer to the topical chapters.

Impact, risks and opportunities management

IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities

The process to identify and evaluate material impacts, risks, and opportunities used by Electrica Group during 2025 was conducted within an updated framework of double materiality assessment, in accordance with CSRD requirements and ESRS1 standard (chapter 3, Double materiality as the basis for sustainability disclosures). Electrica Group carried out the assessment in line with the principle of double materiality, considering both dimensions: the materiality of the impact, which analyzes the effects of the Group's activities on people and the environment, and financial materiality, which assesses how external sustainability factors influence the Group's short, medium, and long-term financial performance and sustainability. The results obtained through the double materiality process are integrated into this Sustainability Statement following the provisions of the CSRD directive. Thus, in implementing this process, the company integrated the recommendations developed by EFRAG in the Implementation Guidance on Materiality Assessment. During the analysis, the company adhered to the fundamental principles of double materiality assessment, namely the analysis of:

- *Materiality of positive and negative impacts* in the short, medium, and long term that Electrica Group has or may have on the environment and society.
- *Financial materiality*, to determine how sustainability aspects may influence the company's financial performance in the short, medium, and long term.

The review process carried out in 2025 formed part of the annual mechanism for updating sustainability impacts, risks, and opportunities, in accordance with the requirements of ESRS 1, and represented a key stage in preparing the Sustainability Reporting for the 2025 financial year. The objective of this review was to verify the continued relevance of the material topics identified in the 2024 materiality assessment and to evaluate whether adjustments were needed due to potential changes in the regulatory context, in the Group's strategy or operations, in the value chain, or in stakeholder expectations. To strengthen process traceability, Electrica Group used a dedicated DMA methodological tool, enabling the systematic documentation and prioritization of IROs.

The update was coordinated by the ESG Reporting Expert III within the Treasury Department, with the involvement of the extended ESG project team, bringing together representatives from relevant departments and subsidiaries, supported by an external consultant. Following this process, it was concluded that no significant changes occurred that would justify modifying the list of material topics, which will be reassessed in full during the review planned for 2026. The process of identifying material impacts, risks, and opportunities did not utilize specific assumptions. The assessment was based on concrete data, regulatory sources, stakeholder consultations, and the results of internal monitoring and evaluation processes.

ELSA is the only entity within the Group that falls within the scope of CSRD on an individual basis for the financial year 2025, as it qualifies as a large, listed company (public-interest entity). The other entities within Electrica Group do not have an individual reporting obligation for the financial year 2025, as they are not public-interest entities. However, Electrica S.A., as the parent company of a Group, prepares consolidated annual financial statements, and according to ESRS 1 "if the reporting undertaking is a parent company required to prepare consolidated financial statements, the sustainability statement shall be for the group." In this context, the assessment of material impacts, risks, and opportunities was carried out at the Group level, including all companies in the analysis process, to objectively and impartially identify material aspects.

For the impact assessment process, the company used a combination of quantitative and qualitative criteria, including impact scale (1-5), scope (local, regional, or global), remediable character (for negative impacts), and probability (for potential positive and negative impacts). Quantitative thresholds were established to determine the relevance of the topics, and qualitative criteria provided context for interpreting the results.

Identifying the location where impacts, risks and opportunities may occur was performed within the double materiality assessment process.

The classification criteria of the impact include two main dimensions: actual or potential and negative or positive. Also, the impact categories are classified as being direct, indirect or as a combination between the two. These classifications support the efficient assessment and management of the impact, considering both the nature, as well as its intensity.

Considering these two characteristics, which trigger four combinations (actual-positive, actual-negative, potential-positive, potential-negative), the assessment criteria differ. For instance, the negative impact includes an additional criterion as the positive one (the remediable character), while the potential impact is also assessed according to probability. In the impact assessment process, direct and indirect effects generated by the company's activities were analyzed, considering both positive and negative impacts. The qualitative characteristics analyzed included the localization of the impact, whether it manifests upstream, in the company's own activities, or downstream, and the time horizon, respectively short-term (i.e., the reporting period used in the Group's financial statements), medium-term (covering the interval from the end of the short-term reporting period detailed above), up to a maximum of five years (1-5 years), or long-term, respectively including periods that exceed five years from the end of the medium-term reporting period. Electrica's value chain include both upstream suppliers, such as suppliers delivering products or services used in the processes and activities of ELSA and subsidiaries, as well as downstream suppliers, represented by clients / consumers and end users that receive the company's products or services.

The double materiality assessment process was structured into several essential stages. Firstly, the relevant sustainability topics for Electrica Group were identified. Subsequently, the corresponding sustainability related impacts, risks, and opportunities for each relevant topic were identified. These impacts, risks, and opportunities were validated through stakeholder consultation. Finally, a detailed assessment of sustainability impacts, risks, and opportunities was carried out. An essential aspect was determining potential impacts on human rights, which were prioritized according to ESRS requirements.

Each of these parameters was scored according to a quantitative scale, and the rationales were carefully analyzed to ensure relevance.

The financial materiality identification process was initiated by identifying risks and opportunities that could influence the company's financial performance and future cash flows. In this context, qualitative characteristics were evaluated, including the relevance of risks and opportunities to the company's activity and the associated time horizon. The quantitative evaluation included analysis of continued resource utilization, resource dependency, critical relationships within the value chain, and other effects on future cash flows.

The process was carried out in accordance with the activities mentioned in Electrica Group's Sustainability Materiality Assessment Methodology by the sustainability team established at the Group level for coordination and a team of external consultants. Members of the sustainability team were selected to cover all companies within the Group, and their perspectives allowed for the inclusion and evaluation of impacts, risks, and opportunities for all companies. For the implementation of the stages within the process, a series of workshops were organized, as well as a consultation process with stakeholders. Periodic briefings were provided to the CFO and CEO, and at least semi-annually to the CGCPP Committee, and subsequently also to the Board of Directors. At the end of the process, the conclusions and recommendations were submitted for final endorsement by the CGCPP Committee and then forwarded to the Board of Directors for information and/or approval.

The information used during the double materiality assessment included internal and external data sources, stakeholder consultations, and the identification of relevant industry trends. The double materiality assessment covered the Group's own operations, respectively ELSA and its subsidiaries. The identification of material sustainability topics started from the list of sustainability matters that are the subject of topical ESRS (AR 16 ESRS 1), according to the requirements of ESRS 1. In this regard, the necessary information was analyzed to understand the business model, services offered, structure of business lines, type of clients, revenue and expense structure, as well as other relevant information to understand the activities carried out by Electrica Group. The process also included a component of analysis of similar companies, conducted on the annual and sustainability reports of similar companies in the industry.

During the DMA process, several reasonings and elements of professional judgment were used to provide a solid decision-making basis, ensuring alignment with ESRS requirements and stakeholder expectations. To identify and evaluate potential or actual impacts that the Group generates on the environment and people, both through its own operations and activities conducted in the upstream and downstream value chain, the following aspects were taken into account:

- Changes in legislation/Regulatory framework – it was anticipated that current regulations regarding sustainability reporting requirements would become stricter, impacting the way the Group operates;
- Climate changes – it was anticipated that Electrica Group's activities would continue to contribute to climate changes through direct and indirect GHG emissions, even as reduction measures would continue. Adaptation to climate changes would become essential to reduce vulnerabilities and increase the resilience of the Group, its workforce, and its supply chain to natural risks aggravated by climate changes. It is also projected that climate changes would generate significant physical risks over longer time horizons, including extreme weather events that could affect the Group's operations, but also opportunities through increased demand for energy services. The necessity of developing and implementing a transition plan to achieve the objectives according to the Paris Agreement, as well as the climate resilience plan, would generate significant financial costs. In addition, during 2025 a Climate Risk and Vulnerability Assessment was also developed at Group level.
- Time horizon – Impacts generated by Electrica Group's activities may have different effects on resources, local communities, or contribute to global climate changes depending on the time horizon: short-term, medium-term, or long-term.
- Access to resources – Natural resources such as energy, natural gas, and others used in activities are sufficient to support current operations, but continuous use could generate negative impacts over the medium and long term.
- Volatility of energy and raw material prices will continue, generating financial risks for the Group.

- Impact assessment was based on the assumption that results identified through the application of the UNEP FI Radar methodology at the sectoral level and validated through a consultation process could be extrapolated for most suppliers and customers. This approach was necessary, given that the stakeholder consultation process did not allow the inclusion of all the Group's suppliers and customers.
- Stakeholder expectations – It is estimated that the increasingly high expectations of investors, authorities, customers, and partners for adopting sustainable practices and services will influence market strategies and investments.
- Organic development of Electrica Group, through gradual expansion of the existing grid and diversification of energy services, will influence both internal performance and positioning in the context of the regional energy market.

Identifying impacts and validating them with stakeholders was carried out in accordance with the Sustainability Materiality Assessment Methodology. The process included several steps such as identifying activities, products, and geographic locations, analyzing variations in key financial metrics, major events, strategic objectives, and directions, as well as information provided to investors and other stakeholders. Additionally, it involved value chain analysis, identifying relevant stakeholders for Electrica Group, comparative analysis of similar companies, internal workshops for validating topics and impacts, centralizing impacts, risks and opportunities, mapping these in the value chain, and consulting stakeholders.

The internal identification and validation of topics and impacts were conducted by Electrica Group's sustainability team (extended ESG team) and external consultants, and external validation was carried out with representatives from all affected stakeholder categories. Impacts were validated with representatives of affected stakeholders through the application of customized online questionnaires for each category. Active involvement of suppliers, customers, employees, and NGOs enabled effective identification and evaluation of sustainability impacts, forming a solid basis for preparing the Sustainability Statement and updating Electrica Group's strategic sustainability objectives.

The analysis of climate-related risks and opportunities was carried out as part of the double materiality assessment process, without yet incorporating a climate-scenario analysis. Such a scenario analysis has been developed at Electrica Group level, but was completed after the DMA process was finalized.

To identify effective and potential sources of greenhouse gas (GHG) emissions, Electrica Group calculates GHG emissions for all subsidiaries and operational entities within its reporting scope. The methodology used for GHG emission inventorying at all operations specific to Electrica's value chain aligns with international best practices for inventorying and reporting and complies with applicable standards according to the "GHG Protocol: A Corporate Accounting and Reporting Standard" and the "Corporate Value Chain (Scope 3) Standard," developed by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI). Additionally, relevant tools developed by reference international organizations for economic sectors or industries relevant to calculating indirect emissions included in Scope 3 were used (e.g., the aviation industry, hospitality industry, etc.). Using internationally recognized calculation methodologies, the mentioned tools, and valid emission factor sources ensures the accuracy, rigor, and relevance of the obtained results.

Subjects related to climate change, such as adaptation, mitigation, and energy efficiency, are considered material for Electrica Group. These topics are included in the reporting and represent a strategic priority, being integrated into the development of the new sustainability strategy for the 2025-2030 period.

Electrica's primary operations involve the supply and distribution of electrical energy, which under normal operating conditions do not release significant pollutants. Therefore, the financial impact of air pollution on revenues, costs, or the overall financial health of the company is minimal. Moreover, the current or potential impacts of air pollution on people or the environment directly related to Electrica's operations are limited. The company's activities do not include major pollution sources, and potential impacts are managed through strict environmental controls and compliance with legal requirements.

Consequently, it was concluded that pollution-related topics are not material for Electrica's activities, given the company's specifics and the scale of impacts. Aspects related to indirect impact, i.e., GHG emissions, are treated separately in ESRS E1, being relevant for assessing the carbon footprint and emission reduction objectives.

Within the company's own operations, the impact on water resources is minimal, mainly associated with daily activities carried out in offices and administrative facilities such as household water consumption for hygiene and other office needs. Regarding the value chain, water resources may be relevant for energy suppliers, especially in the case of power plants that use water for cooling, but these aspects are not directly managed by Electrica due to the nature of energy procurement through OPCOM.

Electrica does not have a direct material impact on biodiversity and ecosystems. Impacts and risks related to biodiversity are evaluated indirectly, through the monitoring of those identified at the level of suppliers and applicable regulatory acts. Evaluation criteria include compliance with European and national regulations on environmental and biodiversity protection, as well as applicable international standards.

Electrica has not used a scenario-based assessment related to biodiversity. Consultations with communities and stakeholders took place in the context of the general materiality assessment process, and stakeholders did not identify biodiversity as a material topic.

Electrica does not face significant direct issues related to the use of natural resources or the circular economy. However, the company monitors the impact and risks associated with activities in the value chain, especially upstream (energy production), ensuring that suppliers and other business partners adhere to environmental standards. These aspects are part of the procurement and supplier evaluation process.

Consultations with communities and stakeholders took place in the context of the general double materiality assessment process.

Electrica uses the double materiality assessment to identify, evaluate, and manage the impacts, risks, and opportunities associated with business conduct, focusing on aspects such as corporate culture, supplier relationship management, including payment practices, and the prevention of corruption and bribery. These risks and opportunities are also integrated into the general risk management process, which provides a unified framework for analyzing, evaluating, and addressing them.

In the process of identifying risks and impacts related to business conduct, Electrica considers:

- **Location of operations:** The assessment considers operations in the geographic market of Romania, considering national and regional regulations and specifics.
- **Activities conducted:** The nature of the services provided, which involve direct relationships with business partners, suppliers, and customers/end-users.
- **Sector of activity:** Characteristics of the energy sector, which involves a high level of regulation, complex interactions with authorities and stakeholders, as well as strict requirements for integrity and compliance.
- **Transaction structure:** Particularities of commercial relationships, including contracts with suppliers and customers, payment terms, and transparency mechanisms applied in transactions.

Corporate culture is guided by a comprehensive set of internal policies, such as the Code of Ethics and Business Conduct, the Ethical Career Management Policy, and the Diversity and Inclusion Policy. These promote ethical behavior, mutual respect, and zero tolerance for any form of discrimination, harassment, or abuse.

The company conducts training programs for employees and partners while implementing confidential reporting mechanisms for misconduct through the integrity whistleblowing system. These measures are essential for protecting the organization's reputation and maintaining a fair and transparent business environment.

The identification and evaluation of impacts, risks, and opportunities are carried out according to an internal methodology that included two approaches: one approach where the impact is difficult to measure explicitly but can be assessed, using a qualitative scale; and a second approach where, depending on the nature of the risk classes evaluated, material reference thresholds are established for each level.

The process of identifying and evaluating impacts involved the following steps:

- **Impact Identification:** The company collected information from internal and external sources to identify potential and actual impacts on people and the environment.
- **Impact Evaluation:** Identified impacts were evaluated based on their probability of occurrence and the magnitude of their effects. This involves using quantitative and qualitative methods.
- **Priority Setting:** Based on probability and impact, a score representing the risk profile was obtained. This helped the company focus on managing the most critical impacts.
- **Remedial Measures:** Risk remediation is carried out in the context of defining ELSA's risk appetite, at both individual and aggregate risk levels.
- **Monitoring:** Impacts and management measures are continuously monitored to allow for the appreciation and documentation of dynamic risks over time.

The qualitative characteristics of the impact were established by identifying the following elements: impact categories, impact location, time horizon and potential impact on human rights. The time horizon was thus set as short-term, corresponding to an interval of up to 1 year, for current effects. For the assessment of potential impacts, two additional intervals were set: medium-term, covering a period of up to 5 years (between 1 and 5 years), and long-term, exceeding a period of 5 years, in accordance with the CSRD requirements. In addition, for each sub-sub-topic analyzed, the assessment of the potential impact on human rights directly contributed to the prioritization of that topic, in compliance with the CSRD requirements.

For the impact assessment process, the company used a combination of quantitative and qualitative criteria, including the impact scale (1-5), the scope (local, regional or global), remediable character (for negative impacts) and probability (for potential positive and negative impacts). Quantitative thresholds were established to determine the relevance of the topics, and qualitative criteria provided context for interpreting the results.

Each of these parameters was scored according to a quantitative scale, and the reasoning was analyzed to ensure relevance. A value from 1-5 was selected for each parameter, and the evaluation reasoning was provided for each score.

The process of identifying financial materiality was started by identifying risks and opportunities that may influence Electrica's financial performance and future cash flows. In this context, qualitative characteristics were assessed, including the relevance of the risks and opportunities for the company's activity and the time horizon associated with them. The assessment included an analysis of the continued use of resources, resource dependence and critical relationships within the value chain and other effects on future cash flows.

For financial materiality, the following steps were taken at the level of each applicable material sub-sub-topic:

- Establishing the qualitative characteristics of financial materiality: in this stage, it was established whether the risk applies at Group or subsidiary level, as well as the period in which the respective risk is expected to occur.
- Quantitative assessment of risk or opportunity: this stage consisted of assessing the risk or opportunity for each identified topic. The CSRD / ESRS requirements for assessing applicable material topics were applied considering the following parameters:
 - Continued use of the resource
 - Dependence on relationships and
 - Other effects on future cash flows.

The assessment of magnitude integrates dependencies, future use of resources and effects on future cash flows as part of the assessment process.

A value from 1 to 5 was selected for each parameter, and the assessment rationale was provided for each rating. The scale used to assess probability in the double materiality assessment ranges from very unlikely (0-20%) to most likely (80-100%). Intermediate levels include unlikely (20-40%), medium probability (40-60%) and very likely (60-80%).

The probability assessment grid was used to assess the relative positioning of risks to each other and was not used to assess the absolute values of individual IROs.

The same probability assessment grid was used for the probability of occurrence for both financial materiality and impact materiality.

The Group did not identify any new risks or opportunities arising from actions to address material impacts, risks or opportunities (IROs). This is because the implementation of such actions is in the planning phase and will be analyzed in future assessments.

Risk identification represents the activity through which risks are detected, acknowledged, recorded, and communicated at the organizational level, according to the Risk Management Procedure (ELSA-PS-6.1). All identified risks were recorded and documented in the Risk Registry and control/treatment measures.

This process is integrated into the company's general risk management process through the following stages:

- Identification of potential risks: Risks that could affect the company's strategic objectives are identified based on the location, activity, and process where the risk may materialize. Identification methods include brainstorming, structured or semi-structured interviews, and checklists.
- Risk evaluation: Identified risks are evaluated based on their probability of occurrence and potential impact on the company. This involves using quantitative and qualitative methods to prioritize risks and determine which require immediate attention.
- Risk management: Strategies are developed and implemented to address identified risks, including defined and recommended approaches to risks, planned control measures, and ad hoc corrective actions to manage risk consequences.

Opportunity identification is part of the company's general management process, according to ISO 9001 certification requirements, and aligns with the company's strategic objectives. Opportunity identification is carried out within the risk identification process and is a component of the Risk Registry and control/treatment measures.

In evaluating and establishing the materialization probabilities for measured risks, the following thresholds are considered applicable for all activities and processes carried out at ELSA, according to the Risk Management Procedure (ELSA-PS-6.1). These are: almost certain to happen; probable; possible; unlikely; almost certain not to happen.

The magnitude of the effects of risks and opportunities is evaluated based on their potential impact on the company and is expressed in quantitative and qualitative terms, and the nature of the effects of risks and opportunities is analyzed to understand how they may influence the company.

Regarding negative impacts, they are evaluated based on the severity of potential effects and the probability of their materialization. The definitions of quantitative thresholds (e.g., emission levels or resource consumption) and qualitative thresholds (descriptions of operational or environmental risks) originate from the risk management framework presented in the Corporate Governance Code, which establishes clear criteria for impact evaluation.

Positive impacts are analyzed in terms of the extent of effects (such as extended benefits for the environment or community), the scope of application, and the probability of realization. Establishing evaluation criteria, both quantitative (e.g., percentage reduction in energy consumption) and qualitative, is detailed in the Investor Relations Management Procedure, which highlights the analysis and prioritization of risks and opportunities in the context of sustainability reporting.

The following types of data and metrics are used in the process of identifying and evaluating impacts, risks, and opportunities:

- Financial and operational data

These include financial metrics (such as profitability, costs, revenues, and other relevant metrics) and operational metrics reflecting the entity's current performance. These parameters are used to evaluate material impacts and opportunities financially (Investor Relations Management).

- Specific environmental, social, and governance (ESG) metrics

Quantitative and qualitative data are used regarding CO2 emissions, energy consumption, community impact, and other sustainability aspects. These data help determine material thresholds and evaluate risks and opportunities with extended effects (Corporate Governance Code).

- Feedback and data from internal and external consultations

Information collected from periodic consultations with stakeholders and internal and external experts is used to adjust evaluations. This set of parameters includes qualitative data from surveys, meetings, and feedback reports, ensuring that the evaluation reflects both internal and external perspectives (Investor Relations Management).

If parameters differ from one entity to another, a unified set is applied centrally (defined in the Investor Relations Management Procedure). These elements ensure that the process of identifying, evaluating, and managing material impacts, risks, and opportunities is based on rigorous and integrated analysis, reflected in the Corporate Governance Code.

How stakeholders are included in the process of identifying and evaluating impacts, risks, and opportunities is established primarily through the Stakeholder Engagement Policy and the Communication Policy in Investor Relations. Thus, the company organizes an annual consultation of stakeholders to identify relevant aspects of its activity from their perspective and prioritize its initiatives. Stakeholders defined in the policy are shareholders, staff through the union, authorities, business partners, clients/consumers and end-users, and civil society. In addition, shareholders and investors benefit from dedicated communication channels, available both through the company's official platforms and via the Electrica IR mobile application, which provides direct access to relevant and up-to-date information.

To conduct the consultation process, an internal committee of experts is established to organize and moderate the consultation. External experts with consulting competencies in the subject matter of the consultation can also be invited as observers/consultants.

At the end of the consultation process, the committee drafts a consultation report communicated to the company's executive/non-executive management by including it in the documentation that forms the basis for decision/plans/projects.

The importance of regular stakeholder consultations, as well as organizing feedback sessions, meetings, teleconferences, and studies to understand the impact of communications and decisions, are also mentioned in the Communication Policy in Investor Relations.

The decisional process regarding the identification and prioritization of material impacts, risks and opportunities was conducted by the sustainability team holding a coordination role for this project. Afterwards the conclusions were approved at the CGCPP level, and the Executive Management and BoD were informed. In this process, Electrica Group established a materiality degree of 5, so that the topics that obtained a higher score following the materiality assessment process were classified as material.

Following the company's double materiality process, the final list of material topics according to CSRD includes:

Material topic		Material sub-topic	Material sub-sub-topic
E1	Climate change	Climate change adaptation	
E1	Climate change	Climate change mitigation	
E1	Climate change	Energy	
S1	Own workforce	Working conditions	Secure employment
S1	Own workforce	Working conditions	Social dialogue
S1	Own workforce	Working conditions	Health and safety
S1	Own workforce	Equal treatment and opportunities for all	Training and skills development
S1	Own workforce	Equal treatment and opportunities for all	Measures against violence and harassment in the workplace
S1	Own workforce	Equal treatment and opportunities for all	Diversity
S1	Own workforce	Other work-related rights	Privacy
S4	Consumers and end-users	Information-related impacts for consumers and/or end-users	Access to (quality) information
S4	Consumers and end-users	Information-related impacts for consumers and/or end-users	Privacy
S4	Consumers and end-users	Social inclusion of consumers and/or end-users	Non-discrimination
S4	Consumers and end-users	Social inclusion of consumers and/or end-users	Access to products and services
S4	Consumers and end-users	Social inclusion of consumers and/or end-users	Responsible marketing practices
G1	Business conduct	Corporate culture	
G1	Business conduct	Protection of whistle-blowers	
G1	Business conduct	Management of relationships with suppliers including payment practices	

Material topic		Material sub-topic	Material sub-sub-topic
G1	Business conduct	Corruption and bribery	Prevention and detection including training

IRO-2 Disclosure requirements in ESRS covered by the undertaking's sustainability statement

Information regarding the management of material impacts, risks, and opportunities of Electrica Group is presented in each specific chapter of this Sustainability Statement and is correlated with the minimum reporting requirements regarding policies, actions, and objectives established at the Group level. The disclosure requirements for this report are included in the table below.

Index of ESRS disclosure requirements

Standard ESRS	Chapter	Disclosure requirement
ESRS 2	General disclosures	BP-1 General basis for the preparation of the sustainability statement
ESRS 2	General disclosures	BP-2 Disclosures in relation to specific circumstances
ESRS 2	General disclosures	GOV-1 The role of the administrative, management and supervisory bodies
ESRS 2	General disclosures	GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies
ESRS 2	General disclosures	These aspects are included in both the 2024–2030 Corporate Strategy and the 2025–2030 Sustainability Strategy and will be validated and integrated into strategic decisions through the active involvement of the governing and supervisory bodies, with their implementation reflected across the subsidiaries over the coming period. GOV-3 Integration of sustainability-related performance in incentive schemes
ESRS 2	General disclosures	GOV-4 Statement on due diligence
ESRS 2	General disclosures	GOV-5 Risk management and internal controls over sustainability reporting
ESRS 2	General disclosures	SBM-1 Strategy, business model and value chain
ESRS 2	General disclosures	SBM-2 Interests and views of stakeholders
ESRS 2	General disclosures	SBM-3 Material impacts, risks and opportunities and their interaction with the business strategy and model
ESRS 2	General disclosures	IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities
ESRS 2	General disclosures	IRO-2 Disclosure requirements in ESRS covered by the undertaking's sustainability statement
ESRS E1	Climate change	ESRS 2 GOV-3 Integration of sustainability-related performance in incentive schemes
ESRS E1	Climate change	E1-1 Transition plan for climate change mitigation
ESRS E1	Climate change	ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model
ESRS E1	Climate change	Electrica Group recognizes that climate change is a major challenge with implications for the economy, the environment and society. The Group's activity is directly influenced by the transition to a low-carbon economy, facing both exposure to climate risks and opportunities to contribute to decarbonisation objectives. Electrica has integrated qualitative climate considerations into the 2025–2030 Sustainability Strategy, committing to short-, medium- and long-term measures to reduce its

Standard ESRS	Chapter	Disclosure requirement
		carbon footprint, to integrate sustainability into the business model, and to perform quantitative assessments aligned with best practices and with CSRD/ESRS reporting requirements or those of financing institutions. Accordingly, to identify significant impacts, risks and opportunities (IRO), and their interaction with the strategy and business model, during the reporting year Electrica Group launched three strategic initiatives designed to strengthen climate-related IRO governance for the upcoming strategic period. The first process involved reviewing the Group's Policies and related documents covering risk management, in order to include ESG-related risks—including climate risks—in the annual review cycle. This process was initiated in December 2025 and will be completed during 2026. The second process aimed at harmonising risk-analysis methodologies with those used in the double materiality assessment. During the double materiality analysis, significant climate-related risks were qualitatively identified as follows: • Acute and chronic physical risks: extreme weather events and long-term climate shifts (heat waves, storms, snowstorms, floods, freeze–thaw cycles, soil erosion) that may affect production and distribution infrastructure, causing damage to transformers, poles, overhead lines and underground cables. These events may generate supply interruptions, high repair and intervention costs, increased operational expenditures, revenue losses and reputational impacts. • Transition risks: legislative, fiscal and technological changes associated with decarbonisation (including Regulation (EU) 2024/573, which bans SF₆-based switchgear as of 1 January 2026), which may generate additional costs and major investments needed for compliance with energy-transition requirements. These risks are influenced both by external factors (carbon taxation, market price fluctuations, new compliance requirements) and by factors stemming from the Group's own negative impacts (e.g., absence of formal climate targets and a fully implemented decarbonisation plan).

Standard ESRS	Chapter	Disclosure requirement
		The third process consisted of performing a climate-risk and vulnerability analysis, providing a quantitative assessment of both transition risks and physical (acute and chronic) climate risks. During 2026, the results of all three initiatives will be consolidated to strengthen the governance framework for Electrica Group's physical and transition climate risks. Planned activities include formal adoption of the updated Risk Management Policy and the incorporation of risks identified through the climate-risk analysis into both the risk procedure and the double materiality procedure. Climate risks and vulnerabilities were assessed for all subsidiaries—covering the full perimeter of financial and non-financial reporting—and for key value-chain actors (suppliers and customers). To maintain analytical proportionality and focus efforts on significant assets, relevance thresholds were established for each asset class and value-chain segment. The relevance level of each asset included in the climate-risk and vulnerability analysis was determined based on contextual factors and characteristics reflecting its contribution to company operations. Criteria included location and access, asset concentration, scale and value of buildings and land - considered relevant when exceeding the portfolio average. Similarly, suppliers were selected based on the cumulative value of transactions (covering suppliers representing over 85% of total transactions), uniqueness (difficulty of substitution), and operational dependency. For clients, relevance was determined based on contribution to turnover (covering customers contributing over 85% of 2024 revenues), strategic importance and the specific customer profiles of each subsidiary. For EFSA, due to the large number of residential and non-residential clients, the analysis used consumption points, total energy and gas volumes, and county-level distribution of demand. Counties exceeding average density or consumption thresholds were identified as disproportionately impactful, requiring prioritised attention.

Standard ESRS	Chapter	Disclosure requirement																																																							
		Following the relevance analysis, the resulting unique analysis points were carried forward into the climate-risk assessment per subsidiary: <table><tr><th>Subsidiary</th><th>Total entry points per subsidiary</th><th>Type of data points</th><th>Number of entry points</th><th>Weight (%)</th></tr><tr><td rowspan="3">EFSA</td><td rowspan="3">47</td><td>Assets</td><td>33</td><td rowspan="3">10%</td></tr><tr><td>Suppliers</td><td>11</td></tr><tr><td>Clients</td><td>3</td></tr><tr><td rowspan="3">SERV</td><td rowspan="3">14</td><td>Assets</td><td>11</td><td rowspan="3">3%</td></tr><tr><td>Suppliers</td><td>1</td></tr><tr><td>Clients</td><td>2</td></tr><tr><td rowspan="3">ELSA HQ</td><td rowspan="3">49</td><td>Assets</td><td>30</td><td rowspan="3">11%</td></tr><tr><td>Suppliers</td><td>9</td></tr><tr><td>Clients</td><td>10</td></tr><tr><td rowspan="3">ELSA SPV</td><td rowspan="3">10</td><td>Assets</td><td>2</td><td rowspan="3">2%</td></tr><tr><td>Suppliers</td><td>2</td></tr><tr><td>Clients</td><td>6</td></tr><tr><td rowspan="3">DEER</td><td rowspan="3">341</td><td>Assets</td><td>327</td><td rowspan="3">74%</td></tr><tr><td>Suppliers</td><td>12</td></tr><tr><td>Clients</td><td>2</td></tr><tr><td>TOTAL</td><td>461</td><td></td><td></td><td></td></tr></table>	Subsidiary	Total entry points per subsidiary	Type of data points	Number of entry points	Weight (%)	EFSA	47	Assets	33	10%	Suppliers	11	Clients	3	SERV	14	Assets	11	3%	Suppliers	1	Clients	2	ELSA HQ	49	Assets	30	11%	Suppliers	9	Clients	10	ELSA SPV	10	Assets	2	2%	Suppliers	2	Clients	6	DEER	341	Assets	327	74%	Suppliers	12	Clients	2	TOTAL	461			
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Standard ESRS	Chapter	Disclosure requirement
		According to the data presented in the previous table, within the vulnerability analysis from a climate-risk perspective, the DEER subsidiary had the highest weight in the assessment. This decision is based on the fact that the assets managed by DEER represent the core of the Group's operational infrastructure, playing a critical role in ensuring the continuity of electricity distribution services. The assessment also took into account the critical importance of this infrastructure for the national energy system and the country's energy security. In the selection process, the focus was not only on the size of the asset portfolio but also on its strategic and operational relevance. DEER's sites include essential components of the network—substations, transformer stations and operational buildings—which, in the event of extreme climate events (flooding, high temperatures), can cause major disruptions to the services provided to consumers. Thus, the vulnerability of these assets translates not only into material losses but also into systemic risks. Therefore, the applied methodology assigned significant weight to DEER in order to reflect the importance of its locations within the Group's critical distribution chain. This approach ensures that the climate-risk analysis is not limited to quantitative criteria (number of assets), but also incorporates qualitative dimensions such as asset type, non-relocability and operational dependency, offering a comprehensive view of the real exposure to risks. For the climate-risk and vulnerability analysis, all chronic and acute climate hazards included in ESRS E1 – Climate Change (AR 11 and AR 12) were taken into consideration. According to the most recent IEA World Energy Outlook 2025, published in November 2025, the climate objectives set under the Paris Agreement are, unfortunately, already exceeded. The report confirms that in 2024 global temperatures had already surpassed 1.5°C above pre-industrial levels, and none of the modelled climate scenarios fully aligns with the Paris Agreement. Under the IEA's Current Policies Scenario (CPS) - which projects future energy trends based solely on existing policies and measures, without any new policy interventions—current emission trajectories would lead to approximately 3°C of warming by 2100. The Stated Policies Scenario (STEPS)—which reflects the expected impact of announced government policies and intentions, assuming partial implementation—limits warming to around 2.5°C, still

Standard ESRS	Chapter	Disclosure requirement
		above safe thresholds. Even the Net Zero Emissions 2050 trajectory peaks at roughly $\sim 1.65^{\circ}\text{C}$ before slowly declining. Across all scenarios presented in the report, global energy demand continues to rise sharply, driven by emerging economies, electrification, the increasing use of air conditioning, and the rapid expansion of data centres and artificial intelligence. In the CPS scenario, oil demand does not peak before 2050 and could reach 113 million barrels per day by 2050, requiring new exploration and extraction projects. STEPS anticipates a plateau around 2030, but not a rapid decline. Coal consumption decreases earlier, while natural gas demand remains relatively stable until 2030, partly due to LNG expansion. Renewable energy projects continue to grow, yet energy demand rises faster than installed capacity. The report notes that renewables set implementation records for the 23rd consecutive year, with solar power dominating global growth and new nuclear projects making a strong return. Green-energy investments are projected to reach USD 2.2 trillion in 2025—nearly double spending on fossil fuels—however, distribution-grid upgrades and storage projects continue to lag behind generation, creating reliability risks. Despite progress up to 2025, annual improvements in energy efficiency have slowed to approximately 1.2%, far below the 4% annual rate needed to align with the Paris 1.5°C pathway. The issue of progress in the energy transition was extensively discussed during COP 30, and the conclusions highlighted several concerns: • There is now broad acknowledgement that, based on the current policy trajectory, the world may be heading toward a 2.5°C future unless significant systemic changes are implemented. • The renewable energy industry, despite its dramatic growth, still accounts for only 20% of the total global energy mix. • Affordability has become a defining challenge reshaping national energy policy: in many regions, high electricity prices are eroding public and political support for transition measures. The cost-of-living

Standard ESRS	Chapter	Disclosure requirement
		crisis in advanced economies is forcing governments to reassess subsidy schemes, with some withdrawing or postponing transition-related investments. The climate-risk assessment conducted for Electrica Group also incorporated the findings of the first European Climate Risk Assessment (EUCRA 2024) issued by the European Environment Agency. According to this study, Europe is the fastest-warming continent in the world. The year 2024 was a negative reference point for Romania's climate, confirming the acceleration of extreme weather phenomena: • Record heatwaves: the summer of 2024 was the hottest on record, with 63 heat-wave days (representing 68% of the entire summer). For the first time, six consecutive days exceeded 40°C. • Severe aridisation: the share of Romania's territory affected by aridity increased dramatically, from 12% in the 1970s to 51% during 2021–2024. Over 11 million hectares are exposed to desertification risk, particularly in the south and east. • Urban heat-island effect: in major cities (Bucharest, Craiova), urbanisation amplifies temperatures by up to 7–8°C compared to rural areas, placing substantial pressure on public health and energy consumption. The National Bank of Romania (NBR) also monitors climate risks from a financial-stability perspective, identifying major vulnerabilities for multiple economic sectors and for the banking system: • Impact on agriculture: the 2024 drought affected approximately 2 million hectares of crops (corn and sunflower), reducing the payment capacity of companies in the agricultural sector and increasing the risk of loan defaults. • Transition risk: the National Bank of Romania (NBR) highlights that Romania has a carbon-intensive economy compared to the EU average. Companies that fail to rapidly adapt to new green regulations risk declining profitability and difficulties in accessing financing. • Banking exposure: the banking sector has significant exposures to climate-sensitive industries. The NBR monitors the "green taxonomy", noting that although banks are well capitalised, real-estate assets pledged as collateral may lose value due to physical risks (floods or fires).

Standard ESRS	Chapter	Disclosure requirement
		Of relevance to Electrica Group is the fact that, according to the NBR study, green financing in Romania is moving from a niche stage to one of strategic consolidation. For an energy-sector company, the fact that utilities represent the second-largest destination of green lending (18%) confirms banks' appetite for financing this sector, provided that projects are aligned with sustainability standards. Therefore, for Electrica Group, identifying and managing climate risks and vulnerabilities is becoming a strategic priority. Additional input assumptions considered by Electrica Group in the climate-risk and vulnerability analysis included those set out in the National Defence Strategy, where climate change is treated as a multiplier of threats to national security. In the National Defence Strategy, climate risks are addressed from several perspectives: • Resource security and threats to the population. • Vulnerability of critical infrastructure. National defence depends on the resilience of infrastructure—including, in Electrica's case, the assets operated by DEER. The Strategy notes that climate change directly affects two major sectors: Military and Transport Infrastructure, and the Energy Sector. • Migration and regional instability. Climate change may exacerbate conflicts in the wider Black Sea region, turning access to natural resources into a new source of geopolitical tension. The climate-risk and vulnerability analysis was conducted between November and December 2025. In line with CSRD/ESRS E1 – Climate Change requirements and IPCC recommendations, the analysis must be based on at least two distinct climate scenarios that reflect a sufficiently broad range of uncertainty and enable assessment of the potential impact on company assets and operations. Scenario selection was guided by the need for alignment with international standards and by the requirement to cover a wide uncertainty spectrum—from orderly transition to severe-impact scenarios. The ClimSystems platform (ClimSystems Ltd), used to perform the exposure analysis, provides hazard-exposure data for five scenarios: SSP1 1.9, SSP1 2.6, SSP2 4.5, SSP3 7.0 and SSP5 8.5. Electrica Group selected two climate scenarios considered representative for the current context:

Standard ESRS	Chapter	Disclosure requirement
		• SSP2-4.5 – Moderate-emissions scenario Assumes implementation of climate policies and technologies that reduce emissions but do not achieve full neutrality. Estimated global warming: $\approx 2.1^{\circ}\text{C}$–$2.4^{\circ}\text{C}$ by the end of the century. Characteristics: partial transition, gradual adaptation and moderate stress on infrastructure. • SSP5-8.5 – High-emissions scenario Assumes continuation of current trends without significant mitigation measures. Estimated global warming: $\approx 4^{\circ}\text{C}$ or more by 2100. Characteristics: severe impacts, extreme climate events, major stress on infrastructure and supply chains. Scenario selection is coordinated with the transition-risk assessment (policies, markets, technology) to maintain consistency in assumptions and results across the overall risk evaluation. SSP2-4.5 provides a realistic outlook for a partial transition, while SSP5-8.5 represents a pessimistic scenario useful for resilience testing. SSP2-4.5 aligns with NGFS “Disorderly Transition” or IEA APS scenarios, whereas SSP5-8.5 corresponds to the NGFS “Hot House World” scenario. It is worth noting that, given current global trajectories, SSP1 1.9 (the 1.5°C scenario with limited overshoot) was deemed too ambitious by Electrica Group to be used as a low-emissions scenario. In accordance with the CSRD/ESRS (European Sustainability Reporting Standards) E1 – Climate Change requirements and IPCC recommendations, the climate-risk analysis must include multiple time horizons to capture the evolution of physical and transition risks over the short, medium and long term. The selection of these horizons was based on the following elements: the lifetime of the assets and the company’s strategic plans; standardised climate projections that use long-term reference intervals; and the need for comparability between scenarios and time periods. The following time horizons were used for this analysis: • The year 2005 was used for calibrating climate models and assessing trends. It was chosen as a historical reference point because it provides a solid base of climate and operational data and represents the period when modern climate models began to be calibrated. Analysing this point of reference makes it possible to compare developments and identify

Standard ESRS	Chapter	Disclosure requirement
		trends—such as changes in temperature, precipitation and the frequency of extreme events. • The year 2030 represents a short-/medium-term horizon and is relevant for Electrica Group’s strategic objectives and energy-transition plans. It is also aligned with the European Union’s 2030 emissions-reduction targets and related transition policies. • The year 2050 represents a long-term horizon aligned with global climate-neutrality targets and the lifetime of critical infrastructure. Beyond being a simple time marker, 2050 symbolises the global goal of achieving net-zero emissions. For the company, the 2050 horizon is essential for testing the long-term resilience of infrastructure—buildings, networks and other critical assets. • The year 2100 represents a very long-term horizon used to evaluate extreme climate scenarios and systemic risks. This is the point at which IPCC climate scenarios show the clearest differences between a successful transition pathway and one that fails. The 2100 horizon enables testing of the company’s resilience under severe climate-impact conditions. The financial impact assessment aims to quantify the potential economic losses resulting from physical damage caused by climate-related hazards. The methodology used was that proposed by Climada Technologies (CLIMADA), which considers the vulnerability associated with assets exposed to these hazards and translates climate impacts into monetary values. This enables the evaluation of how assets, infrastructure and operations may be affected under both current climate conditions and future climate scenarios. This assessment supports informed risk-based decision-making processes, providing guidance for planning adaptation measures, allocating capital efficiently and complying with financial reporting requirements related to climate risks. The financial-impact analysis is performed for climate hazards with significant potential to cause direct physical damage to assets. Under the Climada Technologies methodology, financial loss quantification is available for: • Flood-related hazards, where the relationship between water depth and the level of damage is modelled using specific vulnerability functions; • Extreme-wind hazards, where damages are correlated with wind speed and the construction characteristics of the affected assets.

Standard ESRS	Chapter	Disclosure requirement
		For each type of hazard, the vulnerability functions describe the relationship between the intensity of the climatic event (e.g., flood depth or wind speed) and the associated loss ratio for the asset, taking into account its exposure characteristics. The climate-risk and vulnerability analysis carried out for Electrica Group highlights a significant exposure to both physical and transition risks, with direct impacts on infrastructure, operations and financial performance. At Group level, the main physical risks identified are heat waves and floods—phenomena that are intensifying due to accelerated climate change. DEER faces heightened vulnerability to heat waves and floods. Climate projections indicate that by 2050, 100% of the assets included in the analysis will fall into the high heat-wave risk category, and the number of sites exposed to flooding will gradually increase; by 2050, 3.4% of assets will be exposed to high flood risk. This context requires prioritising investments in network modernisation, cooling-system implementation and foundation reinforcement to ensure operational resilience. For EFSA, by 2050, 50% of the analysed assets will fall under high heat-wave risk and 4.54% under flood-risk categories. These phenomena may affect thermal comfort, equipment safety and the continuity of administrative activities. Adaptation measures include upgrading cooling systems, improving drainage and implementing additional protection solutions for vulnerable assets. For SERV, by 2050, 100% of the analysed assets will fall into the high heat-wave risk category, and 9.1% will be exposed to flood risks. Adaptation actions must target both infrastructure protection and ensuring safe access conditions for personnel. For ELSA HQ, by 2050, 100% of the analysed assets will fall under high heat-wave risk and 16.7% under medium flood-risk exposure. These phenomena will exert significant pressure on operational continuity, costs and employee safety. For ELSA SPV, by 2050, 100% of assets fall under high heat-wave risk and 50% under medium flood-risk exposure. Transition risks affect all subsidiaries. • Electrica Group must comply with an increasingly stringent regulatory framework on energy efficiency, creating a material policy and regulatory-compliance

Standard ESRS	Chapter	Disclosure requirement
		risk. Under the European Green Deal and REPowerEU, energy-efficiency ambitions have intensified: the original Fit for 55 target of 9% for 2030 was increased to 13%, with a final compromise of 11.7% adopted in the revised Energy Efficiency Directive (EED). These changes require accelerated efficiency measures across industry, buildings and transport - areas highly relevant for Electrica. This implies continuous infrastructure upgrades and adaptation to new standards, especially for new network development or activity expansion (e.g., renewable-energy generation). Failure to comply may lead to additional costs, operational restrictions and substantial investment needs. - Legislative changes regarding electricity and gas procurement represent a significant policy and regulatory risk, with direct implications for operational costs and compliance requirements. As the EU seeks to reduce fossil-fuel dependency, measures under REPowerEU and energy-market reform introduce changes to procurement mechanisms, contracting approaches and pricing models. For instance, the transition towards long-term renewable PPAs and reducing exposure to spot-market volatility could influence Electrica's sourcing strategy. Potential new taxes on fossil fuels and revised subsidies may increase natural-gas acquisition costs and necessitate re-evaluation of the energy portfolio. - A significant financial transition risk for Electrica is the rising price of carbon, driven by stricter EU decarbonisation policies and tightening GHG-emissions regulations. As carbon-pricing mechanisms such as the EU ETS become more restrictive, the cost of emission certificates increases, indirectly affecting operating expenses. Although Electrica is not directly subject to the EU ETS, increasing carbon prices impact the supply chain, as fossil-fuel-based energy producers pass part of these additional costs through to Electrica, influencing procurement costs and overall cost structure. This highlights the need for a proactive strategy focused on reducing reliance on high-emission sources and diversifying the energy mix through sustainable solutions.

Standard ESRS	Chapter	Disclosure requirement
		Another transition risk relates to environmental permitting requirements, particularly the need to obtain and update environmental authorisations. This risk is amplified by infrastructure development and the expansion of renewable-energy generation, where compliance requirements are continuously evolving. Complex administrative procedures, long approval timelines and potential legislative changes can delay strategic projects and generate additional costs. Conversely, the climate-risk and vulnerability study identifies significant opportunities for Electrica Group and its subsidiaries. Investments in green infrastructure, network digitalisation and renewable-generation capacity can enhance efficiency, resilience and competitiveness. Alignment with the EU Taxonomy facilitates access to green financing, while the development of innovative products and services opens new market segments. Increased transparency in reporting and the adoption of ambitious decarbonisation targets strengthen the company's reputation and its relationship with stakeholders. ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities
ESRS E1	Climate change	E1-2 Policies related to climate change mitigation and adaptation
ESRS E1	Climate change	E1-3 Actions and resources in relation to climate change policies
ESRS E1	Climate change	E1-4 Targets related to climate change mitigation and adaptation
ESRS E1	Climate change	E1-5 Energy consumption and mix
ESRS E1	Climate change	E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions
ESRS E1	Climate change	E1-7 GHG removals and GHG mitigation projects financed through carbon credits
ESRS E1	Climate change	E1-8 Internal carbon pricing
ESRS E1	Climate change	E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities - we apply the phase-in provisions in Appendix C of ESRS 1
ESRS S1	Own workforce	ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model
ESRS S1	Own workforce	S1-1 – Policies related to own workforce
ESRS S1	Own workforce	S1-2 Processes for engaging with own workforce and workers' representatives about impacts
ESRS S1	Own workforce	S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns
ESRS S1	Own workforce	S1-4 Acting on material impacts on own workforce, and approaches to managing material risks and pursuing

Standard ESRS	Chapter	Disclosure requirement
		material opportunities related to own workforce, and effectiveness of those actions
ESRS S1	Own workforce	S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
ESRS S1	Own workforce	S1-6 Characteristics of the undertaking's employees
ESRS S1	Own workforce	S1-7 Characteristics of non-employees in the undertaking's own workforce
ESRS S1	Own workforce	S1-8 Collective bargaining coverage and social dialogue
ESRS S1	Own workforce	S1-9 Diversity metrics
ESRS S1	Own workforce	S1-11 Social protection
ESRS S1	Own workforce	S1-13 Training and skills development metrics
ESRS S1	Own workforce	S1-14 Health and safety metrics
ESRS S1	Own workforce	S1-17 Incidents, complaints and severe human rights impacts
ESRS S4	Consumers and end-users	ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model
ESRS S4	Consumers and end-users	S4-1 Policies related to consumers and end-users
ESRS S4	Consumers and end-users	S4-2 Processes for engaging with consumers and end-users about impacts
ESRS S4	Consumers and end-users	S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns
ESRS S4	Consumers and end-users	S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions
ESRS S4	Consumers and end-users	S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
ESRS G1	Business conduct	ESRS 2 GOV-1 The role of the administrative, supervisory and management bodies
ESRS G1	Business conduct	ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities
ESRS G1	Business conduct	G1-1 Business conduct policies and corporate culture
ESRS G1	Business conduct	G1-2 Management of relationships with suppliers
ESRS G1	Business conduct	G1-3 Prevention and detection of corruption and bribery
ESRS G1	Business conduct	G1-4 Incidents of corruption or bribery
ESRS G1	Business conduct	G1-6 Payment practices

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Reporting (chapter, section) / Relevance (non-material and/or phased-in / not applicable)
ESRS 2 GOV-1 Board's gender diversity paragraph 21(d)	Indicator No. 13 of Table 1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II		General disclosures, GOV-1
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21(e)			Delegated Regulation (EU) 2020/1816, Annex II		General disclosures, GOV-1
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator No. 10 Table 3 of Annex 1				General disclosures, GOV-4
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40(d)(i)	Indicators No 4 Table 1 of Annex 1	Article 449a of Regulation (EU) No. 575 / 2013; Commission Implementing Regulation (EU) 2022/2453, Table 1: Qualitative information on environmental risk and Table 2: Qualitative information on social risk	Delegated Regulation (EU) 2020/1816, Annex II		General disclosures, ESRS 2 SBM-1
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40(d)(ii)	Indicator No. 9, Table 2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Not applicable

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Reporting (chapter, section) / Relevance (non-material and/or phased-in / not applicable)
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40(d)(iii)	Indicator No. 14, Table 1 of Annex 1		Delegated Regulation (EU) 2020/1818, Article 12(1) of Delegated Regulation (EU) 2020/1816, Annex II		Not applicable
ESRS 2 SBM-1 Involvement in activities related to the cultivation and production of tobacco paragraph 40(d)(iv)			Delegated Regulation (EU) 2020/1818, Article 12(1) of Delegated Regulation (EU) 2020/1816, Annex II		Not applicable
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	ESRS Climate Change, E1-1, The company has not adopted a transition plan
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16(g)		Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU)	Article 12.1 (d) to (g), and Article 12.2		Not applicable

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Reporting (chapter, section) / Relevance (non-material and/or phased-in / not applicable)
		2022/2453 Template 1: Banking book- Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity			
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator No. 4 Table 2 of Annex 1	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book- Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		Climate change, E1-4
ESRS E1-5 Energy consumption from fossil sources disaggregated by source (only high climate impact sectors) paragraph 38	Indicator No. 5, Table 1 and Indicator No. 5, Table 2 of Annex 1				Climate change, E1-5

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Reporting (chapter, section) / Relevance (non-material and/or phased-in / not applicable)
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator No. 5, Table 1 of Annex 1				Climate change, E1-5
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator No. 6, Table 1 of Annex 1				Climate change, E1-5
ESRS E1-6 Gross Scope 1, 2, 3 and total GHG emissions paragraph 44	Indicators No. 1 and 2, Table of Annex 1	Article 449a; Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book - Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), Article 6 and Article 8(1)		Climate change, E1-6
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators No. 3, Table 1 of Annex 1	Article 449a of Regulation (EU) No. 575/2013; Commission Implementing	Delegated Regulation (EU) 2020/1818, Article 8(1)		Climate change, E1-6

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Reporting (chapter, section) / Relevance (non-material and/or phased-in / not applicable)
		Regulation (EU) 2022/2453 Template 3: Banking book - Climate change transition risk: alignment indicators			
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	Climate change, E1-7
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Not applicable
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66(a) ESRS E1-9		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, paragraphs 46 and 47;			Climate change, E1-9, phased-in

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Reporting (chapter, section) / Relevance (non-material and/or phased-in / not applicable)
Location of significant assets at material physical risk paragraph 66(c).		Template 5: Banking book – Climate change physical risk: Exposures subject to physical risk.			
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67(c).		Article 449a of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking Book – Climate change transition risk: Loans collateralized by immovable property — Energy efficiency of collateral			Not calculated
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		Not calculated

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Reporting (chapter, section) / Relevance (non-material and/or phased-in / not applicable)
ESRS E2-4 Amount of each pollutant listed in Annex II of the Regulation E-PRTR (European Pollutant Release and Transfer Registry) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				Not a material topic
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				Not a material topic
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				Not a material topic
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				Not a material topic
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				Not a material topic

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Reporting (chapter, section) / Relevance (non-material and/or phased-in / not applicable)
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				Not a material topic
ESRS 2- IRO 1 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				Not a material topic
ESRS 2- IRO 1 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				Not a material topic
ESRS 2- IRO 1 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				Not a material topic
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				Not a material topic
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				Not a material topic
ESRS E4-2	Indicator number 15				Not a material topic

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Reporting (chapter, section) / Relevance (non-material and/or phased-in / not applicable)
Policies to address deforestation paragraph 24 (d)	Table #2 of Annex 1				
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				Not a material topic
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				Not a material topic
ESRS 2- SBM3 - S1 Risk of incidents of forced labor paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				Own workforce, S1-SBM 3
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				Own workforce, S1-SBM 3
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator No. 9 Table 3 and indicator No. 11 Table 1 of Annex I				Own workforce, S1-1
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor			Delegated Regulation (EU) 2020/1816, Annex II		Own workforce, S1-1

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Reporting (chapter, section) / Relevance (non-material and/or phased-in / not applicable)
Organization Conventions 1 to 8, paragraph 21					
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				Own workforce, S1-1
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				Own workforce, S1-1
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				Own workforce, S1-3
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Own workforce, S1-14
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				Own workforce, S1-14

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Reporting (chapter, section) / Relevance (non-material and/or phased-in / not applicable)
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Not a material topic
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				Not a material topic
ESRS S1-17 Incidents of discrimination paragraph 103(a)	Indicator No. 7, Table 3 of Annex I				Own workforce, S1-17
ESRS S1-17 Non-compliance with UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Article 12(1)		Own workforce, S1-17
ESRS 2- SBM3 – S2 Significant risk of child labor or forced labor in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				Not a material topic
ESRS S2-1	Indicator number 9 Table #3 and Indicator				Not a material topic

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Reporting (chapter, section) / Relevance (non-material and/or phased-in / not applicable)
Human rights policy commitments paragraph 17	n. 11 Table #1 of Annex 1				
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				Not a material topic
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Article 12(1)		Not a material topic
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organization Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		Not a material topic
ESRS S2-4 Human rights issues and incidents connected to its upstream and	Indicator number 14 Table #3 of Annex 1				Not a material topic

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Reporting (chapter, section) / Relevance (non-material and/or phased-in / not applicable)
downstream value chain paragraph 36					
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				Not a material topic
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Article 12(1)		Not a material topic
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				Not a material topic
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				Consumers and end-users, S4-1
ESRS S4-1 Non-respect of UNGPs on Business	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU)		Consumers and end-users, S4-1

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Reporting (chapter, section) / Relevance (non-material and/or phased-in / not applicable)
and Human Rights and OECD guidelines paragraph 17			2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Article 12(1)		
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				Consumers and end-users, S4-4
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				Business conduct, G1-1
ESRS G1-1 Protection of whistle-blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				Not a material topic
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Business conduct, G1-4
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				Business conduct, G1-4

MDR-P Policies adopted to manage material sustainability matters

Material topics are managed by Electrica through a series of policies and actions aimed at preventing, mitigating, and remedying material actual and potential impacts, addressing material risks, and/or pursuing material opportunities.

In line with the Electrica Group Sustainability Strategy 2025–2030, once the strategy was approved, initiative plans and annual action plans were developed to support its implementation and the monitoring of performance indicators. At present, Electrica Group is in the process of updating and consolidating these plans, and the executive directors at ELSA and subsidiary level are responsible for reviewing and integrating the relevant performance indicators into the performance management system.

Not all material ESRS topics have policies and actions in place to mitigate negative impacts. Where there are no policies or actions adopted, this Sustainability Statement includes a timeframe within which Electrica intends to adopt them.

MDR-A Actions and resources in relation to material sustainability matters

Actions required for each relevant ESRS topic are presented in the respective sections of the Sustainability Statement. If applicable, it specifies whether the implementation of an action plan requires significant operational expenditure (Opex) and/or significant capital expenditure (Capex).

MDR-T Tracking effectiveness of policies and actions through targets

Metrics and targets for each material ESRS topic are presented in the respective sections of the Sustainability Statement. If the metrics and targets are not adopted, reasons for such non-adoption are provided in the relevant sections of the Statement, together with the timeframe in which Electrica Group intends to adopt them.

The metrics are also presented in the section of the Statement - ESRS reporting requirements covered by the sustainability statement of the undertaking - which centralizes material topics, reporting requirements, and material data points related to the material topic and metrics that Electrica Group uses to evaluate performance and effectiveness regarding material impact, risk, or opportunity.

Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020, establishing a framework to facilitate sustainable investments and amending Regulation (EU) 2019/2088 ("EU Taxonomy Regulation" or "the Regulation"), establishes a classification system for environmentally sustainable economic activities with the aim of directing capital flows towards a sustainable economy. The EU Taxonomy facilitates sustainable investments and ensures market transparency by defining four essential criteria that economic activities must meet to be considered environmentally sustainable, in alignment with the six environmental objectives.

Determining the eligibility of economic activities is based on the basis of the description of the economic activities or the corresponding NACE codes, which must correspond to the description of the activities set out in the Delegated Acts under the EU Taxonomy Regulation: Commission Delegated Regulation (EU) 2021/2139 (the "Climate Delegated Act"), as amended and supplemented by Delegated Regulation (EU) 2022/1214 and Delegated Regulation (EU) 2023/2485, for economic activities that make a substantial contribution to the climate objectives of climate change mitigation and climate change adaptation, and by Delegated Regulation (EU) 2023/2486 (the "Environmental Delegated Act") for economic activities that make a substantial contribution to the remaining four environmental objectives: the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems..

For economic activities to be considered "aligned," they must cumulatively meet the conditions outlined in Article 3 of the Regulation⁴:

- to substantially contribute to one or more environmental objectives listed in Article 9 of the Regulation by fulfilling technical criteria;
- do no significant harm to any of the remaining environmental objectives (applying the "do-no-significant-harm" principle - *DNSH*);
- comply with the minimum social safeguards established in Article 18 of the Regulation;
- fulfill the applicable technical screening criteria established by the Commission under Article 10 of the Regulation.

Non-financial undertakings must report data in accordance with Article 8 of Regulation 2020/852, and this report must include the following information:

- The proportion of **turnover** derived from products or services associated with environmentally sustainable economic activities;
- The proportion of **capital expenditures (CapEx)** and **operating expenditures (OpEx)** related to assets or processes tied to environmentally sustainable economic activities.

The following sections present the analysis conducted by Electrica Group for reporting specific information about the economic activities carried out in the 2025 financial year (January 1, 2025 – December 31, 2025) , in compliance with Article 8 of the EU Taxonomy Regulation, respectively the proportions of eligibility and alignment of the economic activities, highlighting their contribution to the six environmental objective.

⁴ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088.

Determining the eligibility of economic activities within Electrica Group

The assessment of activities carried out by the Electrica Group was conducted for each of the three financial indicators (Turnover, CapEx, and OpEx) based on the consolidated annual financial statements prepared by the Company's representatives in accordance with the provisions of Order no. 2844/2016 issued by the Ministry of Finance for the 2025 financial year. The financial statement analysis aimed to identify eligible economic activities and their eligibility proportions, in line with the provisions of Delegated Act no. 2178/2021 regarding disclosure requirements and subsequent communications from the European Commission concerning the interpretation and application of certain requirements under the EU Taxonomy Regulation and its subsequent Delegated Acts..

Furthermore, in the 2025 financial year, Electrica Group applied the provisions of Delegated Regulation (EU) 2026/73 amending Commission Delegated Regulation (EU) 2021/2178 as regards the simplification of the content and presentation of the information to be disclosed concerning environmentally sustainable activities, as well as of Delegated Regulations (EU) 2021/2139 and (EU) 2023/2486 as regards the simplification of certain technical screening criteria for determining whether economic activities do not cause significant harm to environmental objectives.

The proportions of eligibility were identified through the use of analytical accounting records. Double counting of the values underlying the calculation of the indicators was avoided by eliminating the value of transactions carried out within the Group.

In order to identify eligible economic activities, an analysis of the entire portfolio of activities carried out across all subsidiaries of the Electrica Group was performed. These activities were assessed both in terms of their description and their corresponding NACE codes, and compared with the economic activities included in Annexes I and II of Delegated Regulation (EU) 2021/2139 and in Annexes I–IV of Delegated Regulation (EU) 2023/2486.

None of the Group's activities contribute to more than one environmental objective.

1. Turnover

Electrica Group is a key player in the electricity distribution and supply market in Romania, as well as one of the most important players in the energy services sector. Electrica Group operates nationwide through its subsidiaries, which provide electricity distribution and supply services, as well as other specific services in the energy sector.

In 2025, Electrica Group recorded total turnover of RON 10,910,254,522.99, generated by the Group's core activity consisting of electricity distribution – this activity, carried out by the subsidiary Distribuție Energie Electrica Romania S.A. ("DEER") under NACE code 3513 – Distribution of electricity (NACE D35.13), generated 48.37% (RON 5,277,448,905.99) of the total turnover, and corresponds, both in terms of the NACE code and the activity description, to activity 4.9 Transmission and distribution of electricity as set out in Annex I to Delegated Regulation (EU) 2021/2139, being an enabling activity that makes a substantial contribution to the environmental objective of Climate change mitigation.

In the 2025 financial year, Electrica Group generated revenues of RON 12,526,635.82 from the activity of electricity generation from renewable sources. Given that the share of 0.11% of these revenues is below the 10% materiality threshold, this activity was excluded from the assessment for the purposes of determining eligibility or alignment, in accordance with Article 1(1a) of Delegated Regulation (EU) 2026/73.

Furthermore, in the 2025 financial year, Electrica Group reported revenues representing 51.51% (RON 5,620,278,458.19) from other economic activities that are non-eligible under the EU Taxonomy, consisting of revenues from the supply of electricity and natural gas, as well as from the provision of services related to the reconnection of end consumers to the distribution network.

2. Capital Expenditures (CapEx)

In accordance with Article 1.1.2.1 of Annex I of Delegated Act 2021/2178, the CapEx denominator covers additions to tangible and intangible assets made during the financial year, before depreciation, amortization, or any revaluations, including those resulting from revaluations and impairments, excluding changes in fair value.

The Group prepares two sets of annual consolidated financial statements, both according to OMFP 2844/2016 and IFRS-EU. The difference between them lies in the recognition of intangible assets in the OMFP 2844/2016 set, corresponding to the revenues from the production of intangible assets, due to the additional CPT difference for the distribution subsidiary. The assets are amortized over a period of 5 years. In the IFRS-EU financial statements set, set, the revenues related to the CPT capitalized in the previous period are recovered in that year, without recording intangible assets, and the revenues are included in the Group's turnover. Thus, there will be differences between the results of the two sets of annual consolidated financial statements. The difference in the financial position will be the unamortized value of the intangible asset recorded in the OMFP 2844/2016 financial statements set.

Given that the Group prepares two sets of annual consolidated financial statements, we have included two tables presenting ICP CapEx, one for each set of financial statements.

In the 2025 financial year, the total value of the CapEx denominator, which includes total capital expenditure incurred at the level of Electrica Group, amounted to RON 1,096,964,231.29 in accordance with Order 2844/2016 and RON 1,057,862,000.00 in accordance with IFRS. The majority of this capital expenditure was related to investments in the construction and expansion of electricity distribution systems within medium- and low-voltage networks, representing 91.26% (RON 1,001,129,779.78) of the total in accordance with Order No. 2844/2016 and 90.94% (RON 962,027,097.78) in accordance with IFRS. These investments are associated with enabling activity 4.9 Transmission and distribution of electricity, as set out in Annex I to Delegated Regulation (EU) 2021/2139, which makes a substantial contribution to the environmental objective of Climate change mitigation.

In 2025, Electrica Group carried out investments amounting to RON 50,048,675.67, representing 4.56% in accordance with Order 2844/2016 and 4.73% in accordance with IFRS of total CapEx, in the expansion of electricity generation capacities using solar photovoltaic technology. Furthermore, investments amounting to RON 4,068,263.92 were made in equipment aimed at improving the energy efficiency of buildings, as well as in installations for the charging of electric vehicles. Considering the total share of 4.93% in accordance with Order No. 2844/2016 and 5.12% in accordance with IFRS of total CapEx, which is below the 10% materiality threshold, these activities were excluded from the assessment for the purposes of determining EU Taxonomy eligibility or alignment, in accordance with Article 1(1b) of Delegated Regulation (EU) 2026/73. The remaining capital expenditures, representing 3.80% according to Order no. 2844/2016 and 3.94% under IFRS, were related to activities that are not eligible under the EU Taxonomy.

3. Operating expenses (OpEx)

According to Article 1.1.3.1 of Annex I of Delegated Act 2021/2178, the denominator of operating expenses includes direct non-capitalized costs related to research and development, building renovation measures, short-term leasing contracts, maintenance and repairs, as well as any other direct expenses related to the current maintenance of tangible assets by the company or the third party to which these activities are outsourced, necessary to ensure the continuous and effective operation of these assets.

To identify the operating expenses corresponding to these criteria, an analysis of the financial statements was conducted, based both on the provisions of the Delegated Act 2021/2178 and subsequent Communications from the European Commission, specifically 2022/C 385/01⁵ and C/2023/305⁶. Thus, the denominator value determined from the total operating expenses amounted to 202.531.173,68 RON.

Operating expenses related to the routine maintenance of tangible assets include periodic inspections, replacement of worn parts, cleaning and disinfection materials, and maintenance services, all necessary to ensure the efficient functioning of equipment and the upkeep of buildings.

Operating expenditure recorded in 2025 consisted, to a proportion of 87.38% (RON 176,970,523.45), of eligible expenditure associated with activities related to the maintenance and servicing of electricity distribution networks, which fall under activity 4.9 Transmission and distribution of electricity. This activity, as set out in Annex I to Delegated Regulation (EU) 2021/2139, makes a substantial contribution to the environmental objective of Climate change mitigation.

In the 2025 financial year, 2.02% of operating expenditure was excluded from the assessment for the purposes of determining EU Taxonomy eligibility or alignment, in accordance with Article 1(1c) of Delegated Regulation (EU) 2026/73, while the remaining 10.60% of OpEx represented operating expenditure related to activities that are non-eligible under the EU Taxonomy.

Determining the alignment of Electrica Group's eligible economic activities

For eligible activities to be considered sustainable or "aligned," they must contribute substantially to at least one of the six environmental objectives listed in Article 9 of the EU Taxonomy Regulation, must not significantly harm any of the other environmental objectives, must comply with the minimum social safeguards mentioned in Article 18 of the EU Taxonomy Regulation⁷ and must meet the applicable technical screening criteria established by the Commission in accordance with Article 10 of the Regulation.

The assessment of eligible economic activities to determine the proportion of alignment was conducted for activities that significantly contribute to the environmental objective of *climate change mitigation*, based on the technical criteria established by Delegated Act 2021/2139 and the evaluation criteria set for the four applicable areas regarding minimum social safeguards: *human rights, corruption, taxation, and competitive practices*

Compared to previous years, Electrica Group has made progress in aligning its activities with the requirements of the EU Taxonomy, through the performance of a detailed analysis of climate-

⁵ FAQ12 – 2022/C 385/01

⁶ FAQ34 – C/2023/305

⁷ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088.

related risks and vulnerabilities, in accordance with the requirements set out in Appendix A to Annex I of the Climate Delegated Act. The analysis focused on assessing exposure to physical and transition climate risks at the level of own operations and across the value chain, using methodologies based on the IPCC CMIP6 climate projections and representative scenarios (SSP2-4.5 and SSP5-8.5), which enabled the identification and quantification of significant risks with the potential to have a material impact on the Group's assets, operations, and financial performance.

However, in the current financial year, the technical screening criteria are not fully met and, therefore, the activities assessed cannot be considered EU Taxonomy-aligned. Electrica Group continues its efforts and reaffirms its commitment to improving its sustainability performance, with the objective of achieving full alignment with the EU Taxonomy requirements in future reporting periods.

Electrica Group's key performance indicators for the three financial indicators

Turnover:

The denominator represents the net turnover obtained in the financial year 2024, recognized based on the accounting policies presented in note 7d) "Accounting Policies – Revenues" according to the consolidated financial statements prepared in accordance with OMFP 2844/2016, and recognized based on the accounting policies presented in note 8d) "Accounting Policies – Revenues" according to the consolidated financial statements prepared in accordance with IFRS.

The turnover amounting to 10,910,254,522.99 RON according to the consolidated profit and loss account reconciles with the total in Note 9 to the annual consolidated financial statements prepared in accordance with OMFP 2844/2016 and with Note 10 to the annual consolidated financial statements prepared in accordance with IFRS.

The numerator of the indicator for eligible turnover is defined as the net turnover derived from products and services associated with economic activities eligible for taxonomy and is 5,277,448,906 RON

Capital expenditures (CapEx):

The denominator has been calculated in accordance with both OMFP 2844/2016 and IFRS.

According to OMFP 2844/2016, the denominator represents the total capital expenditures for the acquisition of tangible (IAS 16) and intangible (IAS 38) assets made in the financial year 2025, based on the accounting policies presented in notes 6k) "Tangible Assets," 6 m) "Intangible Assets in a Service Concession Arrangement," 6n) "Intangible Assets Related to the Utilization of Own Technological Consumption (CPT)," and 6o) "Other Intangible Assets." The capital expenditures reconcile with the amounts presented in Note 24 "Tangible Assets" of the financial statements prepared in accordance with OMFP 2844/2016 for the financial year ended December 31, 2024, under the lines "Entries" and "Acquisition of Subsidiaries," and in Note 25 "Intangible Assets," under the line "Entries."

According to IFRS, the denominator represents the total capital expenditures for the acquisition of tangible (IAS 16) and intangible (IAS 38) assets made in the financial year 2025, based on the accounting policies presented in notes 7 l) "Tangible Assets," 7 n) "Intangible Assets in a Service Concession Arrangement," and 7 o) "Other Intangible Assets." The capital expenditures reconcile with the amounts presented in Note 25 "Tangible Assets" of the financial statements prepared in

accordance with IFRS for the financial year ended December 31, 2025, under the lines "Entries" and "Acquisition of Subsidiaries," and in Note 26 "Intangible Assets," under the line "Entries."

The numerator of the indicator for CapEx is defined as investments associated with economic activities eligible for taxonomy.

Operating Expenses (OpEx):

The denominator represents the total operating expenses for the financial year 2025, determined in accordance with the definition of this indicator in Article 1.1.3.1, Annex I of Delegated Act 2021/2178.

The operating expenses related to the OpEx indicator, analyzed for taxonomy purposes, are included in the amounts presented in the trial balance, in accounts 6021 "Expenses with auxiliary materials," 6024 "Expenses with spare parts," 6028 "Expenses with other consumables," 611 "Expenses with repairs of buildings, equipment, machinery, and others," 612 "Expenses with rents," 614 "Expenses with studies and research," 615 "Expenses with professional training," and 628 "Other expenses with services performed by third parties."

The numerator of the indicator for OpEx represents the operating expenses associated with economic activities eligible for taxonomy.

The results of the evaluation of the economic activities carried out by the Electrica Group in the financial year 2025 are presented in the following section, according to the templates provided in Annex II of Delegated Act 2026/73.

Proportion of Turnover, CapEx, OpEx from products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities – disclosure covering year 2025 (summary KPIs)

Financial year	2025				Breakdown by environmental objectives of Taxonomy aligned activities										
KPI	Total	Proportion of Taxonomy eligible activities	Taxonomy aligned activities	Proportion of Taxonomy aligned activities	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity	Proportion of enabling activities	Proportion of transitional activities	Not assessed activities considered non-material	Taxonomy aligned activities in previous financial year 2025	Proportion of Taxonomy aligned activities in previous financial year 2025
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Text	RON	%	RON	%	%	%	%	%	%	%	%	%	%	RON	%
Turnover	10,910,253,953.59	48.37%	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.11%	0	0%
CapEx (OMF)	1,096,964,231.29	91.26%	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	4.93%	0	0%
CapEx (IFRS)	1.057.862.000,00	90.94%	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	5.12%	0	0%
OpEx	202,531,173.68	87.38%	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	2.02%	0	0%

Proportion of Turnover from products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities – disclosure covering year 2025 (activity breakdown)

[illegible]

Proportion of CapEx from products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities – disclosure covering year 2025 according to OMFP 2844/2016 (activity breakdown)

[illegible]

Proportion of CapEx from products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities – disclosure covering year 2025 according to IFRS-EU (activity breakdown)

[illegible]

Proportion of OpEx from products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities – disclosure covering year 2025 (activity breakdown)

[illegible]

ESRS E1 – Climate change

ESRS 2 GOV-3 Integration of sustainability-related performance in incentive schemes

According [to the Remuneration Policy for Directors and Executives of Electrica S.A.](#) approved by Decision of the Ordinary General Assembly of Shareholders no. 1 of 27 April 2023, the remuneration of members of the Board of Directors and executives is structured to support the company's business strategy, sustainability and long-term interests.

The policy highlights the importance of aligning remuneration with the company's strategic and sustainability objectives, while the Group Sustainability Strategy 2025-2030 establishes the inclusion of performance indicators related to sustainability targets at executive management level. Aligning the ways the executive management is rewarded in consideration of the climate objectives of the company is the responsibility of Electrica's Climate Governance and Public Affairs Committee. This includes the issuing of recommendations for the inclusion of key indicators related to climate objectives in the compensation schemes provided for in the remuneration policy. The Committee shall also monitor and evaluate the achievement of these indicators and may propose appropriate measures.

Electrica Group ensures that all employees, including senior management, attend training sessions on the Code of Ethics and Business Conduct. These sessions are essential to encourage respect for the principles of ethics, compliance and integrity in the personnel's daily work. Training is compulsory for new employees at the beginning of their employment and is regularly renewed so that employees are always aware of changes or updates of policies and procedures.

At present, the remuneration structure for the members of the Board of Directors and the executive directors does not include an explicit share of variable remuneration allocated to climate-related targets or to objectives for reducing greenhouse gas (GHG) emissions (as required under ESRS E1-4). Sustainability considerations are integrated transversally into the performance evaluation of the executive management. In line with the requirements of ESRS 2 GOV-3 and considering that Electrica Group does not yet have a formal Transition Plan in place, the integration of climate-related performance components into the remuneration scheme will be assessed and defined upon the development and approval of the Transition Plan, to ensure alignment with the Group's future climate objectives.

Detailed information on the integration of sustainability related performance into incentive schemes is found in ESRS 2 Chapter—General Disclosures.

E1-1 Transition plan for climate change mitigation

Electrica Group does not currently have a transition plan that complies with the requirements of ESRS E1 – Climate change. However, the company developed a sustainability strategy for the period 2025-2030, which includes initiatives aimed at reducing carbon footprint and energy consumption.

Even though there is no transition plan yet, Electrica Group implemented in 2025 a series of actions, which also lead to carbon footprint reduction. These are detailed in the ESRS E1-3 chapter.

In the Group's new Sustainability Strategy for the period 2025-2030, the company set the following targets on climate change mitigation and adaptation: defining a climate change plan to establish GHG Scope 1, 2 and 3 emissions reductions that the Group is required to achieve by 2030 and 2050, as well as the certification by Science Based Targets (SBTi) of GHG reduction targets according to the transition plan by 2028.

ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Electrica Group recognizes that climate change is a major challenge with implications for the economy, the environment and society. The Group's activity is directly influenced by the transition to a low-carbon economy, facing both exposure to climate risks and opportunities to contribute to decarbonisation objectives.

Electrica has integrated qualitative climate considerations into the 2025–2030 Sustainability Strategy, committing to short-, medium- and long-term measures to reduce its carbon footprint, to integrate sustainability into the business model, and to perform quantitative assessments aligned with best practices and with CSRD/ESRS reporting requirements or those of financing institutions.

Accordingly, to identify significant impacts, risks and opportunities (IRO), and their interaction with the strategy and business model, during the reporting year Electrica Group launched three strategic initiatives designed to strengthen climate-related IRO governance for the upcoming strategic period.

The first process involved reviewing the Group's Policies and related documents covering risk management, in order to include ESG-related risks—including climate risks—in the annual review cycle. This process was initiated in December 2025 and will be completed during 2026.

The second process aimed at harmonising risk-analysis methodologies with those used in the double materiality assessment. During the double materiality analysis, significant climate-related risks were qualitatively identified as follows:

- Acute and chronic physical risks: extreme weather events and long-term climate shifts (heat waves, storms, snowstorms, floods, freeze–thaw cycles, soil erosion) that may affect production and distribution infrastructure, causing damage to transformers, poles, overhead lines and underground cables. These events may generate supply interruptions, high repair and intervention costs, increased operational expenditures, revenue losses and reputational impacts.
- Transition risks: legislative, fiscal and technological changes associated with decarbonisation (including Regulation (EU) 2024/573, which bans SF₆-based switchgear as of 1 January 2026), which may generate additional costs and major investments needed for compliance with energy-transition requirements. These risks are influenced both by external factors (carbon taxation, market price fluctuations, new compliance requirements) and by factors stemming from the Group's own negative impacts (e.g., absence of formal climate targets and a fully implemented decarbonisation plan).

The third process consisted of performing a climate-risk and vulnerability analysis, providing a quantitative assessment of both transition risks and physical (acute and chronic) climate risks.

During 2026, the results of all three initiatives will be consolidated to strengthen the governance framework for Electrica Group's physical and transition climate risks. Planned activities include formal adoption of the updated Risk Management Policy and the incorporation of risks identified through the climate-risk analysis into both the risk procedure and the double materiality procedure.

Climate risks and vulnerabilities were assessed for all subsidiaries—covering the full perimeter of financial and non-financial reporting—and for key value-chain actors (suppliers and customers). To maintain analytical proportionality and focus efforts on significant assets, relevance thresholds were established for each asset class and value-chain segment.

The relevance level of each asset included in the climate-risk and vulnerability analysis was determined based on contextual factors and characteristics reflecting its contribution to company operations. Criteria included location and access, asset concentration, scale and value of buildings and land - considered relevant when exceeding the portfolio average.

Similarly, suppliers were selected based on the cumulative value of transactions (covering suppliers representing over 85% of total transactions), uniqueness (difficulty of substitution), and operational dependency.

For clients, relevance was determined based on contribution to turnover (covering customers contributing over 85% of 2024 revenues), strategic importance and the specific customer profiles of each subsidiary.

For EFSA, due to the large number of residential and non-residential clients, the analysis used consumption points, total energy and gas volumes, and county-level distribution of demand. Counties exceeding average density or consumption thresholds were identified as disproportionately impactful, requiring prioritised attention.

Following the relevance analysis, the resulting unique analysis points were carried forward into the climate-risk assessment per subsidiary:

Subsidiary	Total entry points per subsidiary	Type of data points	Number of entry points	Weight (%)
EFSA	47	Assets	33	10%
		Suppliers	11	
		Clients	3	
SERV	14	Assets	11	3%
		Suppliers	1	
		Clients	2	
ELSA HQ	49	Assets	30	11%
		Suppliers	9	
		Clients	10	
ELSA SPV	10	Assets	2	2%
		Suppliers	2	
		Clients	6	
DEER	341	Assets	327	74%
		Suppliers	12	
		Clients	2	
TOTAL	461			

According to the data presented in the previous table, within the vulnerability analysis from a climate-risk perspective, the DEER subsidiary had the highest weight in the assessment. This decision is based on the fact that the assets managed by DEER represent the core of the Group's operational infrastructure, playing a critical role in ensuring the continuity of electricity distribution services. The assessment also took into account the critical importance of this infrastructure for the national energy system and the country's energy security.

In the selection process, the focus was not only on the size of the asset portfolio but also on its strategic and operational relevance. DEER's sites include essential components of the network—substations, transformer stations and operational buildings—which, in the event of extreme climate events (flooding, high temperatures), can cause major disruptions to the services provided to consumers. Thus, the vulnerability of these assets translates not only into material losses but also into systemic risks.

Therefore, the applied methodology assigned significant weight to DEER in order to reflect the importance of its locations within the Group's critical distribution chain. This approach ensures that the climate-risk analysis is not limited to quantitative criteria (number of assets), but also incorporates qualitative dimensions such as asset type, non-relocability and operational dependency, offering a comprehensive view of the real exposure to risks.

For the climate-risk and vulnerability analysis, all chronic and acute climate hazards included in ESRS E1 – Climate Change (AR 11 and AR 12) were taken into consideration.

According to the most recent IEA⁸ World Energy Outlook 2025⁹, published in November 2025, the climate objectives set under the Paris Agreement are, unfortunately, already exceeded. The report confirms that in 2024 global temperatures had already surpassed 1.5°C above pre-industrial levels, and none of the modelled climate scenarios fully aligns with the Paris Agreement.

Under the IEA's Current Policies Scenario (CPS¹⁰) - which projects future energy trends based solely on existing policies and measures, without any new policy interventions—current emission trajectories would lead to approximately 3°C of warming by 2100. The Stated Policies Scenario (STEPS)—which reflects the expected impact of announced government policies and intentions, assuming partial implementation—limits warming to around 2.5°C, still above safe thresholds. Even the Net Zero Emissions 2050 trajectory peaks at roughly ~1.65°C before slowly declining.

Across all scenarios presented in the report, global energy demand continues to rise sharply, driven by emerging economies, electrification, the increasing use of air conditioning, and the rapid expansion of data centres and artificial intelligence. In the CPS scenario, oil demand does not peak before 2050 and could reach 113 million barrels per day by 2050, requiring new exploration and extraction projects. STEPS anticipates a plateau around 2030, but not a rapid decline. Coal consumption decreases earlier, while natural gas demand remains relatively stable until 2030, partly due to LNG expansion.

Renewable energy projects continue to grow, yet energy demand rises faster than installed capacity. The report notes that renewables set implementation records for the 23rd consecutive year, with solar power dominating global growth and new nuclear projects making a strong return.

Green-energy investments are projected to reach USD 2.2 trillion in 2025—nearly double spending on fossil fuels—however, distribution-grid upgrades and storage projects continue to lag behind generation, creating reliability risks.

Despite progress up to 2025, annual improvements in energy efficiency have slowed to approximately 1.2%, far below the 4% annual rate needed to align with the Paris 1.5°C pathway.

⁸ IEA – International Energy Agency

⁹ [World Energy Outlook 2025 – Analysis - IEA](#)

¹⁰ CPS – Current Policies Scenario

The issue of progress in the energy transition was extensively discussed during COP 30, and the conclusions highlighted several concerns:

- There is now broad acknowledgement that, based on the current policy trajectory, the world may be heading toward a 2.5°C future unless significant systemic changes are implemented.
- The renewable energy industry, despite its dramatic growth, still accounts for only 20% of the total global energy mix.
- Affordability has become a defining challenge reshaping national energy policy: in many regions, high electricity prices are eroding public and political support for transition measures. The cost-of-living crisis in advanced economies is forcing governments to reassess subsidy schemes, with some withdrawing or postponing transition-related investments.

The climate-risk assessment conducted for Electrica Group also incorporated the findings of the first European Climate Risk Assessment (EUCRA 2024) issued by the European Environment Agency. According to this study, Europe is the fastest-warming continent in the world.

The year 2024 was a negative reference point for Romania's climate¹¹, confirming the acceleration of extreme weather phenomena:

- Record heatwaves: the summer of 2024 was the hottest on record, with 63 heat-wave days (representing 68% of the entire summer). For the first time, six consecutive days exceeded 40°C.
- Severe aridisation: the share of Romania's territory affected by aridity increased dramatically, from 12% in the 1970s to 51% during 2021–2024. Over 11 million hectares are exposed to desertification risk, particularly in the south and east.
- Urban heat-island effect: in major cities (Bucharest, Craiova), urbanisation amplifies temperatures by up to 7–8°C compared to rural areas, placing substantial pressure on public health and energy consumption.

The National Bank of Romania (NBR) also monitors climate risks from a financial-stability perspective¹², identifying major vulnerabilities for multiple economic sectors and for the banking system:

- Impact on agriculture: the 2024 drought affected approximately 2 million hectares of crops (corn and sunflower), reducing the payment capacity of companies in the agricultural sector and increasing the risk of loan defaults.
- Transition risk: the National Bank of Romania (NBR) highlights that Romania has a carbon-intensive economy compared to the EU average. Companies that fail to rapidly adapt to new green regulations risk declining profitability and difficulties in accessing financing.
- Banking exposure: the banking sector has significant exposures to climate-sensitive industries. The NBR monitors the "green taxonomy", noting that although banks are well capitalised, real-estate assets pledged as collateral may lose value due to physical risks (floods or fires).

¹¹ [Starea Climei 2025](#) – Raportul Starea Climei 2025

¹² [Tablou de monitorizare a riscurilor climatice asupra sectorului bancar din România 2024](#)

Of relevance to Electrica Group is the fact that, according to the NBR study, green financing in Romania is moving from a niche stage to one of strategic consolidation. For an energy-sector company, the fact that utilities represent the second-largest destination of green lending (18%) confirms banks' appetite for financing this sector, provided that projects are aligned with sustainability standards. Therefore, for Electrica Group, identifying and managing climate risks and vulnerabilities is becoming a strategic priority.

Additional input assumptions considered by Electrica Group in the climate-risk and vulnerability analysis included those set out in the National Defence Strategy, where climate change is treated as a multiplier of threats to national security.

In the National Defence Strategy, climate risks are addressed from several perspectives:

- Resource security and threats to the population.
- Vulnerability of critical infrastructure. National defence depends on the resilience of infrastructure—including, in Electrica's case, the assets operated by DEER. The Strategy notes that climate change directly affects two major sectors: Military and Transport Infrastructure, and the Energy Sector.
- Migration and regional instability. Climate change may exacerbate conflicts in the wider Black Sea region, turning access to natural resources into a new source of geopolitical tension.

The climate-risk and vulnerability analysis was conducted between November and December 2025. In line with CSRD/ESRS E1 – Climate Change requirements and IPCC recommendations, the analysis must be based on at least two distinct climate scenarios that reflect a sufficiently broad range of uncertainty and enable assessment of the potential impact on company assets and operations. Scenario selection was guided by the need for alignment with international standards and by the requirement to cover a wide uncertainty spectrum—from orderly transition to severe-impact scenarios.

The ClimSystems platform ([ClimSystems Ltd](#)), used to perform the exposure analysis, provides hazard-exposure data for five scenarios: SSP1 1.9, SSP1 2.6, SSP2 4.5, SSP3 7.0 and SSP5 8.5. Electrica Group selected two climate scenarios considered representative for the current context:

- SSP2-4.5 – Moderate-emissions scenario

Assumes implementation of climate policies and technologies that reduce emissions but do not achieve full neutrality. Estimated global warming: $\approx 2.1^{\circ}\text{C}$ – 2.4°C by the end of the century. Characteristics: partial transition, gradual adaptation and moderate stress on infrastructure.

- SSP5-8.5 – High-emissions scenario

Assumes continuation of current trends without significant mitigation measures. Estimated global warming: $\approx 4^{\circ}\text{C}$ or more by 2100. Characteristics: severe impacts, extreme climate events, major stress on infrastructure and supply chains.

Scenario selection is coordinated with the transition-risk assessment (policies, markets, technology) to maintain consistency in assumptions and results across the overall risk evaluation.

SSP2-4.5 provides a realistic outlook for a partial transition, while SSP5-8.5 represents a pessimistic scenario useful for resilience testing. SSP2-4.5 aligns with NGFS "Disorderly Transition" or IEA APS scenarios, whereas SSP5-8.5 corresponds to the NGFS "Hot House World" scenario.

It is worth noting that, given current global trajectories, SSP1 1.9 (the 1.5°C scenario with limited overshoot) was deemed too ambitious by Electrica Group to be used as a low-emissions scenario.

In accordance with the CSRD/ESRS (European Sustainability Reporting Standards) E1 – Climate Change requirements and IPCC recommendations, the climate-risk analysis must include multiple time horizons to capture the evolution of physical and transition risks over the short, medium and long term. The selection of these horizons was based on the following elements: the lifetime of the assets and the company's strategic plans; standardised climate projections that use long-term reference intervals; and the need for comparability between scenarios and time periods.

The following time horizons were used for this analysis:

- The year 2005 was used for calibrating climate models and assessing trends. It was chosen as a historical reference point because it provides a solid base of climate and operational data and represents the period when modern climate models began to be calibrated. Analysing this point of reference makes it possible to compare developments and identify trends—such as changes in temperature, precipitation and the frequency of extreme events.
- The year 2030 represents a short-/medium-term horizon and is relevant for Electrica Group's strategic objectives and energy-transition plans. It is also aligned with the European Union's 2030 emissions-reduction targets and related transition policies.
- The year 2050 represents a long-term horizon aligned with global climate-neutrality targets and the lifetime of critical infrastructure. Beyond being a simple time marker, 2050 symbolises the global goal of achieving net-zero emissions. For the company, the 2050 horizon is essential for testing the long-term resilience of infrastructure—buildings, networks and other critical assets.
- The year 2100 represents a very long-term horizon used to evaluate extreme climate scenarios and systemic risks. This is the point at which IPCC climate scenarios show the clearest differences between a successful transition pathway and one that fails. The 2100 horizon enables testing of the company's resilience under severe climate-impact conditions.

The financial impact assessment aims to quantify the potential economic losses resulting from physical damage caused by climate-related hazards. The methodology used was that proposed by Climada Technologies ([CLIMADA](#)), which considers the vulnerability associated with assets exposed to these hazards and translates climate impacts into monetary values. This enables the evaluation of how assets, infrastructure and operations may be affected under both current climate conditions and future climate scenarios.

This assessment supports informed risk-based decision-making processes, providing guidance for planning adaptation measures, allocating capital efficiently and complying with financial reporting requirements related to climate risks.

The financial-impact analysis is performed for climate hazards with significant potential to cause direct physical damage to assets. Under the Climada Technologies methodology, financial loss quantification is available for:

- Flood-related hazards, where the relationship between water depth and the level of damage is modelled using specific vulnerability functions;
- Extreme-wind hazards, where damages are correlated with wind speed and the construction characteristics of the affected assets.

For each type of hazard, the vulnerability functions describe the relationship between the intensity of the climatic event (e.g., flood depth or wind speed) and the associated loss ratio for the asset, taking into account its exposure characteristics.

The climate-risk and vulnerability analysis carried out for Electrica Group highlights a significant exposure to both physical and transition risks, with direct impacts on infrastructure, operations and financial performance. At Group level, the main physical risks identified are heat waves and floods—phenomena that are intensifying due to accelerated climate change.

DEER faces heightened vulnerability to heat waves and floods. Climate projections indicate that by 2050, 100% of the assets included in the analysis will fall into the high heat-wave risk category, and the number of sites exposed to flooding will gradually increase; by 2050, 3.4% of assets will be exposed to high flood risk. This context requires prioritising investments in network modernisation, cooling-system implementation and foundation reinforcement to ensure operational resilience.

For EFSA, by 2050, 50% of the analysed assets will fall under high heat-wave risk and 4.54% under flood-risk categories. These phenomena may affect thermal comfort, equipment safety and the continuity of administrative activities. Adaptation measures include upgrading cooling systems, improving drainage and implementing additional protection solutions for vulnerable assets.

For SERV, by 2050, 100% of the analysed assets will fall into the high heat-wave risk category, and 9.1% will be exposed to flood risks. Adaptation actions must target both infrastructure protection and ensuring safe access conditions for personnel.

For ELSA HQ, by 2050, 100% of the analysed assets will fall under high heat-wave risk and 16.7% under medium flood-risk exposure. These phenomena will exert significant pressure on operational continuity, costs and employee safety. For ELSA SPV, by 2050, 100% of assets fall under high heat-wave risk and 50% under medium flood-risk exposure.

Transition risks affect all subsidiaries.

- Electrica Group must comply with an increasingly stringent regulatory framework on energy efficiency, creating a material policy and regulatory-compliance risk. Under the European Green Deal and REPowerEU, energy-efficiency ambitions have intensified: the original Fit for 55 target of 9% for 2030 was increased to 13%, with a final compromise of 11.7% adopted in the revised Energy Efficiency Directive (EED). These changes require accelerated efficiency measures across industry, buildings and transport - areas highly relevant for Electrica. This implies continuous infrastructure upgrades and adaptation to new standards, especially for new network development or activity expansion (e.g., renewable-energy generation). Failure to comply may lead to additional costs, operational restrictions and substantial investment needs.
- Legislative changes regarding electricity and gas procurement represent a significant policy and regulatory risk, with direct implications for operational costs and compliance requirements. As the EU seeks to reduce fossil-fuel dependency, measures under REPowerEU and energy-market reform introduce changes to procurement mechanisms, contracting approaches and pricing models. For instance, the transition towards long-term renewable PPAs and reducing exposure to spot-market volatility could influence Electrica's sourcing strategy. Potential new taxes on fossil fuels and revised subsidies may increase natural-gas acquisition costs and necessitate re-evaluation of the energy portfolio.

- A significant financial transition risk for Electrica is the rising price of carbon, driven by stricter EU decarbonisation policies and tightening GHG-emissions regulations. As carbon-pricing mechanisms such as the EU ETS become more restrictive, the cost of emission certificates increases, indirectly affecting operating expenses. Although Electrica is not directly subject to the EU ETS, increasing carbon prices impact the supply chain, as fossil-fuel-based energy producers pass part of these additional costs through to Electrica, influencing procurement costs and overall cost structure. This highlights the need for a proactive strategy focused on reducing reliance on high-emission sources and diversifying the energy mix through sustainable solutions.
- Another transition risk relates to environmental permitting requirements, particularly the need to obtain and update environmental authorisations. This risk is amplified by infrastructure development and the expansion of renewable-energy generation, where compliance requirements are continuously evolving. Complex administrative procedures, long approval timelines and potential legislative changes can delay strategic projects and generate additional costs.

Conversely, the climate-risk and vulnerability study identifies significant opportunities for Electrica Group and its subsidiaries. Investments in green infrastructure, network digitalisation and renewable-generation capacity can enhance efficiency, resilience and competitiveness. Alignment with the EU Taxonomy facilitates access to green financing, while the development of innovative products and services opens new market segments. Increased transparency in reporting and the adoption of ambitious decarbonisation targets strengthen the company's reputation and its relationship with stakeholders.

ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities

Through the double materiality assessment (DMA) process, Electrica Group has identified a number of impacts, risks and opportunities related to climate change. The DMA process is described in detail in the ESRS 2 chapter — General Disclosure.

Electrica Group's operations generate both current and potential negative impacts and positive impacts on climate change and are exposed to significant risks and opportunities. The impacts, risks and opportunities related to greenhouse gas (GHG) emission reductions and transition to low-carbon energy sources cover all business segments, including own operations as well as those in the upstream and downstream value chain. They are relevant in the short term (<1 year), medium (1-5 years) and long term (>5 years) and include both physical and transitional risks. Following the double materiality assessment, Electrica identified the climate change related impacts, risks and opportunities with strategic relevance for the company.

In accordance with the disclosure requirements under ESRS E1-6 and the IPCC recommendations, the identification and assessment of climate-related risks and opportunities were carried out based on a consultation process with relevant stakeholders and a peer-review analysis of comparable companies. Within this double-materiality context, a scenario-based analysis using Shared Socioeconomic Pathways (SSPs) was not applied for the year 2025. Instead, risks were identified through an empirical approach, focusing primarily on assessing assets under the climatic conditions described, rather than on a detailed evaluation of vulnerability and exposure.

At the time the double materiality analysis was conducted, the results of the climate-risk and vulnerability study were not yet available. As previously detailed, alignment between the double materiality process, the results of the climate-risk and vulnerability study, and the internal risk-management procedure will be achieved during 2026.

To date, Electrica Group has not systematically identified assets and economic activities that could be incompatible with the transition to a climate-neutral economy or that would require significant efforts to become compatible with it, as defined in Delegated Regulation (EU) 2021/2139. However, within the framework of the double materiality assessment process carried out in 2025, relevant risks related to strict regulations on carbon emissions, energy efficiency and changes in climate change policies were identified, which may influence the long-term viability of some activities. These risks are presented in the previous sections and concern both the company's own infrastructure and its upstream and downstream operations.

The assessment of the compatibility of economic activities with the climate transition, including the analysis of the potential for significant captured GHG emissions and the alignment with the taxonomy criteria, is to be included at a later stage, as part of a detailed assessment of climate change exposure and vulnerability. This is foreseen to be carried out by 2026, in line with the commitments set in the Sustainability Strategy 2025–2030.

The assessment of the compatibility of economic activities with the climate transition, including the analysis of potential significant locked-in GHG emissions and alignment with the Taxonomy criteria, will be included at a later stage in Electrica Group's action plans, in line with the commitments set out in the 2025–2030 Sustainability Strategy.

The following section presents the main material impacts, risks and opportunities related to climate change identified during the double materiality assessment conducted throughout 2025:

Material Sub-sub-topic	Location	IRO	IRO Description	IRO source	Actual/ Potential	Time horizon
Climate change adaptation	Upstream, downstream and own operations	Positive impact	The automation of transformer stations and their integration into the SCADA system, together with the platform-unification project at DEER level, generates a positive impact by increasing operational efficiency, reducing technical losses, and improving the quality of distribution services. From an environmental perspective, the optimisation of energy flows contributes to reducing indirect emissions, while for the community, the modernisation of infrastructure ensures more stable, safer and more transparent services. These transformations support network resilience in the face of climate change and align the company with its sustainability and digitalisation objectives.	The impact underpins the company's strategy and business model	Potential	Medium and long term
Climate change adaptation	Own operations	Negative impact	Negative environmental impact generated by the inadequate integration of climate change considerations into the Group's governance and by the lack of adaptation measures (such as network modernisation, strengthening the resilience of renewable parks, and protecting vulnerable customers and employees) may lead to adverse effects on the environment and communities. This is reflected in the increased vulnerability of the energy infrastructure to extreme weather events, more frequent supply interruptions, the exposure of personnel to health and safety risks, and the Group's limited contribution to national and European climate-adaptation objectives.	The impact underpins the company's strategy and business model	Potential	Medium and long term

Material Sub-sub-topic	Location	IRO	IRO Description	IRO source	Actual/ Potential	Time horizon
Climate change adaptation	Own operations	Risk	Extreme weather events and long-term climatic changes (heat waves, storms, blizzards, floods, freeze–thaw cycles, soil erosion) can affect the production and distribution infrastructure of Electrica Group, generating risks of damage to transformers, poles, overhead lines and underground cables. These events may lead to interruptions in the supply of electricity to customers, high repair and intervention costs, increased operational expenditures and revenue losses, resulting in a financial impact on the company, including reputational risk.	The risk underpins the company's strategy and business model		Long term
Climate change adaptation	Upstream, downstream and own operations	Positive impact	The positive impact lies in Electrica Group's contribution to reducing GHG emissions and supporting the decarbonisation of the energy sector through: the development of new renewable generation capacities (solar and wind), the replacement—starting January 2026—of SF₆-based switchgear, the reduction of grid losses, the implementation of energy-management systems, the establishment of climate targets aligned with the Paris Agreement and certifiable through SBTi, as well as the financing of renewable-energy projects through green bonds. A recent example is the commissioning, in 2025, of the CEF Vulturu photovoltaic plant and the acquisition of 100% of the shares in Crucea Power Park SRL (up from the previous 60%), a renewable-energy park that	The impact underpins the company's strategy and business model	Potential	Medium and long term

Material Sub-sub-topic	Location	IRO	IRO Description	IRO source	Actual/ Potential	Time horizon
			marks the expansion of the Group's renewable-generation portfolio and contributes to diversifying the low-carbon energy mix. Thus, the Group generates a positive impact both on the environment—through the reduction of its carbon footprint—and on communities, by improving the quality and sustainability of energy services. Electrica Group is therefore diversifying its portfolio, reducing emissions, and strengthening the resilience of its business.			
Climate change adaptation	Upstream, downstream and own operations	Negative impact	According to the 2025–2030 Sustainability Strategy, Electrica Group has set the following objectives: • self-generation of energy from renewable sources (solar and wind) by 2030 and the conclusion of green-energy power purchase agreements; • defining a climate transition plan with Scope 1, 2 and 3 emission-reduction targets for 2030 and 2050 and obtaining SBTi certification for these targets by 2028. • increasing energy efficiency and reducing losses in the distribution network by 2030. Thus, the consolidated negative impact is that, until these measures are implemented, Electrica Group's	The impact underpins the company's strategy and business model	Potential	Medium and long term

Material Sub-sub-topic	Location	IRO	IRO Description	IRO source	Actual/ Potential	Time horizon
			contribution to climate-change mitigation remains below the level expected by stakeholders and below European and international climate objectives. Without accelerated progress, there is a risk that actual emissions will not align with the levels required by the EU for the 2030–2050 period, which would limit the Group’s role in the energy transition.			
Climate change adaptation	Own operations	Risk	Legislative changes (including the implementation of Regulation (EU) 2024/573, which bans the use of SF₆-based switchgear starting 1 January 2026), together with fiscal and technological changes associated with decarbonisation, may generate additional costs and require major investments for Electrica Group to align with energy-transition requirements, affecting financial performance and the cost of capital. This risk is influenced both by external factors— independent of the Group’s impacts (e.g., carbon taxes and policies, price fluctuations, new compliance requirements)—and by factors directly derived from the Group’s own negative impact (such as the absence of formalised climate targets and a fully implemented decarbonisation plan). The optimisation of energy consumption and the transition to renewable sources are reflected in: (i) the	The risk underpins the company’s strategy and business model		Long term

Material Sub-sub-topic	Location	IRO	IRO Description	IRO source	Actual/ Potential	Time horizon
			commissioning of a photovoltaic plant in 2025; (ii) the installation of solar panels on the headquarters building; (iii) the renewal of the vehicle fleet with hybrid cars; and (iv) the launch of the BESS Fântânele project, financed through the NRRP, for renewable-energy storage. These measures optimise energy use and simultaneously reduce GHG emissions.			
Energy	Own operations	Positive impact	The optimization of energy consumption and the transition to renewable sources are reflected through: (i) the commissioning in 2025 of a photovoltaic power plant; (ii) the installation of solar panels on the headquarters building; (iii) the renewal of the vehicle fleet with hybrid cars; and (iv) the launch of the BESS Fântânele project, financed through the NRRP, for renewable energy storage. These measures optimize energy consumption and simultaneously reduce GHG emissions	The impact underpins the company's strategy and business model	Potential	Medium and long term
Energy	Own operations	Risk	Additional costs, with an impact on the organisation's cost of capital and financial performance, generated by the pressure to comply with energy-efficiency requirements and by the occurrence of extreme weather conditions. This risk is independent of the organisation's impacts, being driven by external factors: the applicable	The risk underpins the company's strategy and business model		Medium term

Material Sub-sub-topic	Location	IRO	IRO Description	IRO source	Actual/ Potential	Time horizon
			regulatory framework and the physical effects of climate change.			
Energy	Own operations	Opportunity	Positioning Electrica Group as a leader in sustainable energy supply and expanding its renewable-energy portfolio (solar, wind, and storage projects) The expansion of the renewable-energy portfolio and the development of energy-storage projects require significant investments but generate additional revenues from the sale of green energy and strengthen network resilience. Moreover, access to green financing and EU funds reduces the cost of capital and increases liquidity, while technology partnerships provide innovative know-how that reinforces long-term competitive advantage. Alignment with EU objectives and the Paris Agreement enhances investor attractiveness and positions the company as a leader in the energy transition.	The opportunity underpins the company's strategy and business model		Medium term

E1-2 Policies related to climate change mitigation and adaptation

Electrica Group is committed to environmental protection and to managing its impact on climate change through an integrated approach within the Integrated Management System (IMS). Although the Group does not have a dedicated policy on climate-change mitigation and adaptation, its commitments are reflected in the [Integrated Management System Policy Statement](#) and in the [Code of Ethics and Business Conduct](#), both publicly available on the company's website.

The Group's SMI policy includes commitments on environmental protection, energy efficiency and reducing the impact of activities on climate change. It targets the environment, occupational health and safety, information security and energy management, and aims at increasing the quality of the services provided, developing an organizational culture oriented towards compliance, safety, security, environment, energy performance and customer orientation, as well as prevention of occupational accidents and diseases.

In the environmental field, the policy aims at reducing the environmental impact of the organization's processes, as well as the efficient use of resources and energy. Ensuring the continuity of the organization's processes and minimizing the dangers arising from security incidents are also priorities defined in the policy.

The SMI policy includes measures to ensure the continuity of the organization's processes and to minimize the hazards of security incidents. In addition, by applying the principles of prevention and compliance, the organization is pursuing environmental protection and the development of a risk management system, which contributes to increasing the resilience of its activities. Within the framework of the SMI policy, energy performance is a central issue and is mentioned as an important element of the management system implemented. The policy foresees the efficient use of resources and energy, with the aim of optimizing processes and minimizing environmental impact.

The SMI policy applies to all operations of the company, including distribution, production and supply of energy. At the level of each company in the Group, a process is being carried out to identify and assess environmental aspects, both current and potential. This process considers positive but also negative aspects under normal operating conditions, but also in abnormal or emergency situations that can reasonably be expected under a dedicated procedure.

The SMI policy also covers the entire value chain, both upstream and downstream. To this end, the Group imposes requirements on suppliers and subcontractors by requiring the implementation of an ISO 14001:2023 certified Environmental Management System or equivalent measures to ensure compliance with environmental standards.

The process of determining significant environmental aspects and associated impact is continuous. Electrica Group has implemented and certified at the level of companies in the group integrated management systems on Occupational Quality, Environment, Health and Safety, in accordance with the requirements of SR standards EN ISO 9001: 2015, SR EN ISO 14001: 2015 and SR ISO 45001:2018, SR EN ISO/IEC 27001:2018, SR EN ISO 50001:2019.

The policy is approved by the Board of Directors and is implemented by all relevant departments and structures within the organization, through an integrated approach to occupational risk, quality, environment, health and safety management.

The Code of Ethics and Business Conduct shows the company's commitment to sustainability as an integral part of its business model. The organization is pursuing sustainable development by reducing the carbon footprint, protecting biodiversity and responsible waste management, in line with the objectives of the European Green Deal. It also promotes an ethical culture that focuses on the company's responsibility on the environment and stakeholders. The Code promotes a continuous dialog with stakeholders, including clients/consumers and end-users, authorities, NGOs and communities, ensuring that sustainability concerns are integrated into business practices.

The Code applies to all employees, management members and decision-makers within the company, as well as partners and suppliers. The organization promotes fair competition and transparent business relationships, ensuring that sustainability principles are respected throughout the value chain.

The Code of Ethics and Business Conduct is approved by the BoD and endorsed by the CEO of the Group. The implementation, update and improvement of the Code are the responsibility of the Ethics and Compliance Department, which develops and implements mechanisms to monitor compliance with the commitments made by the company through this Code.

The Code of Ethics and Business Conduct has been developed considering national and European legislation applicable to ethics and compliance. It refers to relevant provisions of the energy industry specific legislation, such as Law No. 123/2012 on electricity and natural gas, to the provisions of the United Nations Convention against Corruption, as well as regulations on consumer protection, competition and transparency in business.

The document lays down obligations regarding compliance with applicable environmental legislation and the promotion of responsible practices in carrying out activities, providing a framework of compliance that allows for the integration of specific measures to reduce environmental impact and manage climate risks. Regarding climate change mitigation, the Code emphasizes the company's commitment to contribute to European sustainability objectives, including by aligning with the directions outlined by the European Green Deal. This commitment is reflected in the obligation to use resources efficiently and reduce the environmental impact of operations. In addition, the document promotes the integration of energy efficiency principles, which indirectly supports the management of greenhouse gas emissions and energy savings.

Regarding climate change adaptation, the document mentions the need to ensure continuity of activities and manage risks associated with energy infrastructure, which is essential for resilience to physical climate risks. Measures are also being established to protect critical infrastructure and prevent operational risks, supporting the organization's ability to deal with climate change and extreme events. In this context, occupational health and safety obligations include risk assessment, which is an important part of the adaptation process to climate change. Energy efficiency is specifically addressed, as it is promoted as an essential principle in the conduct of operational activities. It contributes both to reducing the environmental impact and to optimizing resource consumption.

To ensure an effective transition to a low-carbon economy, Electrica Group established the Climate Governance and Public Affairs Committee. This committee plays an important role in coordinating the Sustainability Strategy and overseeing how the Group manages the risks and opportunities arising from climate change.

Electrica Group continues to implement the 2025–2030 Sustainability Strategy, reaffirming its commitment to promoting and integrating green-energy solutions, thereby contributing to a sustainable future. Through investments in renewable energy sources, such as solar and wind, and through the adoption of innovative technologies, the Group reduces its environmental impact and supports the transition to a low-carbon economy. The Group is also committed to developing and modernising the distribution infrastructure to facilitate the shift toward renewable energy sources and to improve operational performance.

E1-3 Actions and resources in relation to climate change policies

In line with the Sustainability Strategy 2025-2030, Electrica Group has implemented a series of actions to mitigate and adapt to climate change, as follows:

Greenhouse gas (GHG) emissions monitoring and calculation

During 2025, GHG emissions were calculated and monitored for all subsidiaries and parent company using the GHG Protocol methodology. This process included the calculation of the annual emission balance for Scope 1, Scope 2 and Scop 3, providing a solid basis for determining the reduction measures. The results achieved will guide our future strategies.

To date, Electrica Group has not quantified the expected short- and medium-term reductions in GHG emissions that could result from the actions implemented to mitigate climate change. However, through the 2025-2030 Sustainability Strategy, approved at the end of 2024, Electrica confirmed its commitment to aligning with the climate neutrality objectives in accordance with the Paris Agreement, with an interim target to reduce half of the GHG emissions by 2030. A breakdown of these targets, through specific actions, is to be included in the transition plan, which will be developed in the coming period. The actual reductions will be estimated and reported following the development of the climate transition plan, provided for in the 2025–2030 Sustainability Strategy.

Until its completion, the Group will continue to monitor GHG emissions, assess the impact of initiatives already implemented and use the results obtained to substantiate future reduction measures. Information on these initiatives is presented in this section, with the estimated reductions to be integrated into subsequent sustainability reporting, once the transition plan is finalized. At this point, Electrica Group presents the progress in reducing GHG emissions compared to the previous reporting year in section E1-6 of this chapter.

Strategic initiatives have also been implemented to raise awareness and train the company's staff, focusing on promoting energy efficiency and the adoption of best practices in the management of electricity consumption. These actions are aligned with the sustainability objectives of the company and reflect Electrica's commitment to resource saving and carbon footprint, in line with the circular economy principles and the energy efficiency regulations in force. No significant capital expenditure (CapEx) has been identified for this initiative, which is carried out within the framework of current operational expenditure, without being shown separately in OpEx.

Reducing paper consumption through digitization

In 2025, Electrica Group continued the initiative to optimise resource use through digitalisation, with the objective of reducing paper consumption by at least 10% annually between 2024 and 2027. Measures were further implemented to increase the use of electronic invoices, automate administrative and reporting processes, and promote the use of electronic signatures for internal and contractual documents, thereby contributing to lower paper consumption and reducing the amount of waste generated.

Optimizing the use of resources through digitization is a relevant action in the context of climate change mitigation and adaptation, as it contributes to reducing environmental impact and increasing operational efficiency. The reduction in paper consumption by at least 10% annually between 2024 and 2027 is in line with the overall sustainability targets, given that paper production and disposal have a considerable impact on natural resources and greenhouse gas emissions.

By digitizing processes and reducing paper dependence, the Group supports the transition to a more sustainable business model, also contributing to climate change adaptation, given that reducing the consumption of natural resources and optimizing their use help limit pressures on the environment.

Optimizing energy consumption by using artificial intelligence

As part of our efforts to improve energy efficiency and reduce Scope 2 emissions, a project based on artificial intelligence was launched to monitor and optimise energy consumption in administrative buildings. In this regard, in 2024 a contract was concluded for the development of an advanced real-time energy-fingerprinting solution, which was implemented during 2025, enabling the identification and reduction of energy losses.

No significant capital expenditure (CapEx) has been identified for this initiative, which is carried out within the framework of current operational expenditure, without being shown separately in OpEx.

Reducing emissions through sustainable mobility

To support the reduction of Scope 1 emissions, the Group initiated a gradual transition toward less polluting transport solutions. Starting in 2024, DEER acquired 100 mild-hybrid vehicles, thereby reducing fossil fuel consumption and lowering transport-related emissions, including throughout 2025. In addition, during 2025, another 212 hybrid vehicles were purchased in order to reduce energy consumption in current operations.

Installation and commissioning of a photovoltaic power plant for self-consumption

The installation of photovoltaic plants at both ELSA and DEER in 2024 enabled Electrica, in 2025, to directly contribute to the reduction of greenhouse gas (GHG) emissions through the production of clean and renewable energy. The use of solar energy decreases dependence on fossil-fuel-based energy sources, which are responsible for the majority of CO₂ emissions. By generating local electricity, the company supports the transition to a more sustainable energy system, contributing to global emission-reduction objectives and climate-change mitigation.

In addition to the benefits of climate change mitigation, these PV plants also help to adapt to the challenges posed by climate change. As traditional energy grids can be vulnerable to extreme weather events (such as storms or droughts), distributed renewable energy systems, such as this photovoltaic power plant, improve the resilience of energy infrastructure. Solar self-consumption can reduce dependency on the centralized grid, providing a more stable and less likely power source for interruptions caused by extreme climatic conditions.

Decrease in Technology Own Consumption (CPT) from distribution activities and increase CAPEX dedicated to financing sustainable activities, according to the EU Taxonomy

As part of the CAPEX programme, DEER allocated significant funds to reducing own technological consumption (OTC) and modernising the distribution network. In 2025, actions continued for installing balance-metering units in existing transformer stations and implementing smart-metering systems in various areas (North Transylvania, Baia Mare SR, Buzău SR, Focșani SR, Galați SR, Ploiești SR, Târgoviște SR).

Increase investment on the three voltage levels, deadline 2025-2030, and create a framework for the prioritization of investment in sustainable activities

DEER aims at increasing investment on the three voltage levels (low, medium and high) in the period 2024-2030. The actions promoted include the upgrading of transformation stations and low-voltage grids (e.g.: LEA's modernization of low tension and main connections in various localities - High Ilva, Lower Christmas, Sebesel, Sasciori, etc., but also the modernization of transformation stations - 110kV Hippodrom station, 20kV Slanic station) and the implementation of SMI intelligence measurement systems in various municipalities (Maracineni, Buzau, Brebu, etc.). These investments are essential for creating a framework for the priority analysis and promotion of sustainable activities, thus contributing to climate change mitigation and adaptation and improving the energy efficiency of the distribution network.

Detailed information on the expenditures incurred for these investment projects at Electrica Group level is provided in *Annex 2 – Breakdown of the main investments carried out in 2025 by Electrica Group*, included in the Administrators' Report as part of the Annual Report.

E1-4 Targets related to climate change mitigation and adaptation

Our commitment to the energy transition and reducing our environmental impact is reflected in the strategic directions undertaken through the 2025–2030 Sustainability Strategy, which aims to reduce greenhouse gas (GHG) emissions, increase the use of renewable sources and improve energy efficiency.

To date, Electrica Group has not defined formal GHG emission reduction targets that comply with the ESRS E1-4 requirements, namely their expression in absolute value and, where applicable, in intensity, by emission categories (Scope 1, 2 and 3), correlated with the GHG inventory limits. Also, a baseline year has not been formally established for these targets, and the foreseen reductions do not include GHG absorption, carbon credits or avoided emissions.

The establishment of climate change related targets will be the subject of the decarbonization plan to be developed, to ensure representativeness in relation to the activities covered and the influences of external factors, in the coming period, in accordance with the Sustainability Strategy 2025–2030. This plan will include emission reduction trajectories by 2030 and 2050 and will be aligned with European requirements and the principles of Science Based Targets (SBTi), for which the Group has proposed certification by 2028. In the context of preparing the 2025 sustainability reporting, Electrica Group has established 2024 as the baseline year for greenhouse gas emissions (Scopes 1, 2 and 3), considering that the figures for 2024 are audited and therefore benefit from a high level of accuracy.

In support of these commitments, we are taking measures towards energy efficiency and optimizing operational consumption, with investments being directed towards infrastructure modernization, reducing own technology consumption (CPT) and integrating renewable energy into self-consumption. The installation of the photovoltaic capacity at headquarters is a first concrete example of the transition to green energy production, with similar projects being analyzed in the future.

In parallel, we have implemented measures to digitize and optimize administrative processes, with a direct impact on reducing paper consumption by 10% annually between 2024 and 2027. This initiative, together with the program for the gradual replacement of the fleet with mild-hybrid vehicles, helps to reduce the carbon footprint and make operational costs more efficient.

To support the transition to a sustainable model, at the end of 2024 a new sustainability strategy was approved which redefines our long-term development directions. This includes a review of objectives and alignment with European decarbonization requirements. The new targets will be detailed in the next report.

E1-5 Energy consumption and mix

Within the Group, annual energy consumption is predominantly linked to the activity of the distribution company, DEER, which manages administrative and operational facilities in 18 counties. At the same time, an important component of the Group's energy consumption comes from the use of fuels. For other companies within the Group, electricity is only used for office purposes. Energy consumption is closely monitored, and energy is used in a responsible manner.

Regarding the SWE subsidiary, its energy consumption was also integrated into the total energy consumption reported by the ELSA subsidiary. This approach was adopted considering the fact that the management activities of the SWE subsidiary are also carried out within the ELSA HQ headquarters.

Starting in 2024, the parent company ELSA also initiated renewable energy generation activities, alongside its existing management function. Electrica Group's total energy consumption in 2025 amounted to 1,843,125.35 MWh (2024: 1,946,035.08 MWh)

Total energy consumption 2024 Electrica Group	ELSA	EFSA	DEER	SERV	TOTAL Group
(1) Fuel consumption from coal and coal products (MWh)	-	-	-	-	-
(2) Fuel consumption of crude oil and petroleum products (MWh)	339.11	1,159.03	24,156.80	9,468.22	35,123.16
(3) Fuel consumption from natural gas (MWh)	-	3,174.65	6,252.96	6,410.24	15,837.84
(4) Fuel consumption from other fossil sources (MWh)	-	-	-	-	-
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	191.82	459.1	595,862.36	1,071.20	597,584.48
(6) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	530.92	4,792.78	626,272.12	16,949.66	648,545.49
Share of fossil sources in total energy consumption (%)	52%	83%	33%	93%	33%
(7) Consumption from nuclear sources (MWh)	127.25	304.56	395,288.13	385.07	396,105.02
Share of consumption from nuclear sources in total energy consumption (%)	13%	5%	21%	2%	20%
(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	-	-	-	-	-
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	358.11	693.02	899,464.82	868.61	901,384.57
(10) The consumption of self-generated non-fuel renewable energy (MWh)	-	-	-	-	-
(11) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	358.11	693.02	899,464.82	868.61	901,384.57
Share of renewable sources in total energy consumption (%)	35%	12%	47%	5%	46%
Total energy consumption (MWh) (calculated as the sum of lines 6, 7 and 11)	1,016.28	5,790.37	1,921,025.08	18,203.35	1,946,035.08

Total energy consumption 2025 Electrica Group	DEER	EFSA	ELSA HQ	ELSA Production	SERV	TOTAL Group
(1) Fuel consumption from coal and coal products (MWh)	-	-	-	-	-	-
(2) Fuel consumption of crude oil and petroleum products (MWh)	25,111.12	1,138.26	360.21	-	7,665.43	34,275.01
(3) Fuel consumption from natural gas (MWh)	11,033.51	880.36	-	-	10,170.65	22,084.51
(4) Fuel consumption from other fossil sources (MWh)	-	-	-	-	-	-
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	572,733.75	524.40	143.20	59.49	2,566.78	576,027.62
(6) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	608,878.38	2,543.02	503.41	59.49	20,402.86	632,387.15
Share of fossil sources in total energy consumption (%)	34%	67%	52%	29%	88%	34%
(7) Consumption from nuclear sources (MWh)	377,028.72	547.19	149.42	62.07	1,199.41	378,986.82
Share of consumption from nuclear sources in total energy consumption (%)	21%	14%	15%	31%	5%	21%
(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	-	-	-	-	-	-
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	829,026.08	722.47	316.02	81.95	1,604.86	831,751.39
(10) The consumption of self-generated non-fuel renewable energy (MWh)	-	-	-	-	-	-
(11) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	829,026.08	722.47	316.02	81.95	1,604.86	831,751.39
Share of renewable sources in total energy consumption (%)	46%	19%	33%	40%	7%	45%
Total energy consumption (MWh) (calculated as the sum of lines 6, 7 and 11)	1,814,933.18	3,812.68	968.85	203.51	23,207.14	1,843,125.35

TOTAL Electrica Group	2024	2025
Non-renewable energy production (MWh)	-	-
Renewable energy production (MWh)	73.376	16,314.14

Energy intensity per net revenue for Electrica Group	2024	2025
Total energy consumption from activities in high-impact climate sectors per net revenue from activities in high-impact climate sectors (MWh/thousand RON) for Electrica Group	0.21578	0.169
Total energy consumption from activities in high-impact climate sectors per net revenue from activities in high-impact climate sectors (MWh/thousand RON) for Production	0.02248	0.015
Total energy consumption from activities in high-impact climate sectors per net revenue from activities in high-impact climate sectors (MWh/thousand RON) for Distribution	0.73139	0.626
Total energy consumption from activities in high-impact climate sectors per net revenue from activities in high-impact climate sectors (MWh/thousand RON) for Supply	0.00092	0.0005

Revenues breakdown (thousand RON) 2024	Net revenues from activities in high-impact climate sectors used for calculating energy intensity	Net revenues from activities other than those in high-impact climate sectors	Total net revenue (financial statements)
Total Electrica Group	8,930,351	64,851	8,995,202
ELSA	6,711	84	6,795
EFSA	6,297,088	0	6,297,088
DEER	2,626,553	13,447	2,640,000
SERV	-	51,321	51,321

Revenues breakdown (thousand RON) 2025	Net revenues from activities in high-impact climate sectors used for calculating energy intensity	Net revenues from activities other than those in high-impact climate sectors	Total net revenue (financial statements)
Total Electrica Group	10,783,718	126,536	10,910,254
ELSA	12,526	82	12,609
EFSA	7,869,662	13,119	7,882,781
DEER	2,900,904	47,259	2,948,164
SERV	-	66,641	66,641

The energy intensity value reported for Electrica Group is calculated exclusively based on the total energy consumption related to activities carried out in high-impact climate sectors and the net revenues obtained from these activities, in accordance with the ESRS E1-5 requirement, point 41. The sectors considered to have a high impact include the production, distribution and supply of electricity. The net revenues used in calculating the energy intensity for 2025, amounting to RON 10,783,718 thousand (RON 8,930,351 thousand in 2024), correspond to the revenues generated by these activities and can be reconciled to the total revenues reported in the consolidated financial statements, amounting to RON 10,910,254 thousand (RON 8,995,202 thousand in 2024).

E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions

The methodology used for inventorying greenhouse gas (GHG) emissions across all operations specific to Electrica Group's value chain is aligned with international best practices for inventorying and reporting. It complies with the applicable standards outlined in the "GHG Protocol: A Corporate Accounting and Reporting Standard" and the "Corporate Value Chain (Scope 3) Standard," developed by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI).

The GHG Protocol defines three main categories for reporting an organization's greenhouse gas (GHG) emissions, referred to as "Scopes":

- Scope 1: This refers to direct GHG emissions originating from emission sources owned or controlled by the organization. These emissions may result from activities such as the combustion of fossil fuels, specific industrial processes, or emissions from the organization's vehicle fleets.
- Scope 2: It includes indirect emissions associated with the production of electricity or thermal energy purchased and consumed by the organization.
- Scope 3: This encompasses indirect emissions resulting from a wide range of activities not included in Scopes 1 and 2 but linked to the organization's operations. These emissions represent those generated throughout the organization's entire value chain.

The calculation of direct and indirect emissions associated with Electrica Group's value chain was based on the methodologies recommended by the mentioned international standards. The emission factors used were selected from valid sources or internationally recognized databases, such as:

- DEFRA – The United Kingdom's Department for Environment, Food, and Rural Affairs;
- IEA – The International Energy Agency;
- ANRE – The National Energy Regulatory Authority;
- The electricity label published by Electrica Group's energy suppliers.

Additionally, the calculation employed relevant tools developed by leading international organizations for economic sectors or industries relevant to the calculation of indirect emissions included in Scope 3 (e.g., the aviation industry, the hospitality industry, etc.).

In this context, the emissions generated by the SWE, FPE, NTE and CPP were calculated together with those of ELSA, given that all these subsidiaries' activities are carried out within the ELSA headquarters.

In 2025, ELSA continued developing the renewable-energy generation activity initiated in 2024 through the operation of the photovoltaic panels installed on the headquarters building and the photovoltaic parks at Stănești and Vultur.

GHG emissions Scope 1

For the calculation of Scope 1 emissions, the following has been taken into account:

1. Stationary sources:

- The consumption of natural gas used for the operation of thermal power plants owned by all ELSA subsidiaries and their work points;
- The consumption of fuel (diesel and liquid fuel oil) used for the operation of stationary equipment (generating sets).

2. Mobile Sources:

- The consumption of fuel (diesel and gasoline) used for on-road and off-road vehicles owned or operated by each subsidiary (motor vehicles of category M1, self-specialized, self-propelled, self-propelled, self-propelled, self-propelled, self-propelled, self-propelled, self-propelled, self-propelled, self-propelled, self-propelled, bulldozers, etc.).

For vehicles leased or rented between Group subsidiaries, the emissions have been accounted for under Scope 1 by the subsidiaries that utilized the vehicles.

3. Fugitive emissions:

- The category/type of equipment containing fluorinated gases;
- Number of equipment owned by each subsidiary;
- Type of freons used;
- Quantities of freons completed in installations in 2025 which are considered to be equal to fugitive emissions. These quantities have been centralized from maintenance/periodic technical review reports drawn up by the contracting operators.

Subsidiary	Description	Previous period (baseline year) 2024	Reporting period — 2025	% 2025/2024
Scope 1 GHG emissions				
ELSA	Gross Scope 1 GHG emissions (tCO _{2eq})	76.72	89.49	116.65%
	Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0%	0.00%	0.00%
	Biogenic CO ₂ emissions (from biomass combustion or biodegradation) – not included in Scope 1 of GHG emissions	-	-	-
EFSA	Gross Scope 1 GHG emissions (tCO _{2eq})	837.56	443.95	53.01%
	Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0.00%	0.00%	0.00%
	Biogenic CO ₂ emissions (from biomass combustion or biodegradation) – not included in Scope 1 of GHG emissions	-	-	-

Subsidiary	Description	Previous period (baseline year) 2024	Reporting period — 2025	% 2025/2024
Scope 1 GHG emissions				
DEER	Gross Scope 1 GHG emissions (tCO _{2eq})	6,766.43	8,552.86	126.40%
	Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0.00%	0.00%	0.00%
	Biogenic CO ₂ emissions (from biomass combustion or biodegradation) – not included in Scope 1 of GHG emissions	-	-	-
SERV	Gross Scope 1 GHG emissions (tCO _{2eq})	3,565.89	2,810.50	78.82%
	Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0.00%	0.00%	0.00%
	Biogenic CO ₂ emissions (from biomass combustion or biodegradation) – not included in Scope 1 of GHG emissions	-	-	-

Subsidiary	Description	Previous period (baseline year) 2024	Reporting period — 2025	% 2025/2024
Scope 1 GHG emissions				
TOTAL ELECTRICA GROUP	Gross Scope 1 GHG emissions (tCO _{2eq})	11,246.60	11,896.79	105.78%
	Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0.00%	0.00%	0.00%
	Biogenic CO ₂ emissions (from biomass combustion or biodegradation) – not included in Scope 1 of GHG emissions	-	-	-

GHG emissions Scope 2

For the calculation of Scope 2 emissions, total electricity consumption (kWh) recorded in each subsidiary/branch, depending on the suppliers contracted.

The emissions associated with energy consumption were calculated using two recommended methods:

- Location-based method — using the national emission factor published by the ANRE for 2024;
- Market-based method — using the emission factors published by energy suppliers contracted by ELSA subsidiaries (EFSA, PPC and Premier Energy Furnizare) for 2024.

For the calculation of indirect greenhouse gas (GHG) emissions associated with energy consumption, the quantities of electricity and thermal energy purchased by Electrica Group's subsidiaries for their own use, including own technological consumption, were considered.

Subsidiary	Description	Previous period (baseline year) 2024	Reporting period — 2025	% 2025/2024
Scope 2 GHG emissions				
ELSA	Gross location-based Scope 2 GHG emissions, expressed in metric tons of CO ₂ equivalent (tCO _{2eq})	104.8	116.59	111.25%
	Gross market-based Scope 2 GHG emissions, expressed in metric tons of CO ₂ equivalent (tCO _{2eq})	129.27	115.22	89.14%
	Biogenic CO ₂ emissions (from biomass combustion or biodegradation) – not included in Scope 2 of GHG emissions*	-	-	-
EFSA	Gross location-based Scope 2 GHG emissions, expressed in metric tons of CO ₂ equivalent (tCO _{2eq})	250.83	239.45	95.46%
	Gross market-based Scope 2 GHG emissions, expressed in metric tons of CO ₂ equivalent (tCO _{2eq})	309.40	236.63	76.48%
	Biogenic CO ₂ emissions (from biomass combustion or biodegradation) – not included in Scope 2 of GHG emissions*	-	-	-
DEER	Gross location-based Scope 2 GHG emissions, expressed in metric tons of CO ₂ equivalent (tCO _{2eq})	325,550.31	319,685.66	98.20%
	Gross market-based Scope 2 GHG emissions,	327,165.48 ¹³	319,596.68	97.69%

¹³ This represents the adjusted value following the change in the emission factor applied to the quantity of CPT purchased from OPCOM in 2024. The initial reported value was 401,564.35 tonnes CO_{2e}, therefore the impact for 2024 is a decrease of 74,398.87 tonnes CO_{2e}.

Subsidiary	Description	Previous period (baseline year) 2024	Reporting period — 2025	% 2025/2024
Scope 2 GHG emissions				
	expressed in metric tons of CO ₂ equivalent (tCO _{2eq})			
	Biogenic CO2 emissions (from biomass combustion or biodegradation) – not included in Scope 2 of GHG emissions*	-	-	-
SERV	Gross location-based Scope 2 GHG emissions, expressed in metric tons of CO ₂ equivalent (tCO _{2eq})	265.67	969.81	365.04%
	Gross market-based Scope 2 GHG emissions, expressed in metric tons of CO ₂ equivalent (tCO _{2eq})	302.25	962.70	318.51%
	Biogenic CO2 emissions (from biomass combustion or biodegradation) – not included in Scope 2 of GHG emissions*	-	-	-
TOTAL ELECTRICA GROUP	Gross location-based Scope 2 GHG emissions, expressed in metric tons of CO ₂ equivalent (tCO _{2eq})	326,171.61	321,011.51	98.42%
	Gross market-based Scope 2 GHG emissions, expressed in metric tons of CO ₂ equivalent (tCO _{2eq})	327,906.40	320,911.24	97.87%
	Biogenic CO2 emissions (from biomass combustion or biodegradation) – not included in Scope 2 of GHG emissions*	-	-	-

GHG emissions Scope 3

Scope 3 greenhouse gas (GHG) emissions are indirect emissions resulting from activities linked to an organization's operations, but which are not owned by or directly controlled by the organization.

These emissions come from activities specific to the organization's entire value chain, encompassing emissions from the supply chain as well as emissions generated by end users through the consumption of products or services provided by the organization.

The emission-generating activities have been divided into two categories based on the timing of their generation (upstream or downstream of the organization's operations) and are classified into 15 categories according to the nature of the activity or the source of the emissions.

The percentage of emissions calculated using primary data obtained from suppliers or other partners in the value chain is 99.8%.

Subsidiary	Description	Previous period (baseline year) 2024	Reporting period — 2025	% 2025/2024
Significant scope 3 GHG emissions				
ELSA	Total Gross indirect (Scope 3) GHG emissions (tCO₂eq)	11,203.82	3,144.81	28.07%
	1 Purchased goods and services	1,176.62	458.21	38.94%
	2 Capital goods	9,882.48	2,547.91	25.78%
	3 Fuel and energy-related activities (not included in Scope 1 or Scope 2): market based	54.22	52.20	96.27%
	4 Upstream transportation and distribution	-	-	-
	5 Wastes generated in operations	29.54	26.00	88.02%
	6 Business travel	31.47	29.83	94.81%
	7 Employee	18.69	22.24	119.04%

Subsidiary	Description	Previous period (baseline year) 2024	Reporting period — 2025	% 2025/2024
Significant scope 3 GHG emissions				
	commuting			
	8 Upstream leased assets	-	-	-
	9 Downstream transportation	-	-	-
	10 Processing of sold products	-	-	-
	11 Use of sold products	-	-	-
	12 End-of-life treatment of sold products	-	-	-
	13 Downstream leased assets	10.80	8.41	77.81%
	14 Franchises	-	-	-
	15 Investments	-	-	-
	Biogenic CO2 emissions (from biomass combustion or	-	-	-

Subsidiary	Description	Previous period (baseline year) 2024	Reporting period — 2025	% 2025/2024
Significant scope 3 GHG emissions				
	biodegradation) – not included in Scope 3 of GHG emissions			
EFSA	Total Gross indirect (Scope 3) GHG emissions (tCO_{2eq})	1,861,895.78	1,778,843.14	95.54%
	1 Purchased goods and services	5,206.64 ¹⁴	4,757.45	91.37%
	2 Capital goods	852.51	1,491.74	174.98%
	3 Fuel and energy-related activities (not included in Scope 1 or Scope 2): market based	1,734,451.40	1,639,202.51	94.51%
	4 Upstream transportation and	-	-	-

¹⁴ Represents the adjusted value following the update of the DEFRA category for certain expenditures. The initially reported value was 38,255.39 tonnes CO_{2e}, therefore the impact for 2024 is a decrease of 33,048.75 tonnes CO_{2e}.

Subsidiary	Description	Previous period (baseline year) 2024	Reporting period — 2025	% 2025/2024
Significant scope 3 GHG emissions				
	distribution			
	5 Wastes generated in operations	493.56	282.60	57.26%
	6 Business travel	17.03	33.10	194.33%
	7 Employee commuting	262.58	224.62	85.54%
	8 Upstream leased assets	-	-	-
	9 Downstream transportation	-	-	-
	10 Processing of sold products	-	-	-
	11 Use of sold products	120,611.94	132,843.51	110.14%
	12 End-of life treatment of sold products	0.11	0.01	7.43%
	13 Downstream leased assets	-	7.60	0.00%
	14 Franchises	-	-	-

Subsidiary	Description	Previous period (baseline year) 2024	Reporting period — 2025	% 2025/2024
Significant scope 3 GHG emissions				
	15 Investments	-	-	-
	Biogenic CO ₂ emissions (from biomass combustion or biodegradation) – not included in Scope 3 of GHG emissions	-	-	-
DEER	Total Gross indirect (Scope 3) GHG emissions (tCO_{2eq})	166,022.40	230,972.06	139.12%
	1 Purchased goods and services	14,096.71	11,966.01	84.89%
	2 Capital goods	69,686.41	136,260.66	195.53%
	3 Fuel and energy-related	78,592.59 ¹⁵	79,178.95	100.75%

¹⁵ Represents the impact from the adjusted value following the change in the emission factor applied to the quantity of CPT purchased from OPCOM in 2024 under Scope 2, with a corresponding effect in Scope 3. The initially reported value was 96,589.67 tonnes CO_{2e}; therefore, the impact for 2024 is a decrease of 17,997.08 tonnes CO_{2e}

Subsidiary	Description	Previous period (baseline year) 2024	Reporting period — 2025	% 2025/2024
Significant scope 3 GHG emissions				
	activities (not included in Scope 1 or Scope 2): market based			
	4 Upstream transportation and distribution	-	-	-
	5 Wastes generated in operations	976.74	1,037.83	106.25%
	6 Business travel	139.74	163.38	116.92%
	7 Employee commuting	2,530.21	2,365.23	93.48%
	8 Upstream leased assets	-	-	-
	9 Downstream transportation	-	-	-
	10 Processing of sold products	-	-	-
	11 Use of sold products	-	-	-

Subsidiary	Description	Previous period (baseline year) 2024	Reporting period — 2025	% 2025/2024
Significant scope 3 GHG emissions				
	12 End-of life treatment of sold products	-	-	-
	13 Downstream leased assets	-	-	-
	14 Franchises	-	-	-
	15 Investments	-	-	-
	Biogenic CO2 emissions (from biomass combustion or biodegradation) – not included in Scope 3 of GHG emissions	-	-	-
SERV	Total Gross indirect (Scope 3) GHG emissions (tCO2eq)	3,951.13	5,129.01	129.81%
	1 Purchased goods and services	2,607.05	3,049.64	116.98%

Subsidiary	Description	Previous period (baseline year) 2024	Reporting period — 2025	% 2025/2024
Significant scope 3 GHG emissions				
	2 Capital goods	173.26	1,009.69	582.77%
	3 Fuel and energy-related activities (not included in Scope 1 or Scope 2): market based	742.68	798.92	107.57%
	4 Upstream transportation and distribution	Inclus in Domeniul 1 (Surse Mobile)	-	-
	5 Wastes generated in operations	191.94	88.74	46.23%
	6 Business travel	3.92	8.23	209.96%
	7 Employee commuting	232.28	123.98	53.38%
	8 Upstream leased assets	-	-	-
	9 Downstream transportation	Inclus in Domeniul 1 (Surse Mobile)	-	-
	10 Processing	-	-	-

Subsidiary	Description	Previous period (baseline year) 2024	Reporting period — 2025	% 2025/2024
Significant scope 3 GHG emissions				
	of sold products			
	11 Use of sold products	-	-	-
	12 End-of life treatment of sold products	-	-	-
	13 Downstream leased assets	-	48.83	0.00%
	14 Franchises	-	-	-
	15 Investments	-	-	-
	Biogenic CO2 emissions (from biomass combustion or biodegradation) – not included in Scope 3 of GHG emissions	-	-	-
TOTAL Electrical Group	Total Gross indirect (Scope 3) GHG emission	2,094,118.98	2,018,089.02	96.37%

Subsidiary	Description	Previous period (baseline year) 2024	Reporting period — 2025	% 2025/2024
Significant scope 3 GHG emissions				
	s (tCO₂eq)			
	1 Purchased goods and services	56,135.78	20,231.31	36.04%
	[Optional sub-category: Cloud computing and data center services]	80,594.65	141,310.00	175.33%
	2 Capital goods	1,831,837.98	1,719,232.57	93.85%
	3 Fuel and energy-related activities (not included in Scope 1 or Scope 2): market based	-	-	
	4 Upstream transportation and distribution	1,691.79	1,435.17	84.83%
	5 Waste generated in operations	192.16	234.55	122.06%
	6 Business travel	3,043.76	2,736.07	89.89%

Subsidiary	Description	Previous period (baseline year) 2024	Reporting period — 2025	% 2025/2024
Significant scope 3 GHG emissions				
	7 Employee commuting	-	-	
	8 Upstream leased assets	-	-	0.00%
	9 Downstream transportation	-	-	
	10 Processing of sold products	120,611.94	132,843.51	110.14%
	11 Use of sold products	0.11	0.01	7.43%
	12 End-of-life treatment of sold products	10.80	65.84	609.43%
	13 Downstream leased assets	-	-	-
	14 Franchises	-	-	-
	15 Investments	-	-	-
	Biogenic CO2 emissions (from biomass)	-	-	-

Subsidiary	Description	Previous period (baseline year) 2024	Reporting period — 2025	% 2025/2024
Significant scope 3 GHG emissions				
	combustion or biodegradation) – not included in Scope 3 of GHG emissions			

Total greenhouse gas emissions		Previous year (baseline year) 2024	Reporting period 2025	% 2025 / 2024
ELSA	Total greenhouse gas emissions (location-based) (tCO ₂ eq)	11,385.34	3,350.89	627.90 %
	Total greenhouse gas emissions (market-based) (tCO ₂ eq)	11,409.81	3,349.52	622.20 %
EFSA	Total greenhouse gas emissions (location-based) (tCO ₂ eq)	1,862,984.17	1,779,526.54	99.14 %
	Total greenhouse gas emissions (market-based) (tCO ₂ eq)	1,863,042.74	1,779,523.73	99.14 %

DEER	Total greenhouse gas emissions (location-based) (tCO ₂ eq)	498,339.14	559,210.57	94.57 %
	Total greenhouse gas emissions (market-based) (tCO ₂ eq)	499,954.31	559,121.59	94.58 %
SERV	Total greenhouse gas emissions (location-based) (tCO ₂ eq)	7,782.69	8,909.32	81.08 %
	Total greenhouse gas emissions (market-based) (tCO ₂ eq)	7,819.27	8,902.21	80.64 %
TOTAL Electrica Group	Total greenhouse gas emissions (location-based) (tCO₂eq)	2,380,491.34	2,350,997.33	98.47 %
	Total greenhouse gas emissions (market-based) (tCO₂eq)	2,382,226.13	2,350,897.06	98.46 %

The reporting limits considered, variable the calculation methods for the estimation of greenhouse gas emissions and the calculation tools applied for each significant GHG category in Scope 3 are presented in the table below:

Category	Reporting perimeter considered	Calculation methods for estimating greenhouse gas emissions	Applied calculation tools
Purchased goods and services	List of goods and services purchased by each subsidiary of Electrica in 2025.	The emissions were calculated using the spend-based method. For the calculation of emissions, the information extracted from Electrica's consolidated financial statements was used. The classification of expenditures incurred in 2025 was carried out based on the nature of the expenses and the accounting accounts in which they were recorded. The conversion of capital goods acquisition values was carried out using the average rate published by BNR10 for 2025: GBP 1 = RON 5.8854	DEFRA, 2025
Capital goods	List of capital goods purchased by each subsidiary of Electrica SA in 2025.	The emissions were calculated using the Expense Based Method ("spend"). The expenses incurred for the acquisition of capital goods was classified in the categories published by DEFRA on the basis of the description of the assets and details in the addition reports. The conversion of the acquisition values of capital goods was carried out using the average rate published by the BNR for 2024: GBP 1 = RON 5.8854.	DEFRA, 2025
Fuel and energy related activities (not included in Scope 1 and 2)	Quantities of fuels, natural gas and electricity included in Scope 1 and 2.	For fossil fuels (diesel, gasoline and natural gas), upstream (WTT) emissions were calculated. For the electricity purchased both for own consumption and for resale, upstream (WTT) emissions were calculated as well. The calculation of emissions associated with losses in the national electricity transmission and distribution network (T&D loss) was performed using the emission factor calculated by the	DEFRA, 2025. For the calculation of upstream emissions associated with the quantities of energy consumed and the losses recorded in the

Category	Reporting perimeter considered	Calculation methods for estimating greenhouse gas emissions	Applied calculation tools
		company based on the formula published by the International Energy Agency. The calculation of upstream (WTT) emissions for the production of electricity lost in the transmission and distribution network (WTT of T&D loss) was carried out using the calculation formula published by DEFRA in the methodology referenced above.	electricity transmission and distribution network, emission factors calculated on the basis of supplier-specific emission factors for 2024 were used, in accordance with the calculation formulas published by DEFRA and the IEA.
Waste generated in operations	Data collected from internal records on waste management and annual reports to environmental protection authorities.	The categories of waste generated have been classified according to their nature in the categories of waste published by DEFRA. Emission factors have been allocated according to the management method (recovery/disposal).	DEFRA, 2025.
Business travel (flights, accommodation, transfers, etc.)	For each subsidiary of Electrica SA information was provided on business travel by air (air transport) with other means of	Emissions from air transport were determined using the Carbon Emissions Calculator, which was developed on the basis of the International Civil Aviation Organization (ICAO) calculation methodology.	ICEC application The Hotel Photoprinting Tool app DEFRA, 2025

Category	Reporting perimeter considered	Calculation methods for estimating greenhouse gas emissions	Applied calculation tools
	transport and accommodation in the country and abroad.	For journeys made by other means of transport, the information provided by the travel agencies through which the tickets were purchased and the information available from the expense statements or the accounts of the subsidiaries has been taken into account. Emissions from accommodation activities were calculated using the Hotel Printing Tool¹⁷ application developed by Green View. The application uses the emission factors published by the Cornell Hotel Sustainability Benchmarking (CHBS) Index for 2025. The CHBS emission factors are calculated by country, city and classification of the accommodation.	
Employee commute	For the calculation of emissions resulting from this category, the ELSA HQ, EFSA and DEER subsidiaries provided information on the total number of employees and the total number of working days.	• Determining the average monthly number of working days: - 248 working days/ year (2025) were considered, from which the average number of leave days granted per employee was deducted. This resulted in an average of 219 working days. • Determining the number of employees who use public transport or personal vehicles: - From the total number of employees in each subsidiary, the employees who benefit from a company car were deducted; – For the remaining employees, the assumption was made that 50% use public transport and 50% use their personal vehicles; - For calculating the GHG emissions generated by employees using personal vehicles, it was assumed that half of these vehicles run on diesel and half on gasoline.	DEFRA, 2025 CarbonSaver application.

Category	Reporting perimeter considered	Calculation methods for estimating greenhouse gas emissions	Applied calculation tools
		• Determining the average daily distance travelled: Based on the geographical structure of Bucharest, an average diameter of approximately 23 km was determined, resulting in an average radius of about 12 km. Using these data, three distance categories were estimated: • Long distance of 20 km, travelled daily by approximately 30% of employees; • Medium distance of 12 km, travelled daily by 50% of employees; • Short distance of 4 km, travelled daily by 20% of employees. The average daily distance was calculated as a weighted average based on this distribution. This methodology was used to calculate the average distances travelled by employees across all Electrica Group subsidiaries.	
Use of sold products	EFSA: the total quantity of natural gas purchased for sale to final customers in 2025: 7,253,346,249 kWh SERV: the total amount of photovoltaic panels sold to the subsidiary's customers in	Emissions generated from the use/combustion of natural gas in stationary combustion installations or equipment were calculated using the emission factors published by DEFRA for the year 2025.	DEFRA, 2025.

Category	Reporting perimeter considered	Calculation methods for estimating greenhouse gas emissions	Applied calculation tools
	2025: 74 pieces		
Downstream leased assets	Utility consumption re-invoiced to tenants.	Emissions associated with the consumption of natural gas, electricity and thermal energy recorded in the spaces leased by Electrica Group subsidiaries to third parties were calculated.	DEFRA, 2025

The following table presents the Scope 3 GHG emission categories included in and excluded from the inventory, together with a justification for the excluded categories.

Scope 3 GHG emissions	Included/ Excluded	Justification for exclusion
1 Purchased goods and services	Included	
[Optional sub-category: Cloud computing and data center services]	Excluded	Optional
2 Capital goods	Included	
3 Fuel and energy related activities (not included in Scope 1 or Scope 2)	Included	
4 Upstream transportation and distribution	Excluded	The fuel consumption recorded for the transport activities carried out by SERV using its own vehicles was included under Scope 1 – Mobile sources
5 Wastes generated in operations	Included	
6 Business travel	Included	
7 Employee commuting	Included	

8 Upstream leased assets	Excluded	This category is not applicable to Electrica Group.
9 Downstream transportation	Excluded	The fuel consumption recorded for the transport activities carried out by SERV using its own vehicles was included under Scope 1 – Mobile sources.
10 Processing of sold products	Excluded	This category is not applicable to Electrica Group.
11 Use of sold products	Included	
12 End-of life treatment of sold products	Included	
13 Downstream leased assets	Included	
14 Franchises	Excluded	This category is not applicable to Electrica Group.
15 Investments	Excluded	This category is not applicable to Electrica Group.

Greenhouse gas intensity per net revenue — Total Electrica Group:

Greenhouse gas intensity per net revenue — Total Group Electrica	Previous period (baseline year) – 2024	Reporting period – 2025	% 2025/2024
Total greenhouse gas emissions (location-based) per net revenue (t CO₂eq/RON)	0.27	0.22	81.43%
Total greenhouse gas (market-based) emissions per net revenue (t CO₂eq/RON)	0.28	0.22	81.36%
Net revenue used for calculating the greenhouse gas intensity (thousand RON)	8,995,202	10,910,254	121.29%
Net revenue (other) (thousand RON)	64,851	95,274	146.91%
Total net revenue (from financial statements, thousand RON)	8,995,202	10,910,254	121.29%

E1-7 GHG removals and GHG mitigation projects financed through carbon credits

During the reporting period, Electrica Group did not develop or contribute to projects aimed at the absorption or storage of greenhouse gases (GHG). External projects to reduce or eliminate GHG through the acquisition of carbon credits have also not been funded.

The company does not own and did not use carbon credits during the reporting period.

E1-8 Internal carbon pricing

Electrica Group does not currently use an internal carbon pricing system.

E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

Electrica Group has applied the phase-in principles, as set out in ESRS 1 Appendix C, for reporting the ESRS E1-9 requirement. Thus, at this stage, the company does not have detailed information on the anticipated financial effects of the physical and material risks as well as climate change opportunities.

The necessary information will be included in future reports as the processes and methodologies for assessing these impacts are developed and implemented. This approach ensures alignment with the ESRS requirements, taking into account the group's current resources and processes.

ESRS S1 – Own workforce

ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

SBM-3 S1 - 3.13(a)

As part of the double materiality assessment, the impacts, risks, and opportunities related to each material topic and sub-topic concerning the workforce were evaluated in accordance with AR16 in ESRS 1.

The actual and potential impacts and risks linked to the workforce are closely tied to the strategy and business model, and the company's actions are directed towards minimizing negative impacts, reducing risks, and providing opportunities for development for all employees.

For information regarding the process of identifying material impacts, risks, and opportunities related to business conduct, refer to the General Information chapter, section IRO-1.

The aspects identified as material concerning the own workforce include:

Material Sub-sub-topic	Location	IRO	IRO Description	IRO source	<u>Actual/</u> Potential	Time horizon
Safe working conditions	Own operations	Positive impact	A stable and fair working environment	The impact originates from the undertaking's strategy and business model	Actual	Short-term
		Opportunity	Organisational stability ensured through fair remuneration practices			Short-term
Social dialogue	Own operations	Positive impact	Strengthened social dialogue and respect for workers' rights	The impact originates from the undertaking's strategy and business model.	Actual	Short-term
Training and skills development	Own operations	Positive impact	Continuous professional development of employees	The impact originates from the undertaking's strategy and business model	Potential	Long-term
		Opportunity	Strengthening workforce capabilities through digitalisation and training			Medium-term
Data privacy / Confidentiality	Own operations	Positive impact	Employee data effectively protected	The impact originates from the undertaking's strategy and business model.	Actual	Short-term
Health and safety	Own operations	Negative impact	Employees' health and safety	The impact originates from the undertaking's strategy and business model.	Actual	Short-term
		Risk	Occupational health and safety risks affecting employees			Short-term
Measures against workplace	Own operations	Negative impact	Inappropriate behaviours negatively affect organisational culture	The impact originates from the undertaking's strategy and business model	Actual	Short-term

Material Sub-sub-topic	Location	IRO	IRO Description	IRO source	<u>Actual/</u> Potential	Time horizon
violence and harassment						
Diversity	Own operations	Risk	Compliance risks related to diversity			Medium-term

Electrica Group has assessed the material risks and opportunities arising from its impacts and dependencies on people within its own workforce, in accordance with the double materiality requirements of ESRS 1 and ESRS 2. Following this assessment, two material risks and two material opportunities have been identified as significant for the Group's activities.

In the context of recent developments in occupational health and safety, a significant OHS-related risk has been highlighted, driven both by legislative and technological changes and by the increasing frequency of extreme weather events, which can directly affect field operational staff. This risk is closely linked to the company's business model and strategy, as the continuity and efficiency of services depend on its ability to ensure a safe and compliant working environment that is adapted to emerging requirements. Addressing this risk requires integrating investments in protective equipment, professional training and the update of operational procedures into medium- and long-term strategic planning and resource allocation.

A compliance risk related to diversity has been identified, generated by the new requirements imposed by the Bucharest Stock Exchange and European directives. This risk is closely linked to the company's strategy and business model, as long-term performance and development depend directly on the organisation's ability to attract, develop and retain a diverse and high-performing workforce capable of supporting its strategic objectives. In this context, insufficient implementation of policies and actions aimed at ensuring an equitable, inclusive and respectful working environment, including the promotion of women's representation in leadership roles, may generate reputational, legal and financing-related risks, potentially affecting investor confidence and the Group's strategic positioning. Conversely, embedding these requirements into governance structures and organisational culture represents a significant opportunity to enhance performance and strengthen the Group's competitive advantage.

Electrica has identified as significant the opportunity to strengthen organisational stability through appropriate and equitable remuneration practices, given that operational performance and service continuity depend directly on the company's ability to engage, motivate and retain its employees. Adjusting base salaries in line with inflation, supported by transparent internal communication and optimisation of the SAP Payroll application, can reinforce employee trust and strengthen the company's attractiveness as an employer. Rigorous management of legislative changes and payroll processes contributes to improved operational efficiency and compliance, supporting a stable organisational climate and alignment with long-term strategic objectives. Given the accelerated pace of transformation in the energy sector, Electrica has identified an opportunity to strengthen organisational capabilities through investments in digitalisation and dedicated training programmes.

Expanding partnerships with academia, developing internal learning programmes and leveraging national and European funding opportunities can support the development of a workforce prepared for the transition toward green energy and digitalised processes. Through these initiatives, the company can enhance its competitiveness, reduce the risk of skills shortages and reinforce its reputation as a responsible and future-oriented employer.

By identifying and validating these risks and opportunities, Electrica Group aims to integrate stakeholder interests into strategic and operational decision-making, thereby strengthening organizational transparency and responsibility. The insights gained from the consultation

process conducted in 2025 will be used to adjust and update the Group's strategic sustainability objectives, ensuring continuous alignment with stakeholder expectations and sustainability requirements.

SBM-3 S1 - 3.14(a)

Electrica Group team is essential for the organization's success and ongoing development. The team structure reflects a commitment to diversity, excellence, and adaptability to industry changes.

In 2025, ELSA had 96 permanent employees (88 in 2024), EFSA had 710 permanent employees (781 in 2024) and 7 temporary employees (6 temporary employees in 2024), DEER had 6,015 permanent employees (6,347 in 2024) and 247 temporary employees (126 temporary employees in 2024), while SERV had 389 permanent employees (435 in 2024) and 17 temporary employees (11 in 2024). For the production subsidiaries, in 2025 SWE had 3 part-time employees (who are also employees of ELSA) (3 employees in 2024), and NTE, FPE and CPP had no employees. The total number of employees reported also includes the mandate contracts for each company.

In 2025, the Group did not have non-employees (self-employed individuals or workers provided by companies primarily engaged in "employment activities").

As of 31 December 2025, approximately 79% of DEER's employees (distribution segment) represent direct operational staff, while 21% represent indirect operational staff, including technical, economic, social, and administrative personnel.

In addition to its own workforce, Electrica Group collaborates with senior management under mandate contracts. Although this category is not included in the definition of the Group's own workforce under ESRS, related information has been included in the report due to the nature of the relationship with the company, the legal form under which they collaborate being the only that differs from that of direct employees.

In 2025, the Board of Directors of Electrica SA consisted of seven members and three executive directors holding mandate contracts. The Chair and all members of the Board of Directors do not hold any other positions within the organisation, acting in a non-executive capacity. In accordance with the Company's Articles of Association, at least four of the seven members must be independent.

Regarding material impacts, as well as workforce-related risks and opportunities, the company's policies and programs comprehensively cover all workforce members. Depending on the activity location, workforce-related risks and opportunities may vary, but the policies and programs implemented by Electrica Group for its workforce address all employees.

SBM-3 S1 - 3.14(b)

According to the double materiality assessment, negative impacts related to occupational health and safety may occur within Electrica Group's own workforce, driven by the nature and complexity of the activities performed. These impacts are not systemic in character but are primarily associated with specific high-risk activities such as operating and maintaining electrical networks, working on live installations, or performing tasks at height, all of which entail elevated operational risk levels. In addition, interventions carried out under adverse weather conditions and the pressures of operational situations may increase exposure to accidents, occupational illnesses, or physical and psychological stress for the employees involved.

To minimize these impacts, Electrica Group operates an [Integrated Management System for Quality, Environment, Occupational Health and Safety, Information Security, Energy](#), which includes procedures for hazard identification, risk assessment and monitoring of employees' health status. The system is certified by SRAC Cert and covers all workplaces, ensuring compliance with legal requirements and international standards.

Regarding the negative impact associated with inappropriate behaviours and interpersonal conflicts in the workplace, this does not present a widespread or systemic pattern across Electrica Group. Instead, it is linked to isolated incidents that may arise occasionally within working relationships. Such situations can generate emotional discomfort for the individuals involved and may affect the organisational climate and the perception of a culture of safety and respect, even where they do not result in financial consequences or external sanctions.

SBM-3 S1 - 3.14(c)

The positive impacts identified as material through the double materiality assessment encompass the entirety of Electrica Group's own workforce. This includes field personnel involved in network maintenance and intervention activities, technical and support staff, administrative employees, as well as early-career employees (including participants in dual-education programmes, internships and mentoring initiatives), regardless of the region in which they operate.

These positive impacts derive from the way Electrica Group manages its relationship with its employees and from a series of consistently applied operational measures, which directly contribute to organisational stability and trust:

- Ensuring a stable and predictable contractual framework, by maintaining a predominantly permanent workforce, complemented by a competitive benefits package and regular salary adjustments in line with inflation to safeguard employees' purchasing power and strengthen their financial security.
- Promoting social dialogue, supported through ongoing collaboration with employee representatives and trade unions, the application of the provisions of the Collective Labour Agreement, the active involvement of the Trade Union in consultation processes, as well as confidential reporting mechanisms that encourage open expression of concerns and reinforce a climate of respect and trust.

- Continuous development of professional competencies, through sustained investments in technical training programmes, professional certification, the enhancement of digital and leadership skills, and initiatives dedicated to young professionals—such as dual education, internships and mentoring—facilitating knowledge transfer and supporting adaptation to the transformations within the energy sector.
- Strengthening information security and data confidentiality, through the modernisation and digitalisation of IT infrastructure and the transition to secure cloud-based solutions, which reduce cyber risks, enhance compliance levels and reinforce employees' confidence in the organisation's handling of sensitive information.

SBM-3 S1 - 3.14(d)

Electrica Group has identified a series of material risks and opportunities arising from its impacts and dependencies on its own workforce. These derive from the double materiality assessment and reflect the interconnection between human resources, operational continuity, legal compliance and the organisation's reputation.

Regarding the current risk arising from impact (Employees' health and safety), legislative and technological changes in the occupational health and safety field, as well as the increasing frequency of extreme weather events, may generate accelerated adaptation needs, additional investments and procedural updates. Insufficient management or non-compliance with these requirements may lead to workplace incidents, additional costs, disruptions in operational continuity and reputational risks, particularly in distribution activities and field interventions.

New requirements related to diversity and gender equality may expose the Group to compliance and reputational risks if implementation is inadequate or if there is internal resistance to change. Since organisational performance and employer attractiveness depend on ensuring an inclusive and equitable working environment, potential non-compliance may affect investor relations, access to financing and the company's public image. This risk (Compliance risks related to diversity) is managed through dedicated internal policies, monitoring mechanisms and the integration of diversity objectives into the human resources strategy.

At the same time, adjusting salaries in line with inflation, advancing the digitalisation and optimisation of payroll processes, and applying a proactive approach to legislative developments represent an opportunity to strengthen employee trust and enhance organisational stability. By maintaining a predictable and equitable environment, the Group can reduce staff turnover, increase employee engagement and support long-term operational performance.

These risks and opportunities are integrated into the Group's corporate governance processes, strategic assessments and human resources planning.

SBM-3 S1 - 3.14(e)

In the context of the transition towards more sustainable operations and Electrica Group's commitments to reducing carbon emissions, only positive material impacts on its own workforce have been identified as a result of the measures implemented to achieve climate and energy efficiency targets.

These impacts include:

- Improved employee health and safety, particularly in the context of operating and maintaining renewable energy infrastructure. The enforcement of occupational health and safety policies, ISO 45001 certification, and regular training sessions contribute to preventing incidents and adapting effectively to new technical requirements.
- Professional skill development through reskilling and training programs that support employees in adapting to new technological requirements brought by digitalization and the implementation of green solutions.
- Active involvement of trade unions, which contributes to a fair transition by representing employee interests and participating in consultations regarding changes brought by operational transformation.
- Implementation of the Code of Ethics and Business Conduct, ensuring a framework of fairness, respect, and transparency for employees during periods of organizational change, including the transition to a low-emission business model.

By the end of 2025, Electrica Group has not identified negative impacts on its own workforce caused by transition measures, such as restructuring or job losses.

SBM-3 S1 - 3.14(f) SBM-3 S1 - 3.14(g)

Electrica Group does not operate in regions or sectors with significant risks of forced or compulsory labor. All suppliers and partners are subject to inspections, and the Code of Ethics and Business Conduct enforces strict standards regarding the respect for human rights and labor legislation. Electrica does not face risks related to employing minors in its activities.

Electrica strictly complies with national legislation and applies rigorous policies against child labor, refusing to collaborate with suppliers who fail to meet national and international standards in this domain. All Group operations are located in Romania, a state that respects and enforces essential international treaties on employee rights, including [Convention No. 105 of 1975](#) on the Abolition of Forced Labor and [Convention No. 138 of 1973](#) concerning the Minimum Age for Employment. Romanian legislation sets the minimum age for employment at 15 years, and hazardous work for minors under 18 is strictly prohibited.

Additionally, Electrica Group includes contractual clauses prohibiting partners and suppliers from using child or forced labor.

Electrica Group has identified categories of employees exposed to specific risks based on the activities they perform. At DEER, employees in electricity distribution face operational risks such as working with high-voltage equipment and adverse weather conditions. At SERV, which ensures grid maintenance, similar risks are present, making safety measures and periodic training essential to prevent occupational accidents.

At EFSA, personnel involved in supply activities may experience professional stress, especially in customer interactions and managing compliance requirements. Electrica has implemented training and support programs to improve the handling of client/customer relationships and end-user needs. In the case of ELSA, which coordinates management activities, there are no significant safety risks, although employees may be affected by legislative changes and compliance requirements, necessitating continuous adaptation.

The energy transition and digitalization bring both risks and opportunities. At DEER and SERV, grid modernization requires technicians to be reskilled for new technologies, and those who fail to adapt may face challenges. In supply activities, the digitalization of processes reduces administrative tasks but requires the development of new competencies. Each company within Electrica Group has procedures for conducting hazard identification, evaluation, and management of occupational health and safety risks. This process is ongoing and incorporates various potential triggers, in compliance with legal provisions.

Employees active in these roles are informed of these risks upon employment and are periodically trained as per legal regulations, with frequencies established by the annual training and testing schedule: monthly, quarterly, semi-annually, or annually.

As part of the double materiality analysis conducted in 2024 and updated in 2025, Electrica Group assessed the risks and opportunities (IROs) associated with the workforce not only at an aggregate level but also differentiated across relevant employee groups where exposures and impacts are distinct. The analysis included specific perspectives for technical and operational staff in distribution, employees exposed to occupational health and safety risks, administrative personnel, as well as sensitive groups such as older employees, women in technical roles, and categories afforded special protection. The results of this assessment are reflected in the validated material sub-topics—safe working conditions, health and safety, social dialogue, skills development, diversity and inclusion, measures against violence and harassment, and employee data protection.

The significant risks and opportunities associated with these groups are detailed in the ESRS S1 chapter, within the sections dedicated to policies, actions and targets (S1-1 to S1-5), as well as in sections SBM-3 and IRO-1, which describe the processes for assessing impacts, risks and dependencies for each material topic. The conclusions confirm that workforce-related risks and opportunities do not manifest uniformly but differ depending on operational exposure, job profile and the socio-demographic characteristics of employees, thus being relevant for certain specific groups within the workforce.

S1-1 – Policies related to own workforce

Code of Ethics and Business Conduct

Electrica Group's human resources strategy focuses on organizing, recruiting, selecting, assessing performance, and developing personnel in alignment with business objectives. According to internal regulations, employees have the right to form and join unions, while management maintains a transparent and respectful dialogue.

The strategic coordination role within the Group is carried out by Societatea Energetică Electrica S.A. (ELSA). The values and principles defined at ELSA through the Code of Ethics and Business Conduct (CEBC) and the associated set of policies are applicable across the entire Group. ELSA oversees the process of evaluating the applicability of CEBC and related policies, as well as their revision within the Group.

Electrica Group respects and promotes the fundamental rights of employees through the Code of Ethics and Business Conduct, which ensures a work environment based on respect, equity, and integrity. The Group's policies align with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises.

In cases of human rights violations, there are reporting mechanisms in place, including an integrity warning system. Remedial measures are applied according to compliance and ethics policies, as per the Policy on Reporting Ethical Violations, Irregularities, or Any Violations of the Law through professional alert mechanisms (Integrity Whistleblowing).

For more details about the Code of Ethics and Business Conduct, please refer to Chapter ESRS E1, Climate Change, Policy Section.

In addition to the Code of Ethics and Business Conduct, the following policies are applied within Electrica Group to address identified impacts, risks, and opportunities.

The primary objective of these policies is to ensure fair and equitable working conditions that uphold and protect the health, safety, and dignity of the workforce.

Occupational Health and Safety Policy

Electrica's Occupational Health and Safety (OHS) Policy establishes a framework for ensuring a safe and healthy working environment for all employees and contractors involved in activities conducted for or on behalf of the organization, in compliance with national legislation and international standards.

Policy objectives include:

- Increasing employee awareness regarding workplace health and safety, fostering an organizational culture centered on safety;
- Enhancing OHS performance by effectively identifying and managing risks of accidents and occupational illnesses across all activities.

- Providing continuous training to staff for recognizing and preventing occupational hazards, thereby minimizing workplace incidents.
- Creating a healthy and safe working environment for all employees and contractors.
- Ensuring compliance with applicable health and safety legislation and regulations, aligning with the company's adopted compliance standards.
- Adopting and implementing modern technologies, equipment, and methodologies to reduce risks to workers' health and safety.
- Involving employees and their representatives in the planning, implementation, and evaluation of workplace health and safety measures.
- Conducting professional activities under optimal conditions, eliminating risks associated with the use of alcohol, drugs, or other prohibited substances.

The responsibility for implementing the Occupational Health and Safety (OHS) Policy primarily lies with senior management, which must ensure the allocation of necessary resources and monitor compliance with its provisions. The coordination of health and safety activities is carried out by designated officials who implement risk prevention measures, employee training, and audits of safety processes. Employees, in turn, are obligated to adhere to OHS regulations, use appropriate protective equipment, and report on any identified risk situations. The policy has been approved by the CEO.

Electrica Group aligns with international standards and current regulations on occupational health and safety, including ISO 45001, a globally recognized standard for occupational health and safety management systems. Additionally, the policy complies with the International Labor Organization (ILO) conventions and European Union regulations in the field of labor protection.

The OHS policy was elaborated and periodically updated through consultations with stakeholders, including employees, trade unions, managers, and regulatory authorities. Their involvement ensures the applicability and effectiveness of the implemented measures, the adaptation of the policy to on-the-ground realities, and the strengthening of an organizational climate rooted in prevention and safety.

The Occupational Health and Safety (OHS) Policy is accessible to all employees and collaborators through internal platforms and is integrated into periodic training programs. Contractors and business partners are provided with access to the policy provisions through contractual clauses and are required to comply with the health and safety standards established by the company.

Ethical Career Management Policy

Electrica Group's Ethical Career Management Policy establishes principles and rules to ensure a fair professional environment, where employees have access to development and promotion opportunities based on merit, skills, and performance. This policy regulates recruitment, evaluation, promotion, and professional development processes, ensuring adherence to ethics and transparency in human resource management.

Fundamental principles:

- Transparency and objectivity in the processes of evaluation, promotion, and professional development.
- Respect for equal opportunities, eliminating all forms of discrimination or unfair treatment.
- Performance-based evaluation using clear and measurable criteria.
- Support for employee development through access to training and mentorship programs.
- Promoting a climate of integrity where career-related decisions are made ethically and responsibly.

For further details regarding the Ethical Career Management Policy, please refer to Chapter ESRS G1, Policies Section.

Policy for Preventing, Combating and Sanctioning All Forms of Harassment at Work

Electrica Group's Policy for Preventing, Combating and Sanctioning All Forms of Harassment at Work establishes the principles and rules necessary to ensure a safe, respectful, and harassment-free workplace.

This policy governs employee behavior in professional relations and defines measures for preventing and addressing moral, psychological, sexual harassment, or discrimination. It promotes an organizational culture based on mutual respect and zero tolerance for harassment, applying clear sanctions in proven cases.

Applicable to all Electrica Group personnel, regardless of their hierarchical position, this policy is grounded in current legislation, including Law 202/2002 on equal opportunities for women and men, as amended, as well as the Labor Code. Additionally, the policy establishes reporting mechanisms and victim protection measures, encouraging employees to report any abuse through confidential and secure channels.

For further details regarding the Policy for Preventing, Combating and Sanctioning All Forms of Harassment at Work, please consult chapter ESRS G1, Policies Section.

Policy on Stakeholder Engagement

Electrica's Policy on Stakeholder Engagement defines the principles and mechanisms through which the organization collaborates with shareholders, employees, customers/consumers and end-users, business partners, and other relevant parties. Its purpose is to ensure open, transparent, and continuous dialogue, maintain balanced relationships, and integrate stakeholder feedback into decision-making processes.

Through this policy, Electrica Group aims to promote responsible corporate governance, reduce reputational risks, and support sustainability objectives.

The policy applies to all structures within Electrica Group, including subsidiaries and associated entities, and governs interactions with:

- Shareholders – to ensure transparency and protect their interests.
- Employees and trade unions – to promote a stable and equitable work environment.
- Customers/Consumers and end-users – to improve service quality and increase satisfaction.
- Business partners – to maintain ethical and sustainable commercial relationships.
- Public and regulatory authorities – to ensure compliance with legal requirements and industry standards.
- Community and civil society – to foster social responsibility initiatives and sustainable development.

The responsibility for implementing the policy lies with:

- The Board of Directors – approves and oversees compliance with established principles and objectives.
- The Ethics and Compliance Department – monitors stakeholder relations and ensures the implementation of necessary measures.
- The operational teams – enforces the policy at each structure within Electrica Group.
- Employees – are required to uphold ethical and professional behavior standards in interactions with stakeholders.

Electrica Group maintains an ongoing consultation process with stakeholders through public debates, roundtable discussions, surveys, online consultations, and periodic meetings. These mechanisms ensure the collection of relevant feedback and its integration into the company's development strategy.

The company builds its stakeholder relationships on fairness, transparency, and responsibility, with the objective of building mutual trust and respect.

The policy is communicated through:

- Internal platforms and compliance manuals for employee and management access.
- Electrica Group's website for external parties to review engagement principles.
- Annual and sustainability reports that reflect the policy's application and outcomes in stakeholder interactions.

Stakeholders can share their views through reporting systems, offering an open channel for addressing concerns and suggestions.

Policy on Reporting Ethical Violations, Irregularities, or Any Breach of the Law (Whistleblowing Policy)

The Whistleblowing Policy within Electrica Group establishes a clear mechanism for reporting and addressing ethical, legal, and compliance violations. This policy ensures the protection of employees, clients/consumers and end-users, suppliers, and other stakeholders who report violations, guaranteeing the confidentiality of whistleblowers' identities and prohibiting any retaliation against them. The policy also outlines the methods for reporting breaches through various channels (e-mail, phone, online platforms), the process for investigating complaints, and applicable remedial measures.

Furthermore, it defines clear principles regarding managerial responsibility, sound governance, and professional ethics.

For further details on the Policy on Reporting Ethical Breaches, Irregularities, and Violations of the Law, please consult Chapter ESRS G1, Policies Section.

Policy on Personal Data Protection (GDPR)

Electrica Group's GDPR Policy regulates how personal data of employees, partners, clients/consumers, and end-users is collected, processed, and protected. This policy ensures compliance with Regulation (EU) 2016/679 (GDPR) and applicable national legislation, OECD Principles on privacy and transborder flows of personal data, and ISO/IEC 27001 standards for information security, used as a benchmark for data protection measures.

The main objectives of the policy are:

- Protecting the fundamental rights of data subjects through confidentiality and security measures.
- Defining principles for data processing (legality, transparency, data minimization).
- Implementing effective mechanisms to prevent data breaches and unauthorized access.
- Ensuring compliance with data protection regulations through periodic monitoring and audits.
- Respecting the rights of data subjects, such as the right to access, rectification, deletion, and data portability.

The policy highlights risks associated with the management of personal data, including potential confidentiality breaches and the financial penalties linked to non-compliance. On the other hand, it also identifies opportunities such as enhancing stakeholder trust and optimizing internal processes through secure digitalization.

The policy covers activities such as collecting, using, storing, transferring, and protecting personal data; processing employee, client/consumer, partner, and other stakeholder data related to Electrica Group.

It does not apply to anonymized data or information that does not allow for direct identification of individuals.

GDPR Compliance Measures Adopted:

- Appointment of a Data Protection Officer (DPO) to oversee compliance and handle data subject requests.
- Implementation and periodic updates of internal data protection policies and procedures.
- Publishing an informative note on personal data processing on Electrica S.A. and subsidiary websites.
- Inclusion of data protection clauses in all relevant contracts.
- Conducting employee training programs to raise awareness of data protection obligations.
- Limiting access to data strictly to authorized personnel and implementing robust authentication systems.
- Periodic monitoring and auditing of GDPR compliance to identify vulnerabilities.
- Adoption of technical security measures such as data encryption, firewalls, and intrusion detection systems.

Responsibilities for Data Processing

- The Data Protection Officer (DPO): Ensures compliance with data protection regulations and monitors policy implementation.
- The Director of the IT&C Department: Implements technical data security measures and verifies/audits systems to prevent breaches.
- Employees and collaborators: Must adhere to the policy and take measures to protect personal data they handle.

The GDPR policy is approved by the CEO.

Any request regarding data protection can be addressed to the Data Protection Officer (DPO), and data subjects have the right to file complaints if they believe their data has been improperly processed.

To develop and update the personal data protection policy, Electrica Group involved employee representatives and trade unions to ensure their rights are complied with. The IT and cybersecurity departments contributed to the implementation of technical protection measures, and the requirements of national data protection authorities were also considered. The Group maintained a continuous dialogue to ensure compliance with current regulations.

The Stakeholder Engagement Policy provides a framework for transparent communication with employees and trade unions, preventing labor conflicts and contributing to organizational stability. The Code of Ethics and Business Conduct emphasizes respect for human dignity and employee safety, establishing ethical conduct norms.

Compliance with workers' rights is a key priority reflected in the Code of Ethics and Business Conduct, which prohibits unfair treatment and promotes a climate of mutual respect. These rights are also regulated through the Ethical Career Management Policy, ensuring transparency in evaluation and promotion processes while fostering meritocracy, equity, and fairness. Employee protection includes mechanisms for reporting irregularities through the Whistleblowing Policy, which guarantees an anonymous and secure system for addressing violations.

Electrica Group maintains ongoing communication with employees through recognized trade union structures and periodic consultation sessions, as outlined in the Stakeholder Engagement Policy. Measures to address negative impacts include anonymous reporting mechanisms and clear sanctions for any form of harassment, as detailed in the Workplace Harassment Prevention Policy.

Respect for human rights

Electrica adheres to applicable legislation and international standards, preventing all forms of exploitation, forced labor, or child labor. It strictly prohibits ethical violations, including abusive practices, and the Whistleblowing Policy provides explicit measures for preventing and sanctioning any form of labor exploitation.

Electrica Group's corporate policies concerning its own workforce include a *Diversity, Equity and Inclusion Policy*, applicable to all employees and management structures. This policy sets out clear commitments to non-discrimination, equal opportunities and the promotion of an inclusive working environment. The principles embedded in the policy are aligned with national and European legislation and are consistent with internationally recognised standards on human rights and labour practices, including the overarching principles established by international instruments such as the UN Guiding Principles on Business and Human Rights.

With regard to human trafficking, forced labour, compulsory labour and child labour, the workforce-related policies emphasise full respect for employees' fundamental rights and the prohibition of any form of abusive or discriminatory treatment.

Commitments regarding occupational health and safety

The Occupational Health and Safety Policy establishes clear procedures for risk management, accident reporting, and continuous improvement of working conditions. The Whistleblowing Policy also includes provisions for reporting workplace health and safety violations, allowing anonymous notifications of deficiencies and risks.

The Code of Ethics and Business Conduct, along with the policies described above, governs key aspects such as occupational health and safety, ethical career management, harassment prevention, and stakeholder engagement. These frameworks contribute to fostering an organizational culture centered on transparency, accountability, and mutual respect.

These policies are applicable to Electrica Group's entire workforce and address both field and office activities. The Occupational Health and Safety Policy is one of them, establishing the mechanisms for accident prevention, ensuring safe working conditions, and implementing proactive measures to reduce professional risks. Additionally, the Ethical Career Management Policy regulates merit-based evaluation and professional development processes, ensuring fair treatment for all employees.

Diversity and Equal Opportunities

Electrica S.A. has in place a formal *Diversity, Equality and Inclusion Policy*, applicable to all employees and management structures. In addition, the Collective Labour Agreement explicitly promotes equal treatment and prohibits any form of discrimination in employment relations. Fostering a fair, safe and inclusive working environment represents a fundamental principle of the organisation's strategy and is embedded across all internal regulations that define the rights and responsibilities of the workforce.

The Diversity, Equality and Inclusion Policy prohibits discrimination on grounds such as sex, sexual orientation, age, race, ethnicity, religion, disability, social or national origin, political opinion, family responsibilities or trade union membership, in line with applicable European and national legislation. The policy also addresses, as distinct areas, gender equality, pay equity, cultural and ethnic diversity, age diversity, and the respect for each individual's identity, including the elimination of gender pay gaps for equal work or work of equal value.

Electrica has made concrete commitments to supporting inclusion and groups at higher risk of vulnerability. These commitments include the integration of persons with disabilities, promoting gender balance in leadership positions, supporting diversity in sexual orientation, encouraging intergenerational inclusion and ensuring equal access to recruitment, selection, promotion and professional development. Through measures related to social protection, working conditions and fair remuneration, the Group reaffirms its commitment to respecting the fundamental rights of employees.

The implementation of these policies is supported through explicit provisions in the Internal Regulations, objective and non-discriminatory recruitment and promotion processes, and confidential reporting mechanisms for discrimination or harassment cases, with protection against retaliation. Information and training sessions dedicated to diversity and inclusion are also provided, while relevant indicators are monitored periodically, with progress reported internally and, where applicable, to the competent authorities.

Specific measures are adopted to support vulnerable groups through integration and assistance programs, as regulated by the Stakeholder Engagement Policy. Discrimination prevention and equality promotion are further supported by reporting mechanisms under the Whistleblowing Policy, enabling employees to anonymously report any form of unfair treatment.

The Group has not yet implemented specific measures to understand the perspectives of particularly vulnerable or marginalized workforce members, such as women, migrants, or individuals with disabilities. However, Electrica plans to develop and implement a general collaborative process in the future, including dedicated mechanisms for gathering feedback from these employee groups, ensuring a more inclusive and diversity-oriented approach.

S1-2 Processes for engaging with own workforce and workers' representatives about impacts

Electrica Group implements policies to ensure efficient and ongoing collaboration with its workforce for managing both real and potential impacts on employees. Through Occupational Health and Safety Committees (OHSC), union dialogue, and direct consultations, employees are involved in decisions that influence their working conditions. Reporting mechanisms, such as the Integrity Whistleblower system, offer employees the possibility to report issues in a safe and confidential environment.

Operational responsibility for stakeholder consultation and for integrating the results into the Group's strategy lies with the Chief Financial Officer of ELSA, in his capacity as Group-level ESG Officer, supported by the ESG Department/ESG Team. This function coordinates the annual consultation process including consultations with employees, trade unions and their representatives consolidates the results and ensures that the conclusions are integrated into business strategies and into the 2025–2030 Sustainability Strategy. This role is exercised under the supervision of the Climate Governance and Public Policy Committee (CGCPP), the Board-level structure with direct responsibilities for assessing impacts, risks and opportunities, and for endorsing the outcomes of the consultation processes.

Collaboration takes place both directly, through individual consultations and periodic questionnaires, and through union representatives and social dialogue structures. The OHSC and unions facilitate communication between employees and the employer, ensuring an efficient exchange of information. Additionally, to obtain a comprehensive perspective in the double materiality analysis process, Electrica Group initiated an employee consultation process. Their feedback and opinions were integrated into the process of establishing material topics, ensuring a holistic and inclusive approach in identifying current and potential impacts and risks on its workforce. The responsibility for ensuring effective collaboration with the workforce lies with the Human Resources Department, in coordination with the Ethics and Compliance Department. These departments manage social dialogue processes, monitor the implementation of measures, and report collaboration outcomes to the management. Within Electrica Group, employee rights are safeguarded by the Collective Labor Agreement (CLA), which regulates essential aspects such as working conditions, remuneration, social protection, and engagement with worker representatives.

The effectiveness of collaboration is monitored through:

- Periodic surveys to assess employee satisfaction with communication processes;
- Analysis of complaints and reports received through dedicated channels, such as the Integrity Whistleblower; and
- Monitoring the results of union negotiations and the impact of implemented measures.

Electrica Group will continue fostering social dialogue and consulting employees through existing structures, such as the Occupational Health and Safety Committee (OHSC) and direct consultations. Additionally, the Group aims to enhance these mechanisms by improving feedback processes.

Employee participation and consultation in the development, implementation, and evaluation of the occupational health and safety management system are conducted through direct consultations and the use of a specific questionnaire structured into four categories: Health and Safety, Representation at OHSC level, Ergonomics, and Common Area Arrangements.

Employee participation and consultation in the process of developing, implementing, and evaluating the occupational health and safety management system are carried out through two main methods:

- Through the Occupational Health and Safety Committees (OHSC), established equally at the level of each company within Electrica Group, which brings together the representatives of employees with specific responsibilities in the field of worker's health and safety, on the one hand, and the employer, through its legal representative and other designated representatives, in equal number with the employees' representatives and the occupational health doctor, on the other hand.
- Direct employee consultations conducted at least once a year using a specific questionnaire, structured into four topics: Health and Safety, representation at the OHSC level, Ergonomics, and Common Area Arrangements.

These methods ensure active and continuous involvement of employees in the process of improving working conditions, thus facilitating effective collaboration between all parties involved to maintain a safe and healthy work environment. Based on the results of the consultation with employees, OHSC members propose and implement appropriate measures to meet the employees' needs.

During OHSC meetings, risk assessments, prevention and protection plans, reports on health status of personnel, and annual reports on ensuring worker's health and safety are presented and submitted for consultation. Additionally, a series of specific issues related to the company's health and safety are discussed, all company employees are represented at these committees, thus ensuring a unified voice and active participation in the process of improving working conditions.

In addition to the Occupational Health and Safety Committee (OHSC) and direct consultations, there is also regulated framework for dialogue with social partners (trade unions – which are not included in the OHSC's dialogue and consultation processes) and which includes, at a significant level, aspects from the Health and Safety, Representation at OHSC level, Ergonomics and Common Area Arrangements. In the OHSC, "workers' representatives" are present, and the law establishes the method of their designation, respectively according to those established by the Collective Labor Agreement (through negotiation with the trade unions), Internal Regulations (established by the employer, but mandatory after consultation with the trade unions) and the Organization and Functioning Regulation (OFR), determined solely by the employer. Following the order prescribed by law, these topics are prioritized for discussion within the social dialogue framework with trade unions (CLA) and subsequently developed within the OHSC. Undoubtedly, dialogue also takes place in the OHSC and may then be included or not in discussions with the social partners, depending on the case.

In practice, as per legal provisions, worker representatives are appointed through trade unions, which are an integral part of the social dialogue process. At EFSA level, there are several channels and methods through which employees can express their concerns and needs. The company's approach to these issues is objective, addressing both internally reported matters and those raised through third parties.

Employees can address any concerns or questions directly to the Human Resources Department, either through scheduled meetings or informal communications, and these reports are treated confidentially.

S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns

Electrica Group has implemented a system for managing negative impacts on employees, through which it evaluates and implements corrective measures when necessary. All complaints are analyzed, and corrective measures may include disciplinary sanctions, improvement of internal policies, or compensation for affected employees. The effectiveness of these measures is evaluated through periodic feedback, analysis of recurring complaints, and reporting to management.

Employees across all subsidiaries of Electrica Group have access to various channels for expressing concerns, including:

- The Integrity Whistleblower, which provides full protection for those reporting irregularities, in accordance with the Policy on Deviations.
- Dedicated email addresses, such as siguranta@electricafurnizare.ro for EFSA employees to report safety-related issues.
- Union representatives who can escalate issues to management.

- Internal employee platforms such as engagehub.ro for ELSA, facilitating socialization, communication, and access to information.
- Periodic consultations, including opinion surveys and social dialogue sessions. For example, in the case of DEER, annual surveys are conducted both by organizational entities focused on communication and by other structures active in the field of health and safety, which include psychologists.

Electrica Group conducts awareness campaigns to ensure employees are familiar with these mechanisms and can use them safely. The procedures are published on the intranet and discussed during training sessions.

The Group evaluates employee trust in these mechanisms through internal surveys and consultations with trade unions. The Integrity Whistleblower Policy and the Code of Ethics include safeguards against retaliation, protecting employees who report issues.

Electrica Group will continue to improve reporting mechanisms, focusing on increasing accessibility and digitizing processes.

S1-4 Acting on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

The Group implements strategic measures to manage both negative and positive material impacts and to proactively address the risks and opportunities associated with its workforce. The details regarding the actions adopted or planned in this regard are outlined below.

Employees' health and safety

Electrica Group has maintained the Integrated Occupational Health and Safety Management System, certified under ISO 45001:2018, which ensures the protection of all employees, regardless of their hierarchical level or type of activity performed.

As part of this system, employees are trained in specific hazards related to their activities and receive appropriate protective equipment. Risk assessments are updated periodically, and prevention measures are integrated into the company's action plans.

An important measure for ensuring employee safety is the application of the "STOP WORK" principle, which allows all workers to immediately stop their activities if they identify a danger, without fear of sanctions.

Additionally, to mitigate the impact of professional stress, Electrica provides health and wellbeing programs, private medical subscriptions for all employees, vaccination campaigns, and initiatives aimed at preventing professional risks.

The actions mainly target Electrica Group's operational activities, especially within the distribution segment operated through Distribuție Energie Electrică România (DEER), where personnel carry out fieldwork, operate within electrical installations, or work under challenging weather conditions. These measures apply to all employees involved in technical and operational activities and are implemented throughout the organisational structure, from central headquarters to regional branches.

Occupational health and safety actions are implemented on an ongoing basis and form part of the Group's permanent operational processes. Maintaining occupational health and safety (OHS) management system certification, periodically updating risk assessments, and delivering training programmes are recurring activities, conducted annually or whenever technological, legislative or organisational changes occur that may influence the risk profile of the activities performed.

In the event of incidents or workplace accidents, the company applies internal investigation and root-cause analysis procedures to identify corrective measures and prevent similar situations in the future. Affected employees receive medical support and remedial measures in accordance with applicable legislation and internal regulations. In parallel, the findings from incident analyses are integrated into the review processes for OHS procedures and training programmes.

Progress on these actions is monitored through internal and external audits of the OHS management system, as well as through periodic compliance checks against certification standards. Maintaining ISO 45001:2018 certification without major non-conformities confirms the effectiveness of the system in place and demonstrates Electrica Group's commitment to the continuous improvement of occupational health and safety conditions.

Measures Against Workplace Violence and Harassment

To prevent and manage situations involving inappropriate behaviour or interpersonal conflicts in the workplace, Electrica implements the *Policy on Preventing, Combating and Sanctioning Workplace Harassment*, which establishes a zero-tolerance approach toward any form of harassment, discrimination, or abuse. Throughout the reporting year, the confidential reporting mechanisms available through the Integrity Whistleblowing Platform remained fully operational, alongside internal procedures for assessing and addressing submitted complaints.

The measures implemented cover the entire Electrica Group workforce and apply to all Group companies, regardless of hierarchical level or the nature of the activities performed. The policy and associated reporting mechanisms encompass all professional interactions within the working environment, including relationships among employees, between employees and management, as well as interactions between employees and customers.

Actions related to the prevention and management of inappropriate conduct are continuously implemented and integrated into the company's regular operational processes. Periodic trainings on professional ethics, workplace respect, and reporting mechanisms are carried out on a recurring basis, and relevant policies are reviewed whenever legislative or organizational changes occur.

In cases where inappropriate behaviour is confirmed, Electrica applies internal investigation procedures and adopts corrective measures designed to remedy the situation and prevent its recurrence. Affected individuals benefit from protection through confidential reporting mechanisms and receive impartial treatment throughout the case review process. Investigation outcomes are used to improve internal procedures, organizational communication, and training programmes, thereby contributing to a workplace environment grounded in mutual respect.

The implementation of the policy and the effectiveness of prevention mechanisms are monitored through periodic analysis of received reports, the manner in which they are resolved, and through evaluations of the organizational climate.

Stable and Equitable Working Environment

To support its positive impact in creating a stable and equitable working environment and to leverage the opportunity associated with providing safe and secure jobs, Electrica Group continues to implement measures aimed at strengthening the professional and financial stability of its employees. In this regard, the Group prioritizes maintaining a high proportion of permanent employment contracts, which represent over 90% of all existing contracts, and offering a competitive package of non-wage benefits.

Electrica also applies an annual policy for adjusting the gross base salary in line with the inflation rate and the budget approved by the Board of Directors, in order to safeguard employees' purchasing power. In parallel, the company pursues the optimization of payroll processes through the use of digital solutions, such as the SAP Payroll application, and by enhancing internal communication regarding salary updates.

These measures apply to all employees, regardless of hierarchical level or the nature of their activities, and contribute to strengthening employment stability and maintaining a predictable organizational climate.

Actions related to job stability and salary adjustments are implemented on an ongoing basis as part of routine human resource management processes. The analysis of wage adjustments in relation to inflation developments is conducted annually during the budget planning process and approved by the Board of Directors. At the same time, the digitalization and streamlining of payroll administration processes represent a continuous effort, embedded in the Group's organizational strategy.

Strengthened social dialogue and respected rights

In the 2025 reporting year, Electrica continued to implement structural mechanisms for consultation and cooperation between management and employee representatives. Key actions included maintaining ongoing dialogue with trade union organizations, supported by a high unionization rate (approximately 98% of employees), the regular organization of consultation meetings, and the effective operation of formal social dialogue structures, such as the Occupational Safety and Health Committee (OSHC).

Employee representatives were involved throughout the entire process of managing material topics - they contributed directly to defining these topics by participating in the consultations for identifying material matters (through completing the questionnaires distributed during the stakeholder consultation process), by taking part in social dialogue committees, specialized workshops, and other dedicated activities. In addition, worker representatives are formally and continuously involved in all stages of managing social topics through the mechanisms established in the Collective Labour Agreement applicable across the entire Group, which covered 97% of employees in 2025.

These social dialogue mechanisms apply across the entire Electrica Group and cover all subsidiaries and activities carried out by the company. They involve the participation of management, trade union organizations, and employee representatives, and address the entire Group workforce.

Actions related to social dialogue are continuously implemented and form part of Electrica's ongoing organizational governance and human resources management processes. Consultations with employee representatives and the activities of formal social dialogue structures take place on a regular basis, while employee opinion surveys are conducted annually within the Group's subsidiaries to assess perceptions of the working environment and the relationship between employees and management.

Electrica Group has maintained channels through which employees can express concerns and report potential issues, ensuring a transparent and ongoing social dialogue. Regular negotiations with trade unions are conducted, and the Collective Labor Agreement regulates employee rights and obligations, ensuring fair working conditions.

The Integrity Whistleblower tool allows any employee to report issues related to business conduct or violations of workplace rights. It remained active throughout 2024, with reports analyzed by specialized departments, and confidentiality safeguarded through collaboration with an independent operator.

The annual satisfaction survey system enables the Group to assess employees' trust in these mechanisms and implement corrective measures to improve them. Electrica Group conducts annual employee satisfaction surveys to identify areas needing improvement and adjust management strategies accordingly. For instance, in 2025, DEER organized a survey with a participation rate of 21,5% among employees (15% in 2024). Results were sent to division leadership for appropriate actions.

Similarly, within EFSA, the Brand and Communication Department, in collaboration with the Department of Analysis, Markets and Experience according to the SMI management program, conducts an annual internal survey to evaluate employee satisfaction regarding internal communication processes. Starting with 2024, the survey also included an ESG component. In 2025, the participation rate for this survey was 29,8% (32.4% in 2024).

Employee Skill Development

In its double materiality assessment, Electrica evaluated the positive impact generated by employee training and skills development, as well as the related opportunity, as significant for enhancing workforce professional growth and for supporting the organisation's ability to adapt to technological and regulatory transformations in the energy sector. During the reporting year, actions were undertaken to sustain and expand these positive impacts.

Employee professional development represents a key pillar of Electrica Group's strategy, given the need to respond to technological changes and the evolving requirements of the energy industry. In 2025, the Group continued to implement specialised professional training programmes, covering technical skills as well as digital and leadership competencies.

At EFSA level, several actions were implemented in 2025 to support this positive impact:

- 30% of the company's employees participated in professional training sessions;
- An internship programme was established, aimed at attracting young talent and developing future specialists in technical and economic fields, targeting recent graduates interested in pursuing a career in the energy sector;
- Between September 2024 and March 2025, the company launched an ESG training programme addressed to employees at all levels, including Executive Directors and operational staff. These sessions included practical ESG workshops. The topics covered reporting requirements under the CSRD, legislative developments, and sustainability-related regulatory changes, all directly relevant to Electrica Furnizare's operations.

This initiative contributed to building an internal ESG competence framework and ensuring alignment with market expectations and international best practices. The development of this skills framework is an ongoing process, adapted to the specific impacts and risks associated with the company's operations. The workshops and training sessions enabled management and operational teams to better understand sustainability-related opportunities and risks, ensuring they can be integrated into decision-making processes and long-term strategic planning.

At DEER, the training programs focused on certifications and accreditations specific to the energy industry, essential for conducting activities safely and in compliance with national regulations. Employees attended training sessions to obtain ANRE certifications, PRAM, and SCADA accreditations.

To attract and train the future generations of energy specialists, DEER continued the dual education program throughout 2025, in collaboration with specialized technical schools in Romania. This program offers young people the opportunity to learn in a system that combines theory and practice, contributing to the formation of a new generation of energy professionals.

Additionally, Electrica Group conducted a 360° evaluation program targeting management employees to improve leadership skills and strategic decision-making. This program, carried out in partnership with organizational development experts, collected feedback from multiple sources — superiors, peers, and subordinates—for an objective performance evaluation and identification of development opportunities.

Further details regarding the number of training hours are provided in Section 1-13 of this chapter.

Diversity, Inclusion, and Respect for Human Rights

To manage compliance risks related to diversity and to address legislative and corporate governance requirements on equal opportunities and gender balance, Electrica implements a set of actions designed to ensure an inclusive and non-discriminatory organizational environment. In 2025, the *Diversity, Equality and Inclusion Policy* was approved and implemented, establishing the overarching framework for promoting diversity, gender balance and inclusion across all organisational structures. The policy also defines annual objectives related to employee information, awareness-raising, and the monitoring of relevant diversity indicators within the organisation

In the same time, the Group ensures a safe and inclusive working environment for all employees, guaranteeing equitable treatment irrespective of gender, ethnic origin, religion, disability, or any other diversity criteria. In this context, the provisions of the *Policy on Preventing and Combating Harassment*, as well as the *Integrity Whistleblowing Mechanism*, are made available to all relevant stakeholders, including employees. These tools allow the confidential reporting of discrimination incidents or non-compliant behaviours and ensure their investigation in line with internal procedures.

The main actions implemented or planned include organising information and awareness-raising sessions on diversity and equal opportunities, promoting non-discrimination principles throughout recruitment, selection and promotion processes, and the periodic monitoring of workforce structure based on relevant criteria (such as gender, age or hierarchical level) to identify potential organisational imbalances.

The measures described apply across Electrica, covering all human resources management activities and organisational decision-making processes, including executive and administrative leadership structures, as well as recruitment, selection and professional development processes.

For 2025, Electrica Group allocated financial and operational resources to implement strategic initiatives relating to occupational health and safety, employee skills development, the promotion of diversity and inclusion, and the strengthening of social dialogue. Although the exact value of these expenditures is not yet available, the investments made supported the planned actions in these areas, ensuring the resources required for training programmes, the implementation of preventive measures, infrastructure upgrades, and the maintenance of employee benefits. The funding of these measures was integrated into the annual budgets of the Group's companies.

For the 2025–2030 strategic period, Electrica Group is committed to implementing the actions required to achieve the objectives defined under the *Sustainability Strategy 2025–2030*, which include, among others, strengthening an equitable and inclusive working environment, expanding training programmes, improving working conditions, and supporting employee well-being. In this context, the Group will continue to develop initiatives aimed at enhancing diversity and inclusion and integrate these principles into organisational processes.

The progress and effectiveness of these actions are monitored periodically through complementary tools and methods, including internal audits of relevant management systems, analysis of participation and outcomes of professional training programmes, annual employee satisfaction surveys, and assessments of the utilisation and effectiveness of reporting channels, including the Integrity Whistleblowing Mechanism. The feedback gathered through these instruments is used to continuously improve existing initiatives and to adjust the overall strategy for managing impacts, risks and opportunities associated with the Group's own workforce.

S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

In 2025, Electrica Group maintained its commitment to employee safety, professional development and the promotion of inclusion, continuously strengthening its internal policies through dedicated programmes and close monitoring of progress. Group capitalises on lessons learned and integrates the strategic directions into both the corporate strategy and the *Sustainability Strategy 2025–2030* which places a strong emphasis on skills development, cultural transformation, and the creation of a safe, inclusive and performance-oriented organisational environment.

Occupational Health and Safety

In 2025, Electrica Group continued to enhance the implementation of measures aimed at improving occupational health and safety. The effectiveness of these actions is monitored through specific performance indicators, such as the workplace incident rate and the Lost-Time Incident Rate (LTIR).

The "Zero Accidents" target remains a top priority, emphasizing continuous training, incident reporting, and proactive prevention measures.

In 2025, the "STOP ACTIVITY" programme continued to be implemented, granting employees the right to suspend work in situations involving imminent danger, without any adverse consequences. Additionally, to ensure a safe working environment, Electrica set the objective of maintaining its ISO occupational health and safety certification, which remained in place throughout 2025. Progress is monitored through safety performance indicators and internal audits.

Salary Level Adjustment in Line with Market Developments and Alignment with Higher Industry Standards

This objective aims to maintain Electrica Group's attractiveness as an employer and to reduce employee turnover through a competitive remuneration system, aligned with inflation and labour market requirements. In 2025, the Group maintained the same approach regarding the salary adjustment process.

Throughout 2025, Electrica Group continued to apply this established approach to salary level adjustments. Proposals concerning salary evolution were discussed with social partners within the existing social dialogue mechanisms, while the effectiveness of these measures is monitored through the analysis of indicators such as employee turnover, vacancy rates, and employee feedback.

Expanding the Dual Education System Training Program

The dual education programme continued in 2025 to support the development of the skills required in the energy sector. This initiative aims to prepare the next generation of specialists and to help reduce the shortage of qualified personnel.

Diversity and Inclusion

Increasing Female Representation in the Organization

Electrica Group aims to promote diversity and inclusion within the organisation, including by encouraging women's participation and ensuring equal opportunities for professional development and access to leadership roles. In line with the *2025–2030 Sustainability Strategy*, the promotion of diversity and inclusion represents one of the key objectives under the pillar *Safety, development and inclusion for a just future*.

The implementation of this target is supported through awareness-raising and training programmes dedicated to diversity and inclusion, as well as through the integration of these principles into Electrica Group's human resources management policies and practices.

This target is monitored annually, and details regarding the gender distribution of the workforce are presented in this chapter under Section S1-6.

Promoting an Inclusive Workplace and Eliminating Harassment

The target relating to the promotion of an inclusive working environment and the elimination of discrimination is directly aligned with the objectives of the *Diversity, Equality and Inclusion Policy*, which aims to ensure equal opportunities, prevent discrimination and strengthen an organisational culture based on respect and fair treatment for all employees. This approach is also consistent with the objectives set out in Electrica Group's *2025–2030 Sustainability Strategy*, which includes the promotion of diversity and inclusion, ensuring a safe and adequate working environment, and supporting the continuous development of employees' skills.

This target applies to all companies within Electrica Group and covers the entire workforce, including executive and administrative leadership structures, as well as recruitment, professional development and internal promotion processes. The objectives are implemented on an ongoing basis, in line with the 2025–2030 Sustainability Strategy and the Group's internal policies, which provide for the development of dedicated programmes to promote diversity and inclusion and for the organisation of information and training activities for employees.

For this sustainability topic, the Group's objectives regarding the promotion of diversity and inclusion at organisational level include increasing awareness of equal opportunities, periodically organising training sessions dedicated to diversity and inclusion, and monitoring workforce composition to identify any potential imbalances or groups requiring targeted integration measures. In this context, the strategy also includes the development and implementation of a dedicated Diversity and Inclusion Policy, as well as employee training programmes on these topics, contributing to the strengthening of an organisational culture based on respect, collaboration and equal treatment.

This target continued to be supported throughout 2025 through the implementation of the *Policy on Preventing, Combating and Sanctioning Workplace Harassment*, as well as through the use of the *Integrity Whistleblowing Mechanism*, which enables confidential reporting of incidents and supports the prevention and management of discrimination or workplace harassment situations. Through these measures, Electrica Group aims to maintain a safe, fair and inclusive professional environment for all employees.

Social dialogue

Development of Modern Communication Channels and Feedback Collection

The target relating to the development of modern communication and feedback channels is aligned with Electrica Group's objectives to strengthen social dialogue and enhance employee involvement in the organisation's decision-making processes. This contributes to improving the relationship between employees and management, increasing organisational transparency and enabling the early identification of impacts, risks and opportunities associated with the Group's own workforce.

The target is defined through the implementation and use of modern communication and feedback tools across Electrica Group. These include the internal communication platform engagehub.ro, the annual employee satisfaction surveys and 360° feedback evaluation tools, which are used to assess leadership competencies and behaviours aligned with the company's values.

Moreover, at ELSA level, efforts were made to foster a feedback-driven culture by introducing the concept of 360° feedback and implementing an evaluation tool via software used for comprehensive assessments of leadership abilities, soft skills, and behaviors aligned with company values.

The target applies across all companies within Electrica Group and covers the organisation's entire workforce, including employees and leadership structures

The outcomes of the dialogue with employees and their representatives are also integrated into the double materiality assessment process, contributing to the identification of relevant impacts, risks and opportunities related to the undertaking's own workforce and to the definition of the Group's ESG objectives.

Electrica Group reaffirms its commitment to the continuous improvement of the working environment by regularly evaluating and adjusting the measures implemented, thereby ensuring the achievement of established objectives and the promotion of a safe, equitable and sustainable professional framework.

S1-6 Characteristics of the undertaking's employees

The total number of employees is reported based on data exported from Electrica Group's information systems, recorded as of December 31, 2025. This reporting excludes suspended employment contracts, except in the case of EFSA, where such contracts were included. Regarding renewable energy production subsidiaries in 2024, SWE had three part-time employees (also employed by ELSA), while NTE, FPE, and CPP had no employees.

Under Article 12 of the Romanian Labor Code, permanent employees refer to individuals with indefinite-term employment contracts. This type of contract provides stability and grants employees all rights stipulated by labor legislation, including protection against unjustified dismissal, paid leave, and access to social benefits.

As stated in Article 83 of the Romanian Labor Code, temporary employees are those hired under fixed-term employment contracts. These contracts are applicable under specific conditions, such as replacing a temporarily absent employee, carrying out seasonal activities, or executing a project with a fixed deadline. Such contracts can have a maximum duration of 36 months and may be extended up to two times before transitioning into indefinite-term contracts.

Non-guaranteed hours employees are not defined within the Romanian Labor Code, making this category not applicable in Romania.

The total number of employees, expressed as the number of persons as of 31.12.2025, broken down by gender; the number of temporary employees, broken down by gender; and the number of employees with non-guaranteed work arrangements, broken down by gender.

ELSA		2024	2025
The number of permanent employees	Female	51	57
	Male	37	42
	TOTAL	88	99
The number of temporary employees	Female	0	0
	Male	0	0
	TOTAL	0	0
The number of non-guaranteed hours employees	Female	0	0
	Male	0	0
	TOTAL	0	
Total number of employees	Female	51	57
	Male	37	42
	TOTAL	88	99
EFSA		2024	2025
The number of permanent employees	Female	525	476
	Male	256	234
	TOTAL	781	710
The number of temporary employees	Female	1	1
	Male	5	6
	TOTAL	6	7
The number of non-guaranteed hours employees	Female	0	0
	Male	0	0
	TOTAL	0	0
	Female	526	476

Total number of employees	Male	261	236
	TOTAL	787	717
DEER		2024	2025
The number of permanent employees	Female	1,141	1,098
	Male	5,206	4,917
	TOTAL	6,347	6,015
The number of temporary employees	Female	19	66
	Male	107	181
	TOTAL	126	247
The number of non-guaranteed hours employees	Female	0	0
	Male	0	0
	TOTAL	0	0
Total number of employees	Female	1,160	1,164
	Male	5,313	5,098
	TOTAL	6,473	6,262
SERV		2024	2025
The number of permanent employees	Female	132	123
	Male	303	266
	TOTAL	432	389
The number of temporary employees	Female	0	0
	Male	11	17
	TOTAL	11	17
The number of non-guaranteed hours employees	Female	0	0
	Male	0	0
	TOTAL	0	0
Total number of employees	Female	131	123
	Male	314	283

	TOTAL	446	406
Total Grup Electrica		2024	2025
The number of permanent employees	Female	1,849	1,754
	Male	5,802	5,459
	TOTAL	7,651	7,213
The number of temporary employees	Female	20	67
	Male	123	204
	TOTAL	143	271
The number of non-guaranteed hours employees	Female	0	0
	Male	0	0
	TOTAL	0	0
Total number of employees	Female	1,869	1,821
	Male	5,925	5,663
	TOTAL	7,794	7,484

Note 1: According to current legislation, gender division can only be made between male and female, as other categories are not officially recognized.

Note 2: The total number of ELSA employees includes three employees from the SWE subsidiary, of whom two are male and one is a female, all with permanent part-time employment contracts.

Note 3: The number of employees reported for the EFSA subsidiary as of 31.12.2025 includes both active and suspended employment contracts.

Employees who have left the company during the reporting period and the rate of employee turnover

		2024	2025
ELSA	The number of employees who have left the company during the reporting period	10	5
	The rate of employee turnover	13.50	5.05
EFSA	The number of employees who have left the company during the reporting period	27	77
	The rate of employee turnover	3.73	10.74
DEER	The number of employees who have left the company during the reporting period	364	703
	The rate of employee turnover	5.56	11.23
SERV	The number of employees who have left the company during the reporting period	51	72
	The rate of employee turnover	11.11	17.73
Total Grupul Electrica	The number of employees who have left the company during the reporting period	452	857
	The rate of employee turnover	8.84	11.45

For the presentation of data, the following methodology was applied: the number of employees at the end of the reporting period, reported as headcount as of 31 December 2025.

The employee-related data used in the Sustainability Reporting are aligned with the information presented in Electrica's consolidated financial statements, both for 2025 and for the previous year. The definition of the workforce (*number of employees at the end of the period, excluding suspended contracts*) is identical to the methodology applied in the financial statements and corresponds to the updated methodology of the National Institute of Statistics.

Regarding departures from the company, the total includes both voluntary and involuntary departures. The proportion was calculated by dividing the number of employees who left the company by the total number of employees at the end of the reporting period.

Information on full-time and part-time employees, broken down by gender

ELSA		2024	2025
The number of full-time employees	Female	48	54
	Male	37	42
	TOTAL	85	96
The number of part-time employees	Female	3	3
	Male	0	0
	TOTAL	3	3
EFSA		2024	2025
The number of full-time employees	Female	525	477
	Male	258	240
	TOTAL	783	717
The number of part-time employees	Female	1	0
	Male	3	0
	TOTAL	787	0
DEER		2024	2025
The number of full-time employees	Female	1,157	1,126
	Male	5,307	5,059
	TOTAL	6.464	6.185
The number of part-time employees	Female	3	38
	Male	6	39
	TOTAL	9	77
SERV		2024	2025
The number of full-time employees	Female	127	119
	Male	304	274
	TOTAL	431	393
	Female	5	4

The number of part-time employees	Male	10	9
	TOTAL	15	13
Total Grup Electrica		2024	2025
The number of full-time employees	Female	1,857	1,776
	Male	5,906	5,615
	TOTAL	7,763	7,391
The number of part-time employees	Female	12	45
	Male	19	48
	TOTAL	31	93

S1-7 Characteristics of non-employees in the undertaking's own workforce

Electrica Group's workforce doesn't include non-employees.

S1-8 Collective bargaining coverage and social dialogue

The percentage of employees covered by collective bargaining agreements in 2025

The total number of employees covered by collective bargaining agreements	2024		2025	
	7,763	99.6%	7,463	99.72%
Electrica Group				
ELSA	84	95%	96	97%
EFSA	768	98%	712	99%
DEER	6,468	99.9%	6,252	99.9%
SERV	443	99.3%	403	99.3%

Note: The figures above do not include the mandate contracts of executive managers, who are not covered by the provisions of the collective labor agreement. In the case of EFSA, suspended employment contracts as of 31.12.2025 were also excluded from the calculation.

S1-9 Diversity metrics

The distribution of employees by age groups is calculated by determining the number of employees in each age category and expressing it as a proportion of the total number of employees. All values are reported based on the total headcount at the end of the year.

For analyzing gender balance in Electrica Group's leadership, the following management levels were considered:

- Senior Management: Includes the first level of management below the Board of Directors, specifically Executive Managers with mandate contracts who have decision-making authority over the company. Gender balance is reported as the proportion of the underrepresented gender within this management level.
- Middle Management: Includes the second level of management below the Board of Directors. In this category as well, gender balance is reported as the proportion of the underrepresented gender among employees in this segment.

The gender distribution at senior management in 2025

ELSA					
Gender distribution at senior management		2024		2025	
The number of employees in senior management by gender	Female	2	50%	1	33%
	Male	2	50%	2	67%
	TOTAL	4	100%	3	100%
EFSA					
Gender distribution at senior management					
The number of employees in senior management by gender	Female	9	28%	2	50%
	Male	23	72%	2	50%
	TOTAL	32	100%	4	100%
DEER					
Gender distribution at senior management					
The number of employees in senior management by gender	Female	2	40%	4	80%
	Male	3	60%	6	20%
	TOTAL	5	100%	10	100%
SERV					

Gender distribution at senior management					
The number of employees in senior management by gender	Female	13	30%	13	30%
	Male	30	70%	33	70%
	TOTAL	43	100%	46	100%
Total Grup Electrica					
Gender distribution at senior management					
The number of employees in senior management by gender	Female	26	31%	36	42%
	Male	58	69%	53	58%
	TOTAL	84	100%	89	100%

The age distribution among employees in 2025

ELSA	2024		2025	
The number of employees under 30 years old	4	5%	6	6%
The number of employees between 30 and 50 years old	53	60%	62	61%
The number of employees over 50 years old	31	35%	31	32%
EFSA				
The number of employees under 30 years old	32	4%	32	4%
The number of employees between 30 and 50 years old	364	46%	326	45%
The number of employees over 50 years old	391	50%	359	50%
DEER				
The number of employees under 30 years old	428	7%	477	8%
The number of employees between 30 and 50 years old	2,631	41%	2,809	45%
The number of employees over 50 years old	3,414	53%	2,976	48%
SERV				
The number of employees under 30 years old	19	4%	17	4%

The number of employees between 30 and 50 years old	132	30%	126	31%
The number of employees over 50 years old	295	66%	263	65%
Total Grup Electrica				
The number of employees under 30 years old	483	6%	532	7%
The number of employees between 30 and 50 years old	3,180	41%	3,323	44%
The number of employees over 50 years old	4,131	53%	3,629	49%

Note 1: The total number of employees at ELSA includes three employees from the SWE subsidiary, of whom two are men and one is a woman, all aged over 50. All three are permanent employees at ELSA and have part-time contracts at SWE.

S1-11 Social protection

Electrica Group is implementing measures to ensure social protection of its employees, either through participation in public social protection programs or through internal initiatives.

- **Illness**

All employees have access to national healthcare systems in compliance with Romanian legislation. Employees are entitled to free or subsidized medical assistance and can access public health services for treatments and consultations, with social contributions covered by the company.

- **Unemployment**

Unemployment risk protection is guaranteed for all employees of the Group through contributions to public unemployment funds. From the moment of employment, all workers are registered in these systems, providing financial support in case of job loss.

- **Workplace injuries and acquired disabilities**

In cases of workplace injuries or acquired disabilities, protection is ensured through contributions to national social insurance systems. These systems provide financial coverage and rehabilitation support, in accordance with national regulations.

- **Parental leave**

All employees are entitled to paid parental leave in accordance legislation. The Group adheres to national regulations regarding the duration of this leave and supports employees who are in this stage of life through measures that ensure job stability upon their return.

- **Retirement**

All employees are enrolled in public pension systems in the countries where the company operates. Employer contributions guarantee long-term financial support for employees upon retirement.

All Electrica Group employees benefit from private medical subscriptions through a network of private healthcare services, ensuring easy access to specialized consultations, tests, and other preventive health services.

An important benefit provided by DEER is the employer's full contribution to Pillar III Pensions for all employees who opt in. This contribution is entirely covered by the company, with no salary deductions for the employee.

At SERV, employees have the option to join Pillar III Pensions through a salary deduction mechanism, benefiting from a monthly contribution directed to a private pension fund.

At ELSA, employees can benefit from Pillar III Pension contributions provided they contribute monthly with an amount at least equal to the employer's contribution.

S1-13 Training and skills development metrics

The number and percentage of employees who participated in regular performance and career development reviews in 2025

Subsidiary		2024		2025	
ELSA	Female	46	61%	54	54%
	Male	30	39%	35	35%
	TOTAL	76	100%	89	89%
EFSA	Female	492	94%	496	69%
	Male	236	90%	240	31%
	TOTAL	728	93%	736	100%
DEER	Female	102	18%	1,158	19%
	Male	458	82%	5,094	81%
	TOTAL	560	100%	6.252	100%
SERV	Female	111	27%	119	19%
	Male	298	73%	287	71%
	TOTAL	409	100%	406	100%
TOTAL Electrica Group	Female	751	42%	1,827	24%
	Male	1,022	58%	5,656	76%
	TOTAL	1,773	100%	7,483	100%

Subsidiary		2024	2025
ELSA	The number of performance reviews per employee	1	1
	The number of reviews in proportion to the agreed number of reviews by the management	100%	100%
EFSA	The number of performance reviews per employee	1	1
	The number of reviews in proportion to the agreed number of reviews by the management	100%	97%
DEER	The number of performance reviews per employee	2	1
	The number of reviews in proportion to the agreed number of reviews by the management	100%	100%
SERV	The number of performance reviews per employee	1	1
	The number of reviews in proportion to the agreed number of reviews by the management	100%	98%

Note 1: The total number of employees at ELSA includes three employees from the SWE subsidiary, all of whom have permanent employment contracts at ELSA and part-time contracts at SWE. These three employees participated in one performance review in 2025

The average number of training hours per employee by gender

Subsidiary		Number of training hours per employee	Number of training hours per employee
		2024	2025
ELSA	Female	31	21
	Male	32	27
	TOTAL	63	48
EFSA	Female	29	7
	Male	33	12
	TOTAL	62	19
DEER	Female	30	19
	Male	30	31
	TOTAL	60	50
SERV	Female	41	4

	Male	49	3
	TOTAL	90	7
Total Electrica Group	Female	131	50
	Male	144	74

The number of employees per category in the reporting year

Subsidiary		2024	2025
Senior management	ELSA	4	3
	EFSA	6	31
	DEER	5	10
	SERV	3	3
	Total Electrica Group	18	26
Middle management	ELSA	19	21
	EFSA	129	98
	DEER	344	269
	SERV	40	40
	Total Electrica Group	532	449
Operational staff	ELSA	65	75
	EFSA	652	588
	DEER	6,124	5,983
	SERV	403	363
	Total Electrica Group	7,244	7,009
TOTAL	ELSA	88	99
	EFSA	787	717
	DEER	6,473	6,262
	SERV	446	406
	Total Electrica Group	7.794	7.484

The number and percentage of employees who participated in regular performance and career development reviews, broken down per employee category

Subsidiary		2024		2025	
Senior management	ELSA	4	100%	3	100%
	EFSA	6	100%	40	129%
	DEER	5	100%	5	50%
	SERV	0	0%	9	300%
	Total Electrica Group	15	83%	57	121%
Middle management	ELSA	19	100%	19	90%
	EFSA	125	97%	83	85%
	DEER	344	100%	269	100%
	SERV	38	95%	34	85%
	Total Electrica Group	526	99%	405	95%
Operational Staff	ELSA	65	100%	69	92%
	EFSA	598	92%	613	104%
	DEER	206	3%	5983	100%
	SERV	371	92%	363	100%
	Total Electrica Group	1.240	17%	7.028	98%
TOTAL	ELSA	88	100%	91	91%
	EFSA	729	93%	736	102%
	DEER	555	9%	6.257	99%
	SERV	409	92%	406	100%
	Total Electrica Group	1.781	23%	7490	100%

The average number of training hours per employee, broken down by employee category

Subsidiary		2024	2025
Senior management	ELSA	15	24
	EFSA	39.5	35.6
	DEER	30	48,7
	SERV	37	18.7
	Total Electrica Group	30	35
Middle management	ELSA	45.4	32.4
	EFSA	31	11
	DEER	30	34
	SERV	15	9.7
	Total Electrica Group	30	26,7
Operational Staff	ELSA	27.4	22.1
	EFSA	29.5	6,5
	DEER	130	28.8
	SERV	8	3.2
	Total Grup Electrica	48,4	25,54
TOTAL	ELSA	29.2	23.6
	EFSA	33.3	8.4
	DEER	63.3	29
	SERV	20	3,9
	Total Electrica Group	36.4	25.7

S1-14 Health and safety metrics

Information regarding health and safety (expressed in number of employees, where applicable)

2025	ELSA	EFSA	DEER	SERV	Total Electrica Group
Number of employees who are covered by the health and safety management system based on legal requirements and/or recognized standards or guidelines	99	717	6,262	406	7,484
(a) The percentage of employees covered by the health and safety management system	100%	100%	100%	100%	100%
(b) The number of fatalities as a result of work-related injuries and work-related ill health	0	0	0	0	0
(b) The number of deaths resulting from work-related accidents and the health conditions of other workers (such as those in the value chain) who work on the company's construction sites.	0	0	1	0	1
(c) The number of recordable work-related accidents for the company's workforce	0	1	8	0	9
(c) The total number of hours worked by employees in the company's workforce	146,670	1,202,050	11,111,406	720,340	13,180,466
(c) The rate of recordable work-related accidents for the company's workforce	0	0.83	0.72	0	0.68
(d) The number of cases of recordable work-related ill health cases recorded for the company's workforce	0	0	0	0	0

2025	ELSA	EFSA	DEER	SERV	Total Electrica Group
(e) The number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health	0	0	0	0	0

2024	ELSA	EFSA	DEER	SERV	Total Electrica Group
Number of employees who are covered by the health and safety management system based on legal requirements and/or recognized standards or guidelines	88	787	6,473	446	7,794
(a) The percentage of employees covered by the health and safety management system	100%	100%	100%	100%	100%
(b) The number of fatalities as a result of work-related injuries and work-related ill health	0	0	0	0	0
(b) The number of deaths resulting from work-related accidents and the health conditions of other workers (such as those in the value chain) who work on the company's construction sites.	0	0	1	0	0
(c) The number of recordable work-related accidents for the company's workforce	0	1	10	1	12
(c) The total number of hours worked by employees in the company's workforce	129,940	1,376,725	11,314,307	789,316	13,610,288
(c) The rate of recordable work-related accidents for the company's workforce	0	0.72	0.88	1.26	0.72

(d) The number of cases of recordable work-related ill health cases recorded for the company's workforce	0	0	0	0	0
(e) The number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health	0	273	628	37	938

In October 2025, Electrica conducted a surveillance audit dedicated to the Integrated Management System (Quality – Environment – Occupational Health and Safety – Information Security – Energy), in accordance with the requirements of the reference standards:

- SR EN ISO 9001:2015 (Quality);
- SR EN ISO 14001:2015 (Environment);
- SR ISO 45001:2018 (Occupational Health and Safety);
- SR EN ISO/IEC 27001:2018 (Information Security);

The audit was carried out by the external certification body SRAC Cert, affiliated with IQNet, and following the evaluation, no major non-conformities were identified, only areas for improvement.

In 2025, SERV was also subjected to a surveillance audit for the Integrated Management System, implemented according to the standards ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018. The audit was conducted by SRAC Cert, confirming the maintenance of compliance with applicable standards.

S1-17 Incidents, complaints and severe human rights impacts

During the reporting period, ELSA did not record any such incidents.

In the 2025 reporting period, EFSA recorded two incidents of discrimination, including harassment, reported through the official internal reporting channels available to employees, and these were assessed in accordance with the applicable internal procedures.

All cases were reviewed and managed internally, in line with the company's ethics and professional conduct policies and procedures. During the reporting period, no sanctions were imposed by regulatory authorities, and no additional financial losses resulted from these incidents.

During the reporting year, no incidents of discrimination related to work - based on gender, race or ethnic origin, nationality, religion or beliefs, disability, age, sexual orientation or any other relevant grounds—were recorded at DEER or SERV. No incidents of discrimination, including harassment, were reported through the internal reporting mechanisms, and no cases were identified concerning serious human rights issues, such as forced labour, human trafficking, or child labour.

Furthermore, in 2025, no severe incidents were reported in relation to human rights violations, forced labour, human trafficking, or child labour.

ESRS S4 – Consumers and end-users

ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

At Electrica Group level, the risk management process, designed to facilitate the achievement of objectives and activities under conditions of cost-efficiency, operational efficiency, and effectiveness, is regulated and integrated into group management and adapted to its business processes. The risk management policy aims to implement the principles defined at the organizational level by the SR ISO 31000:2010 Risk Management Standards and ISO/IEC 27001 Information Technology; Security Techniques; and Information Security Management Systems.

The Audit and Risk Committee of ELSA's Board of Directors is the highest level of governance body charged with reviewing the effectiveness of the organization's risk management processes. It oversees risk management at all levels of the organization and is responsible for sustainability issues and ESG reporting obligations, as presented in chapter ESRS 2 of this report.

Electrica conducts its activities with both direct and indirect impacts on consumers and end-users, through the products and services it offers, as well as through its business relationships. The company's strategy and business model are aligned with the goal of minimizing risks and negative impacts on consumers and end-users, while maximizing opportunities to enhance customer experience and service accessibility.

In the double materiality assessment process, Electrica Group considered the following aspects:

- a) Impact of products and services on consumers : Electrica does not produce or commercialise products that pose inherent risks to human health or that could contribute to the development of chronic diseases. Instead, the Group supplies electricity, natural gas and related services, strictly adhering to safety standards and applicable regulations, thereby ensuring a minimal impact on consumers.
- b) Impact of consumer interaction with the company : Electrica manages sensitive data and information belonging to consumers and end users, and the protection of this data represents a strategic priority. The Group applies strict measures to ensure confidentiality and safeguard personal data, in alignment with best practices and relevant regulatory requirements

The table below presents the material impacts, risks, and opportunities related to consumers and end-users identified through the double materiality assessment at the Group level:

Material Sub-sub-topic	Location	IRO	IRO Description	IRO source	Actual/ Potential	Time horizon
Access to information (quality information)	Own operations & downstream value chain	Positive impact	Consumer information mechanisms available	The impact is embedded in Electrica's strategy and business model	Potential	Long term
Non-discrimination	Downstream value chain	Positive impact	Promotion of equitable access to energy	The impact originates from the undertaking's strategy and business model	Actual	Short term
Access to products and services	Own operations & downstream value chain	Positive impact	Improving customer satisfaction and loyalty	The impact originates from the undertaking's strategy and business model	Actual	Short term
		Risk	Risks related to customer portfolio retention			Short term
Responsible marketing practices	Own operations & downstream value chain	Positive impact	Protecting consumer rights and trust	The impact derives from Electrica's strategy and business model	Actual	Short term
Confidentiality	Downstream value chain	Negative impact	Potential cybersecurity incidents	The impact originates from the undertaking's strategy and business model	Potential	Medium term
		Risk	Risks related to customer data confidentiality		Actual	Medium term

The impacts, risks and opportunities associated with consumers and end users were assessed as part of the double materiality analysis, including through the feedback received from stakeholders via questionnaires. In this process, Electrica Group examined how its activities may generate current or potential impacts on customers and identified the key topics relevant to consumer relations.

Accordingly, both current positive and negative impacts, as well as potential impacts and associated risks, were identified and evaluated in connection with sustainability topics such as access to quality information, access to products and services, responsible marketing practices, non-discrimination in customer interactions and the protection of customer data confidentiality. These impacts may influence consumers' experience and their level of trust in the services provided. This assessment also supported the identification and evaluation of the risks related to these topics.

Electrica Group monitors these aspects to ensure a transparent and responsible relationship with customers and to continuously improve the quality of the services delivered.

Information mechanisms available to consumers (Access to quality information)

For this sustainability topic, Electrica Group assessed the positive impact generated for consumers as significant, insofar as the company ensures the availability and functioning of platforms and communication mechanisms that facilitate consumer access to information regarding electricity supply and distribution services. These mechanisms include the online customer portal, mobile applications, the call centre, physical customer service points and public information campaigns.

The positive impact is primarily linked to the communication infrastructure made available to consumers, while the efficiency and consistency of the information provided are assessed separately within the risk analysis associated with this topic. In practice, the Group's companies use dedicated digital tools to inform customers.

For example, at DEER, the Interactive Map available on the company's website provides up-to-date information on electricity supply interruptions, while the Chat Volt application offers quick responses to user enquiries.

At EFSA, the MyElectrica application enables customers to access and manage information related to their contracts, invoices and energy consumption. The main beneficiaries of these mechanisms are household and non-household customers in Romania.

Promoting equitable access to energy (Non-discrimination)

Within the scope of the non-discrimination topic, Electrica Group has identified a current positive impact associated with promoting equitable access to energy. The company collaborates with non-governmental organisations, local authorities and energy specialists to identify the needs of vulnerable households and to better understand the challenges faced by certain categories of consumers in accessing energy services. These activities include discussions with local communities, surveys, and meetings with representatives of public authorities and civil society.

At the same time, the supply company EFSA applies standardised policies and procedures for all customers, ensuring that services are accessible and that consumers receive fair and equitable treatment. Electrica Group also participates in programmes and initiatives aimed at supporting vulnerable consumers and cooperates with public authorities in implementing social protection mechanisms, such as compensation schemes or financial support for energy bill payments.

Starting from 1 July 2025, the transition from a generalised protection system to a targeted support mechanism, combined with the removal of energy price caps and the increase in VAT to 21%, may influence equity in access to electricity. In this context, the company monitors the impact of these changes on vulnerable consumers and continues to engage with authorities and local communities to identify appropriate solutions.

Increasing customer satisfaction and loyalty (Access to products and services)

As part of the double materiality analysis, Electrica Group assessed the current positive impact associated with access to products and services, reflected in the increase in customer satisfaction and loyalty. This impact is generated by the Group's electricity supply and distribution activities, which ensure continuous and reliable access to energy for consumers.

On the supply side, consumers benefit from clear and up-to-date information regarding available offers, contractual conditions and applicable prices. On the distribution side, the company continues to invest in the modernisation and digitalisation of the electricity networks, including through equipment automation, network monitoring and the implementation of smart metering systems. These measures contribute to improving service quality and reducing the duration of electricity supply interruptions.

The positive impact extends across all customer categories—household, commercial and industrial—connected to the networks operated by Electrica Group in Romania.

Protecting consumer rights and trust (Responsible marketing practices)

With respect to the topic of responsible marketing practices, Electrica Group has identified a current positive impact associated with safeguarding consumer rights and strengthening customer trust in the company's services. The relationship with customers is supported through information and advisory processes that help consumers better understand available offers, contractual conditions and electricity billing methods.

These activities have been particularly relevant in the context of market changes and the transition towards a fully competitive electricity market following the end of the price-cap scheme. Electrica Group also uses digital communication channels to interact with customers and conducts periodic satisfaction surveys to assess the customer experience and identify opportunities for service improvement. The beneficiaries of these actions include all customer categories, with a notable emphasis on household consumers in Romania. The positive impact is felt across the entire customer base, particularly among residential clients.

In addition, Electrica Group continually analyses the significant risks and opportunities associated with its activities in order to adjust its strategy and business model to consumer needs and evolving market conditions. This approach supports the maintenance of high customer satisfaction levels and contributes to the Group's long-term sustainable performance.

The double materiality analysis highlighted the relevance of potential impacts and risks associated with cybersecurity, including the possibility of incidents that could affect the protection of consumers' personal data. In the context of digitalised services and the use of online platforms for managing customer relations, such incidents could create concern and discomfort among consumers and could temporarily reduce their confidence in the company's ability to safeguard sensitive information.

The impact is predominantly potential and may have a systemic dimension, as a cybersecurity incident could affect a large number of consumers simultaneously. Potentially affected consumers include household and non-household customers whose data are processed as part of their contractual relationship with the company and through the digital platforms used to provide energy services and manage customer interactions. Although the likelihood of such incidents is reduced due to the security measures in place, the impact is continuously monitored and managed to mitigate any potential effects on consumers.

Customer data confidentiality has been identified as a major potential risk in the double materiality assessment. Data loss or unauthorised disclosure could have significant negative consequences, including loss of customer trust, financial penalties and reputational harm. This risk is managed through the company's Personal Data Processing Policy. During the reporting year, Electrica Group did not record any incidents related to information confidentiality; therefore, the impact has been assessed as potential and negative.

In a market context characterised by energy price volatility and increasing competition in the supply segment, Electrica has identified the risk associated with consumers' access to products and services, specifically the risk related to maintaining the customer portfolio, as significant. This risk is directly linked to the company's business model, which relies on the supply and distribution of electricity to a broad customer base.

In addition, potential malfunctions of digital platforms or delays in communication processes with end users may affect the customer experience and their access to the products and services offered, which could in turn influence customer retention. This risk is primarily short-term in nature and is associated with the supply activities and direct interactions with consumers in Romania.

Categories of consumers and end users

As part of the double materiality analysis conducted for the *Consumers and End Users* topic, Electrica Group assessed the types of consumers and end users that may be affected by its operations or through the value chain, primarily in relation to the supply and distribution of electricity in Romania. In this context, the company recognises the effects of its operations on final consumers, contractual partners, job applicants, website visitors and visitors to company facilities, shareholders, public authorities and other relevant entities.

Electrica's consumers include household customers, non-household customers (commercial and industrial), as well as certain categories of vulnerable consumers who depend on continuous access to energy and on clear, accessible information regarding energy services. Within EFSA, consumers and end users represent a key stakeholder category. The main categories of consumers that may be significantly affected are outlined below:

i) *Consumers of services whose rights related to privacy, data protection, freedom of expression or non-discrimination may be affected.*

The services provided by Electrica Group involve the processing of consumers' personal data, particularly in the context of contractual relationships, billing activities and the use of digital customer platforms. In this context, end users may be exposed to potential impacts on their right to privacy and data protection in the event of a cybersecurity incident. To mitigate such risks, the *2025–2030 Sustainability Strategy* provides for the strengthening of cybersecurity measures through the implementation of an integrated strategy for protecting critical infrastructure and customer data, including the use of advanced incident detection and response technologies, data encryption and continuous monitoring of IT systems.

- ii) *Consumers who rely on accurate, clear and accessible information* regarding contracts, tariffs, invoices, electricity supply interruptions and other relevant operational aspects. Electrica Group ensures access to such information through multiple communication channels, including online platforms, mobile applications, the call centre, physical customer service points and public information campaigns.
- iii) *Vulnerable consumers*, such as low-income individuals, seniors, persons with disabilities, children or people living in disadvantaged areas. EFSA adapts its products and services to ensure they are more accessible and relevant for these categories.
- iv) *Communities* that may be affected by the company's activities. In this regard, EFSA continuously assesses opportunities for investments in renewable energy generation, which may contribute in the future to the economic and social development of local communities.

The products and services offered by Electrica Group are not considered inherently harmful to consumer health and are not associated with an increased risk of chronic diseases. The company's core activity consists of the supply and distribution of electricity—an essential service for the functioning of households and the broader economy. Therefore, no categories of consumers have been identified as using products that, by their nature, could have direct negative effects on health.

Electrica Group's subsidiaries apply the same standards and protection measures uniformly to all consumers and end users, without distinctions between specific groups, thereby ensuring fair and non-discriminatory treatment.

With regard to customer data confidentiality risks, these apply to all categories of consumers and end users whose personal data are processed as part of their contractual relationship with Electrica Group, including through the digital platforms used to manage customer interactions. This risk is not associated with any specific consumer group; rather, it may potentially affect all customer types in the event of a cybersecurity incident or unauthorised disclosure of data.

With respect to the risks related to customer portfolio retention, these primarily concern customers in the electricity supply segment, who have the option to switch suppliers in the context of a competitive energy market. This risk is not limited to a particular age group or a specific consumer segment; instead, it may generally affect the company's entire customer base, particularly household and non-household customers exposed to price fluctuations and alternative offers available on the market.

Impact, risk and opportunity management

S4-1 Policies related to consumers and end-users

Electrica Group manages the impacts generated by its products and services on consumers and end-users, prioritizing the identification and addressing of relevant risks and opportunities. Through its policies, the Group ensures fair, responsible, and transparent relationships with all consumers, respecting their rights and promoting sustainable business practices.

Electrica integrates into its operational strategies all local legislative requirements, as well as internationally recognized standards that support consumer protection and the development of ethical business relationships (such as the General Data Protection Regulation - GDPR).

Electrica Group's activities strictly comply with national legal legislation and are based on principles that enforce the respect of human rights for its employees, customers and product users. Electrica adheres to the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the Universal Declaration of Human Rights, and the OECD Guidelines for Multinational Enterprises, ensuring the respect of human rights and promoting responsible practices in its relationship with consumers, even though there is no specific human rights policy for customers and end-users at the Group level.

Furthermore, Electrica Group is committed to respecting national and international legal principles and requirements regarding human rights, which include, among others, the following conventions:

- Convention No. 29/1930 on Forced Labour;
- Convention No. 87/1948 on Freedom of Association;
- Convention No. 98/1949 on the Right to Organize and Collective Bargaining;
- Convention No. 100/1951 on Equal Remuneration;
- Convention No. 105/1957 on the Abolition of Forced Labour;
- Convention No. 111/1958 on Discrimination (Employment and Occupation);
- Convention No. 138/1973 on Minimum Age;
- Convention No. 182/1999 on the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour.

In the reporting year analyzed, Electrica Group did not identify any cases of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises involving consumers and/or end-users, either in its own operations or within its value chain. The Group maintains its commitment to respecting these international principles and continues to monitor the impact of its activities on communities through existing dialogue and reporting mechanisms.

Furthermore, to manage risks, opportunities, and impacts on consumers and end-users, Electrica Group has implemented the following policies, which are also applicable to its subsidiaries:

The Group's Code of Ethics and Business Conduct

This serves as the foundation for transparent and fair relationships with consumers and end-users, promoting respect for their rights to equality and diversity, and prohibiting any form of discrimination. The Code supports accurate customer information, ensures data confidentiality, and guarantees the provision of quality services. The Code does not target specific groups of consumers or end users but reflects the company's general commitment towards all consumers and end users.

Regarding human rights, Electrica Group promotes their respect through active collaboration with consumers and end-users, implementing measures to address identified impacts. According to the Code of Conduct, the Group supports diversity and treats all customers equally, prohibiting any form of discrimination based on race, religion, gender, sexual orientation, disability, age, or any other criteria protected by law. To this purpose, the Integrity Whistleblower mechanism may also be used to report possible violations of human rights, including those affecting consumers and end-users. Complaints received are analyzed by competent teams, and remedial measures are determined based on the nature and severity of the reported situation. The system allows for a direct or indirect resolution of such impacts.

Any complaints from stakeholders can be made through the procedure for reporting ethical violations, irregularities, or any legal infringements via professional alert mechanisms, allowing the reporting of any deviations from plans or decisions made by the company after consulting stakeholders, or any issues that, during the implementation of these plans and decisions, may affect stakeholders or the community.

For a detailed description of the Code of Ethics and Business Conduct, please refer to the *ESRS E1-2 section in the Climate Change chapter*.

Within EFSA, the Code of Ethics and Business Conduct is the basis of a proper relationship between the company and its consumers/end-users, supporting their right to equality and diversity and condemning any form of discrimination.

It also promotes the importance of accurate information of clients by EFSA personnel, ensures the right to confidentiality, and guarantees delivery of quality services.

Policy on stakeholder engagement

This policy, in line with the Code of Ethics, ensures that activities are carried out in an ethical, transparent manner, promoting open dialogue with all parties involved. Its purpose is to maintain a balance between the interests of shareholders, employees, customers, end-users, and communities through constant and constructive dialogue.

For a detailed description of the Stakeholder Engagement Policy, please refer to section *S1-1 in the Policies related to own workforce chapter*.

Know Your Business Partners Policy

Electrica's Know Your Business Partners Policy (clients and suppliers), code ELSA-POL-MR-2, Ed.1-rev.1, allows for the conduct of risk assessments aimed at mitigating reputational, financial, and operational risks. It primarily targets non-household customers (B2B) and suppliers, applying to all transactions greater than 150,000 RON in relation to these parties. The policy is applied to non-household customers (B2B) and suppliers within the value chain, with periodic evaluations and monitoring. It covers all activities carried out by business partners in relation to Electrica.

The highest level of Electrica Group organization responsible for the approval and implementation of the policy is the Board of Directors. They oversee the policy's implementation and ensure its compliance in all business activities. The goal of the policy is to create a framework for centralized risk assessments aimed at mitigating reputational risks, credit risks, and counterparty risks at the company level.

This policy complements the existing policy regarding zero tolerance for corruption, fraud, and money laundering, ensuring the necessary conditions for knowing business partners, whether customers or suppliers, in order to mitigate potential reputational, credit, and counterparty risks.

The principles embraced by this policy include caution regarding the initiation of business relationships, analyzing the activities and business behavior of potential partners, reporting any suspicious initiatives to the designated structure, adopting a risk-based approach, and collecting and processing personal data in compliance with applicable legislation.

The implementation rules include verifying the identity of business partners, conducting risk-based analyses, and specifying the responsibilities of the organizational entities involved. Verifications are carried out before entering business relationships or occasional transactions, including standard customer due diligence measures, simplified measures for low-risk customers, and additional measures for high-risk situations.

Security policy

Electrica's security policy, code ELSA-POL-SIC-1, Ed.1-rev.1, defines the principles that Electrica adheres to and respects in terms of security and the objectives the company must achieve and maintain in this domain. The implementation of organizational, technical, and procedural measures adopted in the application of the Security Policy contributes to the sustainable protection of personnel, property, and reputation against security threats.

The security approach is based on an integrated vision of protecting personnel, property, and reputation, including workplace security, fire safety, classified information related to national security, privileged information, personal data, and critical national infrastructures. The policy principles include developing a security culture, personnel security, infrastructure security, information security, business process security, incident management, and business continuity.

The implementation rules establish the roles and responsibilities of management, the Board of Directors, the CEO, the Security Committee, process owners, executive management, leaders of organizational entities, the Human Resources Department, and all employees.

Risks associated with consumers and end-users may arise from a lack of access to quality products and services, deficiencies in information, or inadequate commercial practices, all of which can affect customer and end-user trust and loyalty. In contrast, adhering to good practices in relations with them creates opportunities for increased satisfaction and loyalty, while also strengthening the Group's reputation.

This policy applies to employees, contractors, collaborators, consumers, and end-users of Electrica Group, covering all activities carried out within the Group and its partnerships. It is relevant to both upstream and downstream value chains and applies regardless of the geographical area. The highest level within Electrica Group's organization responsible for enforcing this policy is the Board of Directors. The Board oversees its implementation and ensures compliance across all business activities.

Policy on the Processing of Personal Data

This policy adopted by Electrica Group establishes a clear framework for compliance with legislation regarding the protection of customer data. It ensures transparency and predictability in data processing, providing customers with detailed information about how their data is used. The policy applies to all customers and employees of Electrica Group and aims to protect personal data by implementing procedures in accordance with the General Data Protection Regulation (GDPR).

When defining the policy, Electrica Group considered the interests of key stakeholders, including customers and employees, to ensure transparent and secure data processing. For a detailed description of the Policy on personal data processing, please refer to section *S1-1 in the chapter Own Workforce*.

Risk management policy

The policy defines the general framework for identifying, analyzing, and managing risks that may affect the Group's activities, including monitoring relationships with consumers and end-users. It is complemented by the procedures of the Integrated Management System, which ensure rigorous control over operational risks.

The policy applies to all activities of Electrica Group and all geographical areas where it operates. For a detailed description of the Risk Management Policy, please refer to section *G1-1 in the chapter Governance*.

The integrity whistleblowing policy

The policy on reporting ethical violations, irregularities, or any breaches of the law through professional alert devices (integrity whistleblowing) is based on the principles outlined in the Code of Ethics and Business Conduct, allowing consumers and end-users to report irregularities or violations of the law through a confidential integrity alert system. The objective of this policy is to protect whistleblowers and prevent any form of retaliation against them. The reporting mechanism for suspected violations, called the Integrity Whistleblower, is available to all employees of the company, customers, suppliers, contractors, subcontractors, and other stakeholders interacting with Electrica Group.

For a detailed description of the Integrity Whistleblowing Policy, please refer to section *G1-1 in the Governance chapter*.

The policies described above apply to all consumers and end-users. To communicate its policies, Electrica uses appropriate technology, including secure platforms, IT equipment, and specialized software, facilitating access to information. The Group's public policies are published on its website, and the rights and obligations of consumers are included in contracts, communicated via email, and integrated into internal training programs for employees.

S4-2 Processes for engaging with consumers and end-users about impacts

In accordance with specific regulations, Electrica Group collaborates directly with end consumers and electricity distribution operators as an electricity supplier. These collaborations aim to ensure constant communication and facilitate the efficient resolution of potential issues related to the services provided. Additionally, consumers are consulted annually through surveys and questionnaires to gather feedback on their experience, including aspects related to personal data protection and IT system security. All data is processed in compliance with confidentiality standards and GDPR regulations. The responses from these consultations are analyzed, and if any needs or opportunities for process improvement are identified, plans for implementation are created.

Electrica Group understands that protecting end consumers' data is essential for building trust and complying with legal regulations. Therefore, collaboration with consumers to identify privacy-related risks is a priority and includes:

- *Identifying specific risks:* Electrica Group conducts periodic tests to detect potential threats to privacy, such as unauthorized access or data leaks, through direct consultations with consumers and data protection experts.
- *Defining protective measures:* Electrica Group implements data security policies and procedures, ensuring these comply with GDPR regulations and other applicable requirements.
- *In addition to GDPR requirements,* Electrica Group also complies with the data protection and processing obligations imposed by international financiers. Accordingly, the information provided to financiers is anonymised, and the data subjects are informed in advance about the categories of data shared, in accordance with Articles 44–49 of the GDPR.

At the Group level, collaboration with consumers and end-users is carried out through the following channels and initiatives:

- *Support platforms, surveys, and questionnaires* – Consumers have dedicated channels such as customer relations centers, digital platforms, and satisfaction surveys to share their concerns and suggestions.
- *Periodic consultations and meetings (at least annually)* – The Group organizes regular consultations with consumer representatives, consumer protection associations, and other relevant stakeholders to gather information regarding the impact of their products and services.
- *Collaboration with regulatory bodies and authorities* – The Group maintains an active dialogue with institutions responsible for consumer protection to ensure compliance with legal requirements and industry best practices.

Regarding transparency with consumers, Electrica Group ensures they are informed about how their data is collected, used, and protected by publishing the policy on personal data processing.

All entities within Electrica Group (where applicable) provide their consumers with clear and accessible information about the services offered through multiple channels: websites, mobile applications, notifications, and educational campaigns.

At DEER, during the reporting year, the company published on its website a *User Guide* dedicated to consumers and end users of electricity distribution services. The purpose of this material is to support clear and accessible communication by providing users with information about the role of the distribution operator, as well as the rights and obligations of consumers.

In the event of a crisis caused by major changes or security incidents, the Group has tools to communicate notifications to consumers, either directly or through official communication channels such as its website, applications, social communication platforms, or mass media platforms.

Collaboration primarily occurs during the monitoring and improvement phase of the services provided, but it can also be initiated during operational adaptation stages or in the context of legislative changes.

Within EFSA, the Director of the Operations Division is responsible for coordinating post-sales activities, including call center management, complaint handling, billing, receivables, network management, and support contract administration. For DEER, operational responsibility for collaboration with network users lies with the Commercial Division and the Network Operations Directorate at the level of the Regional Structures.

Electrica aims to ensure the accessibility of its services for all consumers, including vulnerable groups, by:

- Developing user-friendly digital solutions;
- Adapting services for consumers with disabilities;
- Flexible tariff offers to support consumers from diverse socio-economic backgrounds.

The Group promotes transparency in its commercial offers and is committed to avoiding aggressive or misleading marketing practices. All advertising materials comply with consumer protection regulations.

EFSA implements a series of measures dedicated to vulnerable consumers, in line with ANRE Order No. 235/2019:

- *Improved accessibility:* Vulnerable clients can use single points of contact and regional information centers tailored to their needs.
- *Administrative support:* Clients can appoint a trusted person to manage interactions with the provider.
- *Adapted communication:* Bills, notifications, and informative materials can be provided in electronic formats compatible with screen readers for visually impaired individuals.
- *Measures to ensure energy continuity:*
 - Limiting planned interruptions and notifying affected vulnerable clients in advance
 - Prioritizing repairs in the event of accidental outages
 - Providing an additional energy source in critical situations
 - Protecting against disconnection, including during energy crises

Vulnerable clients are not disconnected from the electricity network, not even during electricity crises.

The efficiency of the collaboration with consumers and/or end-users is evaluated through the analysis of satisfaction survey results and customer retention indicators. Periodic performance reports of customer relations channels are reviewed by the executive management, and recurring suggestions or complaints are used to adapt communication strategies and services provided.

Electrica Group is keen on expanding and improving its collaboration mechanisms with consumers and end-users. If areas requiring process improvements are identified, Electrica will develop additional measures and implement new initiatives within a reasonable timeframe.

S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

Electrica Group identifies, prevents, and mitigates potential negative effects that its operations may have on consumers and end-users. This process is managed through a framework involving complaint management mechanisms, open communication channels, and collaboration with authorities and consumer protection organizations.

To ensure the efficient resolution of consumer issues, Electrica Group has implemented the following measures:

- *Problem Identification:* Customer feedback is monitored through satisfaction surveys and complaint analysis to identify risks and recurring issues.
- *Remediation Mechanisms:* When negative effects arise, the company applies corrective measures, which may include compensation, bill adjustments, or improvements to internal processes to prevent similar incidents in the future.
- *Collaboration with Authorities:* Electrica works with ANRE and other relevant institutions to ensure compliance with regulations and to protect consumer rights.
- *Special Protection for Vulnerable Consumers:* Efforts are made to ensure they are not disconnected during critical situations and receive adequate support in the event of energy-related issues.
- *Whistleblower Protection Policy:* Ensures that individuals using these channels are protected against any form of retaliation.

Customer support, quality, and compliance teams are responsible for managing negative impacts and implementing remediation measures. These teams undergo continuous, annual training to respond quickly and effectively to emerging problems.

After addressing the impact, internal processes are reviewed to prevent similar issues from arising in the future. These processes are constantly evaluated and improved to ensure an optimal experience for consumers.

Additionally, Electrica Group has implemented control measures designed to ensure the cybersecurity of consumer data. The company recognizes that losing data confidentiality can pose significant risks, including reputational damage, fines, or financial losses.

Consumers and end-users can express their concerns or needs through the channels specified in business relationships.

- *Call Center:* available between 9:00 AM and 6:00 PM, consumers can call for quick assistance and problem resolution;
- *E-mail:* Through the company address, all requests are responded to within 24 hours. The email addresses are as follows: for DEER office@distributie-energie.ro, for EFSA clienti@electricafurnizare.ro, office@electricafurnizare.ro, for SERV secretariat@electricaserv.ro, and for ELSA office@electrica.ro;
- *Live Chat:* On [EFSA's website](#), clients receive real-time support through live chat, which is available to promptly address their questions.
- *Social media:* Electrica engages with consumers on platforms such as LinkedIn, Facebook, Instagram, and Twitter.
- *Online contact form:* consumers can report any issues using [the online contact form](#) on the website.
- *Mobile app:* users have access to direct feedback options within the app, which redirects them to the EFSA website, where they can report issues or request assistance.

EFSA has implemented a suitable technical infrastructure to ensure the optimal functioning of channels such as call centers, live chat on the website, and mobile applications, guaranteeing consumers constant access to the desired support. Each communication channel (phone, email, live chat, IVR) is managed by dedicated teams comprised of employees with expertise in customer services. These teams are trained to respond to any consumer requests in compliance with current regulations and standards.

Electrica Group monitors the efficiency of its complaint management processes by analyzing key performance indicators (KPIs), such as response time to customer requests and the resolution rate of reported issues. This system allows for the identification of potential delays or challenges in the remediation process and the implementation of necessary measures to optimize it.

Moreover, periodic evaluations are organized in the form of internal meetings, where the responsible teams analyze complaint trends and propose solutions to prevent similar problems in the future.

Communication channels are managed by designated teams, and the responsibility for their proper and fair operation is assigned to Electrica's management roles.

The processing of complaints is carried out in compliance with current legislation (GDPR), thereby ensuring the protection of consumers' rights regarding their personal information. Anonymous complaints are analyzed with the same attention and seriousness as nominal ones, provided that the details supplied are sufficient for investigation.

Communication channels are promoted through various platforms, including the company's website, social networks, and direct marketing campaigns. All consumers are informed about how they can contact the company to address issues or request assistance. Additionally, information about these channels is accessible in multiple languages and formats to support all consumers, including those with disabilities.

All communication channels are accompanied by guides that explain the steps to follow, estimated resolution times, and answered frequently asked questions. Consumers are kept informed about the status of their requests, and in special cases, they receive personalized updates. To enhance awareness, the company runs information campaigns via its website, social media, email marketing, and physical contact points. For instance, for information campaigns about its services and activities, DEER uses various communication channels, including the DEER Guide, which offers detailed information on connection activities for prosumers, residential users, and producers. The company's website also provides the necessary steps for connection, ensuring transparency and accessibility for all stakeholders.

In cases of significant issues affecting a large number of consumers, the company publishes detailed information about corrective measures taken. For example, for communications concerning affected areas, the number of consumers impacted, and the progress of major incident resolutions, DEER performs the DEER-PO-15-06 Communication Management procedure, document reviewed and updated during 2025. This procedure ensures effective information management and transparent communication with all stakeholders. Within this framework, DEER monitors and periodically reports on the status of incidents, the impact on consumers, and the measures taken to address them, ensuring accurate and prompt information delivery to users.

S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

In the 2025 reporting year, Electrica Group continued to implement strategic measures to manage material negative impacts, proactively address risks, and support both current and potential positive impacts associated with consumers and end users. Details regarding the actions undertaken or planned in this regard are presented below.

Electrica Group identifies the necessary actions to prevent and manage negative impacts on consumers and end users by assessing risks related to cybersecurity and customer portfolio retention. The process includes monitoring compliance with applicable regulations, analysing reported incidents, and collecting customer feedback. In addition, periodic reviews of internal procedures are carried out under the integrated management system to identify and implement corrective or improvement measures. Electrica Group has also implemented a controlled access system for personal data and performs regular audits and checks to ensure ongoing regulatory compliance.

Cybersecurity

To manage the potential negative impact associated with cybersecurity incidents and the protection of customers' personal data, as well as the related risk (Customer data confidentiality risks), Electrica Group continued throughout 2025 to implement a series of operational and organisational measures aimed at strengthening its cybersecurity framework and the protection of sensitive information. Key actions implemented during the reporting year included periodic employee training on the handling and protection of personal data, the enforcement of internal information security and data protection policies, and the performance of regular access controls and internal audits.

In addition, to further strengthen its security framework, Electrica Group established the Integrated Security Department (DSI), responsible for managing cybersecurity, the protection of national critical infrastructure (NCI), classified documents and physical security systems, in line with the NIS2 Directive. These measures complement the existing personal data protection policies aligned with GDPR requirements, which include strict access controls, periodic audits and incident reporting mechanisms.

The scope of these measures covers Electrica Group's own operations and the IT systems used in customer interactions, including the digital platforms dedicated to managing the relationship with consumers. Indirectly, these measures contribute to protecting all consumers and end users whose personal data are processed as part of their contractual relationship with Electrica Group, as well as to safeguarding the IT infrastructure used in electricity supply and distribution activities in Romania.

The actions implemented are ongoing in nature and are integrated into Electrica Group's operational processes. During the reporting period, no cybersecurity incidents were identified that affected consumers' personal data or required remedial actions for impacted individuals.

Progress in implementing these measures is monitored through internal audits, periodic security system checks and assessments of compliance with data protection and information security policies.

Information mechanisms available to consumers (Access to quality information)

To support the positive impact associated with the information mechanisms available to consumers, Electrica Group continued in 2025 to develop and maintain the communication channels through which customers can access information on electricity supply and distribution services.

- **At EFSA**, the *MyElectrica* application enables customers to digitally manage their invoices, consumption data and current relationship with the supplier, while the company's website explicitly promotes the use of this application and its functionalities.
- **At DEER**, the company maintained and promoted online services such as the platform for viewing supply interruptions, the metering data portal, the index submission platform, the online form for notifications, as well as dedicated information for grid connection and prosumers. In addition, the informational guide published by DEER consolidates these tools and explains the role of the distribution operator, the steps of relevant processes, and the channels through which users can obtain information or submit requests.

These actions target EFSA's household and non-household customers, as well as users of the DEER network, including consumers, producers and prosumers who utilise the platforms for information, index submission, grid connection or checking interruptions. Geographically, these actions apply across Romania, and in the case of DEER, specifically within its operational area covering the 18 counties served by the distribution operator.

The actions described are primarily continuous in nature. Maintaining the *MyElectrica* application, websites, support channels and digital information platforms represents recurring activities integrated into the ongoing operations of the Group's companies. Looking ahead, Electrica aims to further improve its digital mechanisms and contact channels to ensure that access to information remains functional, efficient and relevant for consumers.

Promoting equitable access to energy and protecting consumer rights and trust

To strengthen equitable access to energy, Electrica Group continued in the reporting year to apply standardised customer-relation practices and procedures, ensuring that supply services remain accessible and that consumers receive fair and non-discriminatory treatment, regardless of their social category.

At EFSA, this approach is supported by the principles set out in the *Code of Ethics and Professional Conduct*, which emphasise open dialogue with stakeholders, non-discriminatory treatment and accurate, complete communication with customers. In addition, the company provides dedicated support facilities for vulnerable consumers, including single points of contact and adapted interaction channels. In 2025, EFSA also publicly communicated the applicable social protection measures available to affected household consumers for the period 1 July 2025 – 31 March 2026.

These actions apply primarily downstream in the value chain, through the direct interaction between EFSA and the end users of electricity supply services in Romania. The beneficiaries include all company customers, with particular relevance for vulnerable consumers such as low-income individuals, seniors, persons with disabilities and those facing energy vulnerability. Geographically, the measures apply nationwide, across all areas where EFSA provides electricity supply services.

The actions supporting this positive impact are largely continuous. The application of non-discriminatory customer treatment and the use of standardised procedures are part of the company's ongoing supply operations. At the same time, measures dedicated to vulnerable consumers and cooperation with public authorities for implementing support mechanisms are adapted to the applicable legislative framework at a given time. In 2025, this framework included the transition from a generalised protection system to a targeted support mechanism for the period 1 July 2025 – 31 March 2026, indicating a short-term implementation horizon for these specific measures.

Increasing customer satisfaction and loyalty (Access to products and services)

Throughout 2025, Electrica continued to ensure equitable access to energy for all categories of consumers, including those in rural or disadvantaged areas, in compliance with ANRE regulations. The company also maintained both digital and physical access to its services through multiple channels - customer service centres, online applications, web portals and the call centre - ensuring efficient and transparent communication.

In the supply segment, Electrica continued to deliver services in line with industry standards and to promote transparency in its relationship with customers. EFSA provides comprehensive and up-to-date information on applicable prices, contractual conditions and available options, as well as tailored solutions to meet consumer needs.

In the distribution segment, Electrica ensured equitable access for all customers and continued investing in the modernisation and digitalisation of the network—through station automation, real-time network monitoring and the implementation of smart metering systems—to improve service quality and reduce the duration of outages.

The operational procedure updated in 2025 regarding customer satisfaction monitoring shows that DEER explicitly aims to improve the customer experience, enhance brand loyalty and identify areas with improvement potential.

In 2025, the measures implemented by Electrica to promote social inclusion and access to energy covered all supply and distribution activities at national level. The scope primarily targeted the downstream value chain, namely household and non-household consumers, including vulnerable customers and users in rural or disadvantaged areas, by ensuring equitable access, contractual transparency and multiple communication channels.

The development of energy infrastructure and the digitalisation of services represent medium- to long-term initiatives, aligned with the company's network development plans and its modernisation and digitalisation objectives.

These actions are implemented to achieve the objectives outlined in the policies, contributing to the management of significant impacts and risks. The Group continuously monitors the progression of these actions, ensuring transparency and efficiency throughout its processes.

Within EFSA, the measures implemented in previous years to manage the impacts, risks and opportunities related to consumers and end users were continued throughout the reporting period:

- Online educational campaigns on digital scam risks and personal data protection, conducted via social networks, mobile applications, and the company's website.
- Enhancing cybersecurity through data encryption, two-step authentication, and regular updates to protection systems.
- Collaboration with authorities and consumer protection organizations to combat online fraud by sharing information and educational resources.
- Periodic review of privacy policies to ensure compliance with legal regulations and increase transparency.
- Audits and penetration tests to identify and correct security vulnerabilities.
- A rapid response plan in case of data security incidents, including user notification and reporting to authorities.
- Easy access to educational resources for users through articles, video tutorials, and online sessions about data protection.
- An intuitive system for managing privacy preferences, providing user control over the information shared.
- 24/7 support service for assistance regarding data protection and cybersecurity.
- Continuous collection and analysis of consumer feedback to refine and improve security measures.
- Monitoring the effectiveness of actions through periodic reports assessing the number of incidents and the efficiency of measures taken.

Within DEER, throughout 2025, several actions were continued and further developed to improve the relationship with consumers and end users, and to manage the associated impacts and risks:

- Modernisation and expansion of the electricity network: continued investments in energy infrastructure to increase the reliability and safety of electricity distribution, reduce the duration of outages and improve supply continuity.
- Development and optimisation of digital platforms for customers: ongoing maintenance and enhancement of the company's website, providing rapid access to relevant information on electricity outages, grid connection procedures, metering data, tariffs and other services available to network users.
- Integration and use of the Interactive Outage Map: a digital tool available on the company's website that allows users to check scheduled or unplanned outages in real time and obtain up-to-date information on electricity supply status.
- Deployment of the Chat Volt virtual assistant: a chatbot integrated into DEER's online platform that enables users to check electricity outages, submit self-read meter index values or report technical issues, reducing waiting times and facilitating digital interaction with the company.
- Development of online services for grid connection and user interaction: through the dedicated grid connection portal and online platforms for index submission, fault reporting or request submission, the company simplifies user access to distribution services and enhances transparency around operational processes.
- Publication of guides and informational materials for users: including the DEER User Guide, which explains the role of the distribution operator, user rights and obligations, as well as key procedures and available services.
- Strengthening customer communication channels: through the call centre, toll-free TelVerde numbers for reporting outages, online complaint forms and customer service centres, enabling rapid submission of requests and efficient resolution of issues reported by consumers.

Additionally, the digitalization measures, such as the development of intuitive platforms, chatbots, and mobile apps, are designed to prevent or mitigate negative impacts on consumer experience. These interface solutions and efficient communication tools help avoid issues such as informational deficiencies, delays, or unclear interactions in the process of acquiring services. Consequently, the design of digital channels aligns with Electrica Group's objectives regarding customer protection and satisfaction.

The implementation of these actions required resource allocation, including investments in digital technologies, dedicated operational budgets, as well as specialized teams in IT, data protection, and customer relations. These resources are incorporated into the annual budgets of Electrica Group's entities and are closely monitored through the strategic planning process.

Metrics and targets

S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

As part of the Electrica 2030 Strategy, Electrica Group has outlined measurable, time-bound objectives and targets to mitigate negative consumer impacts, promote positive outcomes, and address associated risks and opportunities.

These objectives will be achieved through:

- *Automation*: Streamlining business processes and integrating them into interconnected platforms to reduce time and costs while enhancing operational efficiency.
- *Predictive Maintenance*: Implementing IT systems that enable predictive analysis of critical infrastructure components, helping to identify and address issues before they become critical.
- *Customer Interface Digitalization*: Improving processes such as enrollment, billing, chatbot services, and virtual communication channels, ensuring faster response times and more efficient interactions.

Below are the targets applicable for 2025, which are aligned with the strategic directions established in the Electrica 2030 Strategy. These goals focus on enhancing consumer services and aligning with trends in digital transformation and energy efficiency.

Targets:

Improving Continuity of Electricity Supply:

- Modernizing the distribution network infrastructure through strategic investments aimed at reducing losses and optimizing energy flows.

Increasing Transparency and Access to Outage Information:

- Developing digital platforms that enable real-time monitoring of interventions and the resolution status of outages.

Protecting Consumers and Ensuring Data Security:

- Informing all consumers annually about their data protection rights and mechanisms for reporting privacy concerns.

Digitalizing Consumer Interaction:

- By 2025, automating 80% of customer relationship processes (billing, contracting, support) via chatbots and interactive digital platforms.

Introducing New Energy Efficiency Services:

- Launching energy audit programs for clients to reduce average energy consumption.

Introducing smart home solutions to increase the adoption of energy-efficient technologies.

- Expanding Educational and Awareness Programs: training and development: Digitalization training for relevant Electrica Group employees to ensure the team is prepared and capable of fully utilizing new technologies.

Electrica Group collaborates with consumers, consumer protection organizations, and regulatory authorities to align its targets with market expectations and needs. Through mechanisms such as annual satisfaction surveys and public consultations, consumers are given the opportunity to influence Electrica's strategic priorities.

The Group consistently monitors performance through key performance indicators (KPIs) that are aligned with strategic objectives. Based on consumer feedback and market trends, Electrica periodically adjusts its objectives and implementation mechanisms to maximize its positive impact on consumers.

These measures will significantly improve service quality and overall client satisfaction, while ensuring innovative and efficient management of resources and processes.

To achieve these goals, Electrica is implementing the following actions:

- Offering smart home products and services, to help clients efficiently manage their energy consumption and enhance home comfort;
- Introducing a chatbot functionality that provides real-time responses to user inquiries;
- Implementing digital technologies and smart solutions to improve operational efficiency in client relationships;
- Utilizing AI (artificial intelligence) to enhance processes and client and employee experience across the organization.

These planned or ongoing actions reflect Electrica Group's pursuit of opportunities both in developing value-added services and improving customer relationships. The digitalization of customer interactions and process automation contributes to increased operational efficiency, cost reduction, and enhanced end-user experience.

The launch of energy efficiency services opens new market segments and strengthens the Group's position as a responsible and innovative provider. Additionally, the use of AI and interactive digital platforms presents an opportunity for differentiation and customer loyalty in a growing competitive environment.

Electrica monitors performance against its targets, identifying necessary improvements proactively to manage impacts, risks, and opportunities related to consumers. Periodic evaluations of policies and actions assess the impact of the services offered, operational risks, and improvement opportunities. Strategic decisions are informed and adjusted to market facts, even in the absence of precise numerical targets, maintaining a firm commitment to continuous service improvement for clients and end-users.

The monitoring process is carried out through:

- Periodic analysis of operational indicators, including the number of clients served, the evolution of demand for certain services, and the level of utilization of Electrica's infrastructure.
- Internal audits and controls to ensure compliance with internal procedures and high-quality standards for the services offered.
- Collection and analysis of client feedback through satisfaction surveys, complaints, and suggestions, for a better understanding and improvement of end-user experience.

- Reporting and analysis of sustainability data by monitoring activities and actions that contribute to improving access to services and ensuring responsible practices in promoting company services.
- Periodic consultations with stakeholders, including authorities, organizations, and civil society, to adapt development strategies and respond effectively to their needs and concerns regarding Electrica's products.

Additionally, the Group makes constant efforts to maintain a high level of transparency and trust among its clients, consumers, and/or end-users by ensuring active and accessible communication with them. This communication relies on the availability of dedicated reporting channels as well as involving customers in the design and development of products.

ESRS G1 – Business Conduct

ESRS 2 GOV-1 The role of the administrative, supervisory and management bodies

The administration, management, and supervision activities within Electrica Group are carried out by the General Meeting of Shareholders (GMS), Management Board and Directors, all of these bodies being established at the level of ELSA and its subsidiaries, with each of them having clearly defined roles regarding the company's business conduct.

The General Meeting of Shareholders (GMS) of ELSA is the highest governing body and the main corporate governance body of the company, being responsible for setting the company's long-term strategies. The GMS of ELSA approves the company's corporate governance strategy, including the corporate governance action plan.

The Management Board, the CEO, and the internal executive structures play a central role in ensuring adherence to business conduct standards. These are responsible for the establishment and implementation of the Code of Ethics and Business Conduct (CEBP), as well as related policies, ensuring a clear and well-defined ethical framework. Through these efforts, the executive management of the company ensures that its business is conducted in a socially responsible manner, in accordance with ethical principles, while ensuring transparency in decision-making and promoting an organizational culture based on integrity.

ELSA's Board of Directors (BoD) establishes the internal policies and regulations governing the company's activities and ensures their compliance across all operations of the organization. The BoD approves the Group's governance policy, the transactions with related parties' policy, the policy for oversight, security, coordination, and prudent management of key operations within the Group. Additionally, one of the BoD's roles is to regularly review the effectiveness of the internal control and audit system, the risk management and the financial reporting system for both ELSA and the Group, ensuring that integrity and ethical standards are upheld across all company processes.

The Board of Directors also monitors the activities of the CEO and the management team to ensure that policies are implemented efficiently.

Together with the executive team, the CEO coordinates compliance activities and ensures that all processes and decisions align with business conduct standards and internal regulations. The CEO maintains continuous communication with the Management Board to ensure transparency and fairness in the organization's activities.

The responsibilities of each governing body or individual are outlined in the company's governance documents, including the Articles of Incorporation, the Board of Directors' Regulations, and the Group Governance Policy.

Additionally, the Board of Directors and the executive team are supported by specific internal structures responsible for overseeing the company's business conduct and assisting management in monitoring and implementing ethical standards.

The Strategy and Corporate Governance Committee periodically reviews the Corporate Governance Code, the Regulations of the Management Board, the Articles of Incorporation, the Delegation of Authority Policy, as well as the Corporate Social Responsibility Policy and Stakeholder Engagement. The Committee also provides recommendations to the Board of Directors.

The Risk Oversight Committee, composed of the CEO, CFO, and the Risk Manager of each company is primarily responsible for identifying and analyzing the main risks faced by the Group and making recommendations for their management. The Audit and Risk Committee focuses on reviewing the effectiveness of the Group's risk management processes, regularly assessing and monitoring the main risk categories, and providing recommendations to the Board of Directors on significant economic transactions.

Additionally, the organization has established and operationalized an entity with responsibilities and competences in the areas of ethics and compliance, namely the Control and Compliance Department. This department ensures the implementation of the Code of Ethics and Business Conduct (CEBC) and related policies, as well as the development and implementation of mechanisms to monitor compliance with the commitments made by the Group through the Code.

To fulfill these responsibilities, the administrative and executive bodies responsible for business conduct operate within a well-defined governance framework and strengthen their expertise in business conduct through ongoing training programs and access to specialized resources.

The members of the Board of Directors are selected based on strict criteria of competence, professional integrity, and relevant expertise in business ethics, compliance, and corporate governance. These members possess expertise in key areas such as business ethics, risk management, and corporate law. Furthermore, according to the company's Articles of Incorporation, at least four out of seven Board members must be independent. The independence criteria outlined in the Articles of Incorporation exceed the recommendations of the Bucharest Stock Exchange (BVB) Corporate Governance Code.

The CEO and the executive team possess solid operational expertise in implementing and monitoring business conduct policies.

ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities

The identification of impacts, risks, and opportunities related to business conduct is part of the broader process of identifying all sustainability impacts, risks, and opportunities. Throughout 2025, the process of identifying material sustainability matters at Electrica Group level was carried out through a double materiality assessment, which highlighted the material impacts, risks, and opportunities in relation to business conduct are aspects such as the corporate culture, supplier relationships, including payment practices, and issues related to corruption.

For information regarding the process of identifying material impacts, risks, and opportunities related to business conduct aspects, please refer to the General Information chapter, Section IRO-1.

The following table outlines the material impacts, risks, and opportunities related to governance, identified through the double materiality assessment at the Group level.

Material Sub-sub-topic	Location	IRO	IRO Description	IRO source	Actual/ Potential	Time horizon
Corporate culture	Own operations	Positive impact	Ethics-based organizational culture	The impact underpins the company's strategy and business model	Potential	Short term
Corporate culture	-	Risk	Governance risks arising from the organizational culture	The risk underpins the company's strategy and business model	-	Medium term
Whistleblowers protection	-	Opportunity	Strengthening governance through whistleblower protection	The opportunity originates from the undertaking's strategy and business model	-	Medium term
Management of relationships with suppliers, including payment practices	Own operations	Positive impact	Responsible value-chain practices	The impact originates from the undertaking's strategy and business model	Potential	Short term
Management of relationships with suppliers, including payment practices	-	Risk	Financial risks generated by legislative instability	The impact originates from the undertaking's strategy and business model	-	Medium term

Material Sub-sub-topic	Location	IRO	IRO Description	IRO source	Actual/ Potential	Time horizon
Prevention and detection, including training	Upstream, own operations, downstream	Positive impact	Group-wide anti-corruption culture	The impact underpins the company's strategy and business model	Potential	Short term
Incidents	-	Risk	Reputational risks arising from corruption-related acts	The impact originates from the undertaking's strategy and business model	-	Medium term

G1-1 Business conduct policies and corporate culture

1 Minimum disclosure requirement - Policies MDR-P – Policies adopted to manage material sustainability matters

Electrica Group maintains a clear corporate governance framework, strengthened by internal rules and policies, including the Corporate Governance Code (CGC) and the Code of Ethics and Business Conduct. The evaluation of corporate culture is carried out through periodic monitoring of governance practices and reporting in compliance with applicable regulations. Governance policies are reviewed whenever necessary to ensure compliance and efficiency in their implementation.

The corporate governance policies apply to all entities within Electrica Group. These policies regulate aspects of compliance, transparency, and ethics across the Group level. Electrica aligns with international regulations and EU standards regarding corporate governance.

The Board of Directors is responsible for approving and overseeing the implementation of corporate governance policies. The internal audit and risk management functions ensure compliance and the effectiveness of the adopted measures.

The business conduct policies at Group level focus on essential areas related to integrity and compliance, such as information security, transactions with affiliated parties, prevention and combatting of harassment, data confidentiality, avoidance of conflicts of interest, and a zero tolerance towards corruption, fraud, and money laundering. Additionally, regulations regarding gifts and hospitality expenses, market abuse prevention, risk management, and the reporting of ethical violations are included.

The Corporate Governance Code

[The Corporate Governance Code](#) establishes the general principles and rules of conduct of the organization, with the primary goal of ensuring effective, transparent, and responsible governance. The corporate structures, including the General Meeting of Shareholders, the Board of Directors, and the Executive Management, are designed to ensure adherence to these principles and implement a strategy based on sustainability and business ethics. These principles are integrated into the group's strategies and policies. The Corporate Governance Code sets forth the values and business conduct standards applicable to all employees, suppliers, and other stakeholders.

Regarding impacts and risks, the Corporate Governance Code emphasizes the importance of a robust risk management system, designed to identify, assess, and manage the risks associated with the company's operations. Electrica has implemented a Risk Management Policy, which ensures a unified framework for risk management and informed decision-making. Additionally, the Corporate Governance Code provides for an integrated approach to internal auditing, aimed at supporting the organization in achieving its objectives through a systematic evaluation of governance, internal control, and risk management.

Electrica adheres to high standards of corporate governance and transparency, in accordance with the regulations of the Bucharest Stock Exchange, the London Stock Exchange and Luxembourg Stock Exchange. The principles underlying the Group's corporate culture are

strategic vision, zero tolerance towards corruption, efficient management, and accountability towards all stakeholders.

Electrica has implemented a formal mechanism for reporting and investigating breaches of business conduct, including an internal whistleblower system. Employees and stakeholders can confidentially report any illegal behavior or violations of ethical standards through dedicated reporting channels. Reports are analyzed by a specialized entity, and whistleblowers are protected from any retaliation. These aspects are regulated by the Corporate Governance Code and the Integrity Whistleblowing Policy, which includes details on protective measures against retaliation and investigation procedures, as outlined below.

The Code is communicated to employees through its publication on the intranet page and to partners via its publication on ELSA's website.

The Code of Ethics and Business Conduct

The values and principles defined at ELSA level through [Code of Ethics and Business Conduct \(CEBC\)](#) and the set of subsequent policies are applicable across the entire Group, with ELSA coordinating the process of evaluating the applicability of the CEBC and related policies, as well as their review at the Group level.

The CEBC defines the values and principles adopted and promoted within the organization, essential in the development of a culture of ethics, integrity, and sustainability.

The Code of Ethics also includes provisions regarding values and principles, application rules, general conduct norms – defining competition and antitrust clauses, combating corruption, avoiding conflict of interest, and specific clauses – all aimed at establishing ethical standards in relationship with stakeholders.

In accordance with the provisions of the CEBC, the company includes integrity and transparency clauses in all its commercial relations with public and private entities. It also includes a clause in its contracts with business partners regarding their obligation to comply with the provisions of the CEBC that apply to them, if they have not adopted their own code of ethics.

Each subsidiary has its own Code of Ethics and Conduct, which is adapted after the ELSA Code of Ethics and Conduct.

The EFSA Code of Ethics and Business Conduct is based on the Code of ELSA, with minor differences related to the existence of different approaches regarding the mission, vision, values, and principles underlying these documents, determined by the specific elements of each organization.

At DEER, in addition to the common elements with Electrica's Code, an article has been introduced to ensure compliance with the commitments proposed and accepted by the Competition Council. This article fosters a competitive environment in the electricity market when it comes to the process of changing suppliers. Through this commitment, the employed staff publicly distances itself from any attempt to influence consumers in choosing their electricity supplier, ensuring equal and non-discriminatory treatment of all licensed electricity suppliers and refraining from favoring the group's own supply company, applying fair and impartial treatment to all.

Moreover, to ensure a fair competitive environment in the electricity market, DEER has developed and published the User Information Guide on its website. This document aims to raise the level of awareness of commercial partners regarding DEER's conduct in the supplier switching process.

For a detailed description of the Code of Conduct, please refer to section ESRS E1-2 in the Climate Change chapter.

Policies on business conduct

In addition to the Corporate Governance Code and the Code of Ethics and Business Conduct at the Group level, there are several policies and corporate documents available to the public on ELSA's website, as follows:

- **[Risk Management Policy](#)**

This policy, published on the Group's website, describes in detail the process for identifying and assessing risks at all levels of the organization and ensures the implementation of the Group-wide risk management process. The Risk Management Policy applies to the entire Electrica Group, including all activities carried out by the parent company and its subsidiaries, as well as the upstream and downstream value chain, and was updated at the end of December 2025. Accordingly, the policy covers suppliers, customers and other stakeholders that may generate risks for the Group, as well as all geographical areas in which the Group operates.

The Risk Management Policy and Procedure (ELSA-PS-6.1, Ed. 5/0, 2025) are aligned with SR ISO 31000 and supported by other relevant standards such as ISO 31010, ISO 27001, ISO 9001, ISO 14001 and ISO 45001. The framework establishes a unified, systematic and preventive approach for identifying, assessing, treating, monitoring and reporting risks across the Group. It is designed to enable the integration of financial and non-financial risks, including those related to sustainability (ESG), climate, digitalisation, compliance and cybersecurity, in line with ESRS requirements on transparency, accountability and the robustness of governance systems.

The risk management process covers, in an integrated and continuous manner, the activities of communication and consultation with stakeholders, defining the internal and external context in which the organisation operates, identifying relevant risks, measuring and assessing them based on probability and impact criteria, treating risks by selecting and implementing the most appropriate control measures, as well as monitoring and periodically reviewing risk developments and the effectiveness of the responses applied. All risks are documented in the Risk Register and the associated control measures, which represent the core element of the reporting process. The identification of external risks is carried out based on applicable regulations (e.g., occupational health and safety, GDPR, NIS2, European directives), as well as in relation to operational and market developments.

In line with the internal procedure, risk governance involves bodies with clearly defined roles:

- Board of Directors – sets the principles of the system, approves the risk appetite and oversees significant risks, including ESG, cybersecurity and emerging risks.
- Audit and Risk Committee – monitors significant and emerging risks, reviews the risk appetite and receives periodic reports on the risk profile and stress-testing outcomes.
- Risk Oversight Committee – provides reconciliation, analysis and validation of risks, including in defining the risk appetite and resolving divergences.
- Chief Executive Officer – coordinates the implementation of the policy and endorses the Risk Register, the overall risk profile and the risk treatment measures.
- MR&KYC Department – coordinates the entire Group-level risk management system, aggregates risks and ensures reporting to governance structures.
- Subsidiaries and risk owners – are responsible for identifying, assessing and monitoring risks within their operational areas and for submitting semi-annual reports.

This governance architecture ensures compliance with ESRS requirements on internal control, accountability and transparency in the decision-making process.

Sustainability-related risks are systematically integrated into the universe of risks and are subject to the same identification, assessment, prioritisation and monitoring processes as all other risk categories. The risk management process involves identifying and prioritising optimal measures to treat risks, establishing an acceptable level of residual risk and continuously monitoring the effectiveness of controls. The risk appetite set at Group level is translated and adapted for each subsidiary, ensuring a coherent and efficient approach across the entire organisation.

The Ethics Officer, together with the MR&KYC Department / the organisation-level Risk Manager, carries out a risk and vulnerability identification process whenever major organisational changes occur, such as: a change of majority shareholder, appointment of a new Board of Directors, appointment of a new Chief Executive Officer, company or Group restructuring, entry into new markets, listing on new stock exchanges, and similar events. The sources for the identification of risks and vulnerable areas include the following:

- Complaints formulated under the Procedure for reporting ethical breaches, irregularities, or any violations of the law through professional alert systems (Integrity Whistleblower), communicated by the Internal Audit Department of the organization and made available following a written request from the Ethics and Compliance Officer;
- Reports from the Internal Audit Department of the organization regarding disciplinary actions, made available following a written request from the Ethics and Compliance Officer.
- Reports from the Human Resources Department of the organization regarding disciplinary actions taken, made available following a written request from the Ethics and Compliance Officer.
- Information provided by the Legal Department regarding litigations involving the organization, specifically those concerning the organization's accountability or the accountability of its staff relative to the organization, with the aim of repairing any potential prejudice caused;
- Media monitoring reports regarding public allegations related to the organization.

The implementation and monitoring of the Risk Management Policy is the responsibility of the Board of Directors, supported by the Audit and Risk Committee and the Risk Management function. The policy is overseen by the Risk Management at the Group level, which aggregates relevant information and ensures periodic risk reporting.

At the request of the Ethics Advisor, the MR&KYC Department for Risk Management/ Risk Management Responsible completes the existing risk register with the identified corruption risks, specifying the risk factor, risk description, probability of the risk occurring, impact if the risk occurs, prevention and risk reduction measures. The risk register also includes an assessment of the implementation degree of the proposed measures and the calculation of the residual risk.

Based on the evaluations conducted, the Control and Compliance Department collaborates with Risk Management to develop an action plan aimed at preventing and reducing the identified risks. The implementation of the plan is monitored by the ethics and compliance department, which evaluates the effectiveness of the measures implemented to prevent and reduce corruption risks.

The results of the risk assessment process are integrated into the company's sustainability and governance strategies, influencing decisions regarding the development and improvement of reporting systems.

To maintain a high level of expertise in risk management, the Group facilitates continuous professional training for the staff involved in this process.

Investor Relations Communication Policy

Electrica is committed to complying with regulations regarding transparency and communication with investors, applying ethical and business conduct principles in its interactions with the capital market. The Investor Relations Communication Policy establishes a clear framework for managing and disclosing relevant information, adhering to the principles of equal treatment, confidentiality, and compliance with applicable legislation. It includes measures to prevent the unauthorized disclosure of privileged information, maintain an open dialogue with investors, and protect the confidentiality of strategic data. The principles underlying communication with investors are highlighted in Electrica's Investor Communication Policy, available here:

https://www.electrica.ro/wp-content/uploads/2020/08/EN_Corporate-Disclosure-Policy-Electrica_25.08.2020.pdf

According to the policy, the members of the Board of Directors and the executive management believe that it is in Electrica's best interest to maintain an open dialogue with shareholders, other investors, investment firms, and analysts regarding Electrica's historical performance and prospects.

The main objectives of this policy include the company's commitment to compliance, quality information, equal access to information, ensuring that all individuals to whom this policy applies understand their obligations regarding the confidentiality of privileged information, and effective communication.

The policy has been reviewed by the Strategy and Corporate Governance Committee, who is responsible for this policy, including making substantial changes and ensuring its compliance. The policy has been approved by the Board of Directors. The Investor Relations Department reviews this policy at least once every two years, and any significant changes are subject to the approval of the Board of Directors.

The policy applies to all members of the Board of Directors, executive members, and employees of Electrica, as well as any individual authorized to represent the company in its relationship with investors.

During 2025, Electrica strengthened its transparency and reporting mechanisms toward the capital markets, ensuring continuous, accurate and non-discriminatory disclosure to investors and other stakeholders. The Investor Relations Department published relevant information through the stock exchange platforms in Romania, the United Kingdom and Luxembourg, as well as to the regulatory authorities, enabling immediate access to essential data on the Group's activity. All such materials are centralised and made available to the public in the Investors → Results and Reports section of the Group's website.

Interaction with investors was carried out through an open and structured dialogue, ensuring equal and predictable access to financial and strategic information relevant for the oversight exercised by governance bodies. The management team organised four dedicated conference calls to present the annual, semi-annual and quarterly financial results, available in real time via dial-in or webcast without preregistration, thereby supporting the principles of transparency and fair treatment of stakeholders. Associated materials—presentations, recordings and transcripts—are made available to the public in the company's online archive, and the dialogue with investors is complemented by dedicated meetings and participation in industry events.

In addition, in 2025, Electrica enhanced transparency and stakeholder engagement by further digitalising the investor relations function through the launch of the Electrica IR mobile application, a tool that facilitates direct participation and rapid access to governance processes. The application extends the functionalities of the Electrica Voting platform into a fully optimised mobile environment and allows shareholders and investors secure access to documents, real-time monitoring of General Meeting sessions, remote voting, and the ability to submit questions in audio-video format. Through accelerated identity validation, real-time display of voting results, global access from over 170 countries, and a dedicated feedback channel, the solution improves accessibility, fairness and transparency across the Group's decision-making processes. The launch of the application reflects Electrica's commitment to modernising investor interaction mechanisms, improving the quality of corporate governance, and aligning communication and participation practices with European standards on stakeholder engagement and corporate responsibility.

Furthermore, in 2025, Electrica intensified investor dialogue through a structured consultation process ahead of its first green bond issuance, organising an international roadshow dedicated to presenting its energy transition strategy and green financing framework. Interactions with numerous institutional investors, analysts and ESG specialists enabled clarification of aspects related to project governance, selection and monitoring mechanisms, use of proceeds and subsequent reporting, contributing to alignment of expectations between the company and the financial community. The feedback received was integrated into communication materials and the preparation process for the issuance, strengthening the Group's transparency and credibility in sustainable finance. The substantial oversubscription and the diversity of participating investors confirmed the relevance of the initiative and Electrica's ability to attract capital for positive-impact

projects, demonstrating the maturity of its governance framework and its commitment to integrating ESG criteria into financing strategies and relations with the capital markets.

Policy on Transactions with Related Parties

The Related-Party Transactions Policy aims to ensure transparency and fairness in all transactions carried out between Electrica S.A. and its affiliated entities. This policy, updated in December 2025 and entering into force on 1 January 2026 (ELSA-POL-MEt-2, Ed. 3/2025), is one of the core instruments through which Electrica ensures compliance with the principles of ethics, integrity and responsible governance set out in ESRS G1. The policy establishes a rigorous framework for identifying, assessing and monitoring all related-party transactions, in line with the requirements of the Fiscal Code on transfer pricing and the capital market legislation (Law 24/2017). Through this framework, the Group seeks to prevent conflicts of interest, protect shareholder interests and ensure that all transactions are conducted under market conditions and reported transparently wherever required by law. The application of this policy therefore prevents conflicts of interest and guarantees transparency and integrity in all related-party transactions. The terminology of “related parties” or “affiliated persons” follows the definition set out in Article 7, point 26 of the Fiscal Code.

The policy applies to all entities within Electrica Group and governs any type of transaction carried out between the company and its related parties. It includes requirements for identifying, analysing and reporting these transactions, regardless of their nature. The document introduces enhanced due-diligence requirements, including the functional analysis of transactions and the application of comparability methodologies for relevant, medium-impact or major transactions, as well as clear approval mechanisms that prohibit related parties from taking part in decisions concerning them. Governance structures—the Board of Directors, the Audit and Risk Committee and the Financial Directorate—oversee the implementation of the policy and the management of such transactions, based on periodically updated official registers and reports on risk assessments and potential conflicts of interest prepared by the ethics and compliance functions. The policy thus ensures a high level of traceability and internal control, contributing to an organisational culture grounded in transparency, compliance and corporate responsibility, in line with ESRS principles regarding business conduct.

Transactions are classified by value thresholds as follows: minor transactions (with a cumulative value below EUR 50,000, which do not require monitoring/reporting), relevant transactions (with a cumulative value equal to or above EUR 50,000 but below EUR 250,000), medium-impact transactions (with a cumulative value equal to or above EUR 250,000 but below EUR 3,000,000) and major-impact transactions (with a cumulative value equal to or above EUR 3,000,000).

The ethics personnel within each entity of the Group prepare and update, whenever necessary, the Register of Related Parties, which records all affiliated parties and is made available to interested stakeholders upon request.

Internal Audit Charter

The Internal Audit Charter establishes the principles and standards of ethics and business conduct for conducting internal audit activities. It outlines the responsibilities of internal auditors in maintaining integrity, objectivity, confidentiality, and competence, thereby promoting a corporate culture based on transparency and accountability.

The Internal Audit Charter applies to all employees and management of the companies within Electrica Group and is made available to all stakeholders on the organization's website. In accordance with applicable standards, the Charter is reviewed annually.

The Internal Audit Charter grants internal auditors the authority to investigate any aspect related to risks, internal controls, and governance, including potential deviations from internal rules and business conduct. The internal audit activity is governed by a code of ethics which mandates the objective and impartial reporting of results. The Internal Audit Charter is developed at Electrica Group level and defines the purpose, authority, and responsibilities of the internal audit function. The internal audit activity is regulated by the Internal Audit Manual and is governed by the standards issued by the Institute of Internal Auditors, as well as international standards for the professional practice of internal auditing.

The Internal Audit Charter stipulates that internal auditors must maintain a continuous training and skills improvement program.

Within Electrica Group, the Internal Audit function contributes to strengthening ethical conduct and a robust control environment by providing independent evaluations of governance, risk management and internal control processes. Internal Audit is organised as an independent function within Electrica Group, and its activity is coordinated by the Director of the Internal Audit Department. According to the Internal Audit Charter, the Director of Internal Audit reports directly to the Board of Directors and operates under the oversight of the Audit and Risk Committee. The activity is carried out based on both the Audit Charter and an annual plan approved by the governance structures, ensuring alignment with the International Professional Practices Framework (IPPF) issued by the Institute of Internal Auditors (IIA) and with internal policies regarding ethics and integrity.

Through its missions, including ad-hoc engagements initiated in situations involving potential conduct risks, the Internal Audit function monitors the extent to which organisational processes prevent and manage conflicts of interest, ethical breaches and operational risks. The reports are reviewed by the Audit and Risk Committee and the Board of Directors, and the recommendations are translated into action plans implemented together with operational structures, ensuring continuous improvement of the ethical culture and the internal control system. Internal Audit also supports the integrity and whistleblowing mechanisms by analysing the notifications received, strengthening transparency, accountability and compliance with ESRS requirements regarding business conduct.

Both the Internal Audit Charter and the Internal Audit Manual are approved by the Board of Directors.

The Zero Tolerance Policy on Corruption, Fraud and Money Laundering

Electrica has adopted a zero-tolerance policy towards corruption, fraud, and money laundering, which establishes clear principles and standards for preventing and managing these risks at the Group level. The policy applies to all employees of Electrica and its subsidiaries and regulates prohibitions related to bribery, facilitation payments, conflicts of interest, procurement fraud, the improper use of resources, and the prevention of money laundering. Additionally, the document outlines measures for managing risks, reporting non-compliance, and applicable sanctions for violations.

Electrica's zero-tolerance policy on corruption, fraud and money laundering is supported and operationalised through procedures updated in 2025, including the Procedure on the Prevention and Combating of Money Laundering and Terrorist Financing (ELSA-PO-MC-2.1, Ed. 1/Rev. 3), which incorporates the latest legislative amendments and sets out clear responsibilities for all organisational structures. The policy applies across the entire Electrica Group and establishes rigorous standards regarding customer due diligence (KYC), verification of beneficial owners, transaction monitoring and the prompt reporting of suspicious operations to the competent authorities. Implementation of the policy is based on integrity-risk assessment, the classification of business partners by risk level, the application of standard, enhanced or simplified measures, as well as the systematic screening of individuals and entities against international sanctions lists.

This policy is part of a broader system of governance and ethics within Electrica Group. It aligns with the Code of Ethics and Business Conduct, establishing a clear framework for the prevention, detection, and sanctioning of non-compliant behaviors.

The Zero-Tolerance Policy on corruption, fraud and money laundering defines the various forms of corruption, including bribery, facilitation payments, abuse of office, influence peddling and trading in influence, procurement fraud and unfair competition, misuse of resources, money laundering and tax fraud.

The zero-tolerance policy towards corruption, fraud, and money laundering establishes a corruption risk management mechanism, which includes the following main steps:

- **Identifying Risks:** The mechanism for identifying risks, especially those related to corruption, includes a process carried out by the Ethics and Compliance Department in collaboration with the Risk Management Department. They conduct an annual evaluation of risks and vulnerable areas for SERV and DEER, focusing on key factors, such as major structural changes (e.g., changes in the majority shareholder or CEO). Sources for identifying risks include reports through professional alert devices, internal audit reports, disciplinary actions, legal disputes, and media monitoring. In the case of EFSA, the corruption risk evaluation is carried out quarterly by the MR&KYC Department, with support and contribution from the Control, Ethics, and Compliance Department.
- **Risks reporting:** Any individual connected to the company's activities (including employees, clients, and suppliers) can confidentially report concerns related to illegal behavior or deviations from internal norms. Complaints can be made via email, phone, or online using a dedicated platform managed by an independent service provider. This mechanism provides whistleblower protection against retaliation, both in cases where the complaint is substantiated and in situations where the complaint is not confirmed but was made in good faith.

- **Investigating Risks:** After reporting, the notifications are forwarded to the departments responsible within the company, which conduct the necessary investigations while respecting the whistleblower's confidentiality. Depending on the nature of the report, the investigation is carried out by the Audit Department in collaboration with the Ethics and Compliance Department or other specialized departments. All investigations are conducted objectively and independently, avoiding any conflicts of interest. At the end of the investigation process, the results are reported to higher management levels.

The policy is communicated both internally, through training and internal notifications, and externally, and applies to employees, clients, suppliers, or any other business partners. The responsibility for implementing the policy lies with the CEO and the Board of Directors, with support from the Control and Compliance Department.

The preventive mechanisms include strengthened operational controls, explicit obligations for designated personnel and compliance structures, as well as the prohibition against tipping off clients in the event of ongoing investigations, in accordance with the requirements of Law 129/2019 and the relevant European legislation. The procedure sets out reporting, record-keeping and confidentiality obligations, together with formal workflows for the acceptance and monitoring of business relationships, ensuring decision traceability and preventing the misuse of Electrica Group for non-compliant purposes. The policy is supported by recurring training sessions and by a governance framework involving the Chief Executive Officer, the executive structures and the designated KYC officers, ensuring compliance with ESRS G1 through a proactive approach to preventing, detecting and managing risks of corruption, fraud, money laundering and terrorist financing.

Within Electrica Group, no assessments have been made to identify the functions most exposed to the risk of corruption. The zero-tolerance policy towards corruption establishes preventive and combat measures for these risks, including reporting and investigating suspicious incidents.

The Policy on avoiding and combating conflicts of interest

The policy aims to prevent and manage conflicts of interest to protect the organization from reputational, financial, and legal risks. It applies to all employees of ELSA and its subsidiaries, excluding procurement procedures, which are regulated separately. The goal of this policy is to ensure that the activities of the companies within the Group are carried out with integrity, avoiding ethical deviations and non-compliance issues. In line with the Code of Ethics and Business Conduct, the organization is committed, through the ethics and compliance department/advisor, to ensure that its activities are conducted with integrity.

The responsibility for implementing, monitoring, and ensuring compliance with this policy lies with the Board of Directors, the CEO, the Control and Compliance Department, and the Human Resources Department. These bodies ensure the correct application of the policy, supervise employee compliance, and take corrective actions in the event of identified deviations.

The management of conflicts of interest is carried out based on this policy and other corporate governance documents, such as the Corporate Governance Code, the Code of Ethics and Business Conduct, the Articles of Incorporation, and the Regulations for the Organization and Operation of the Board of Directors.

When employees in managerial positions find themselves in situations covered by this policy, or at least annually, they are required to notify the organization. Declarations regarding conflicts of interest are completed annually, and the consolidated report is communicated to the Board of Directors.

The Whistleblowing Policy

The policy on reporting ethical violations, irregularities, or any breach of the law through professional alert mechanisms ("Whistleblowing Policy") was adopted to ensure that the activities of Electrica Group are conducted with honesty and integrity, preventing ethical violations, fraud, and other breaches of applicable legislation. Through this policy, the Group promotes a corporate culture based on transparency and accountability, providing a clear framework for reporting and managing allegations of potential violations. The policy applies to all employees, as well as relevant external parties such as suppliers, clients, and contractors, and is based on fundamental principles such as good faith, confidentiality, and protection against retaliation.

The responsibility for implementing the policy lies with the Internal Audit Department, the Control and Compliance Department, and the Legal Department, under the supervision of the General Director and the Management Board. The policy was approved by the Board of Directors.

The policy establishes a clear reporting system for ethical violations and any breaches of the law, through a whistleblowing mechanism managed by an independent service provider.

Under this policy, any employee, client, supplier, contractor, subcontractor, or other parties related to the company's activities are encouraged to report any action by an employee or any other person acting on behalf of the company that would violate the law or the company's internal ethics and business conduct standards.

The report can be made through a dedicated service provider, independent of the company, using the following communication channels:

- By phone, using a dedicated phone line;
- Email to a secure address for the protection of the whistleblower and the company;
- Online at <https://managementparticipativ.info.ro/electrica>;
- Directly to the Whistleblowing Policy Advisor.

The alerts and reports are handled by a dedicated operator, after anonymizing the complaint. The investigation and handling of the facts reported by whistleblowers will be carried out by the Audit Department and other specialized departments within the company, ensuring the avoidance of conflicts of interest.

Particular attention is given to prohibiting any form of retaliation against integrity whistleblowers, with the company implementing strict measures in this regard. To this end, all company employees, including senior management, participate in training related to the prohibition of retaliation.

Retaliation is prohibited even if, following investigations, it is determined that the report is unfounded, but was made in good faith. Any form of retaliation against a person who has made a report in good faith constitutes a serious disciplinary offense that may result in dismissal.

The investigation or analysis of the issues mentioned in the whistleblower report is conducted objectively and independently, and the observed results are communicated to the Board of Directors (BoD).

The Ethics Officer reports directly to the Management Board and their activities are presented to the Board of Directors. Upon the Board's request, any documents or educational materials prepared may be made available.

Although the Integrity Whistleblowing Policy includes the possibility of reporting any suspicions of corruption and fraud, the Group has adopted a separate zero tolerance policy towards corruption, fraud, and money laundering, which outlines specific measures in this area. This policy was presented earlier in this chapter.

Electrica Group ensures the training of all employees, including senior management, regarding the prohibition of retaliation and the process of reporting ethical violations. Training is conducted annually and is part of the organization's compliance and ethics program. At EFSA level, training is conducted annually within the organization's compliance and ethics program, as well as in situations triggered by changes/updates to related policies and procedures in the ethics field. Training may also take place in certain departments due to recorded cases of ethical violations or non-compliance with ethical standards.

Sponsorship Policy, Donations Policy and Grants Policy

The purpose of the Sponsorship Policy is to ensure that the sponsorship process is carried out with absolute integrity, in line with a zero-tolerance approach to corruption, fraud, and money laundering, protecting the company from any actions that could harm its reputation or expose it to legal sanctions. The procedure outlines the specific areas which sponsorship can be granted for, the selection criteria. The procedure establishes that all sponsorships will be made public.

The Donations Policy aims to ensure that the company's involvement in social responsibility activities is done based on integrity and a zero-tolerance approach to corruption, fraud, and money laundering.

Through the ongoing project "Electrica pune România într-o altă lumină", the grants policy defines Electrica's approach to providing funding for sustainable initiatives.

Ethical Career Management Policy

The Ethical Career Management Policy ensures an ethical and fair framework for managing employees' careers, promoting a work environment based on integrity, transparency, and mutual respect. Electrica Group supports the professional development of its employees through an objective evaluation process and a promotion policy based on competences and performance.

The policy establishes clear mechanisms for identifying and addressing any situations that could lead to unfair treatment in managing employees' careers. The internal reporting system allows employees to report to hierarchical superiors and departments responsible for human resources, ethics, control and compliance, any irregularities or deviations from the established ethical principles through official communication channels. It applies to all employees of Electrica Group, regardless of their hierarchical level or position.

The organization's staff will monitor and prevent the occurrence of the following situations that

could represent violations of the principles and rules of the Code of Ethics:

- The involvement of the organization's personnel in decision-making processes concerning individuals who are their spouse, relatives, or in-laws up to the second degree;
- The recruitment, promotion, or retention, hiring, or contracting of a person with a criminal conviction for a management position within the organization.

In the case of a direct or intermediary hierarchical relationship between spouses, relatives, or godchildren up to the second degree, the general principle for avoiding potential conflicts of interest is that any decision regarding the career management of the person in the lower hierarchical position will be made either by individuals in an equal position to the person who would normally have decision-making authority, or by their superior.

The responsibility for implementing the policy lies with the Human Resources Department and the Control and Compliance Department, under the supervision of the CEO and the Board of Directors.

Policy for preventing, combating and sanctioning any form of harassment

The Policy for preventing, combating and sanctioning any forms of harassment establishes the framework for preventing and combating inappropriate behaviors in the workplace, protecting employees and collaborators against any form of harassment. It aims at preventing and raising awareness about the risks related to harassment, while also firmly sanctioning inappropriate behaviors to ensure an organizational climate based on respect, integrity, and equal opportunities.

The policy helps reduce legal, reputational, and operational risks generated by potential harassment cases, while ensuring compliance with national and European legislation. The implementation of this policy is monitored through internal reporting mechanisms, training sessions, and prompt investigations in case of reports.

The policy applies to all employees of the company, regardless of hierarchical position or type of employment contract, as well as collaborators, contractors, and business partners involved in the company's activities. The policy addresses all forms of harassment, including verbal, physical, psychological, and sexual harassment, both in internal workplace relations and interactions with third parties.

The policy covers harassment incidents occurring within the company, including those generated in physical or virtual workspaces. However, cases where employees are harassed by external entities (such as clients or third parties) are managed in accordance with national legislation and applicable regulations. The policy is aligned with relevant national and international regulations.

The responsibility for implementing and ensuring compliance with the policy lies with the CEO, the Human Resources Department, and the Control and Compliance Department.

The policy is communicated to employees through internal channels and is an integral part of the training and awareness programs on ethics and workplace behavior. It is also accessible to external partners on Electrica Group's website.

Policy on stakeholder involvement policy

The Stakeholder Engagement Policy establishes the framework through which Electrica ensures a structured, transparent and equitable dialogue with the key groups that can influence or are affected by the Group's activities. Under this policy, the company is committed to providing accurate, complete and accessible information to all stakeholders and to maintaining active mechanisms for open communication, including dedicated channels on the corporate website. Electrica conducts an annual stakeholder consultation process to identify and evaluate the topics considered relevant from their perspective, thereby supporting the Materiality Analysis and aligning the Group's strategic priorities with stakeholder expectations. Stakeholders defined in the policy include shareholders, employees and trade union representatives, regulatory authorities and institutions, business partners, customers and representatives of civil society. The results of these consultations are integrated into the Group's decision-making processes to ensure sustainable and responsible development.

Stakeholders are consulted at the beginning of each strategic planning period, annually, and whenever a decision/plan/project is made that has direct or indirect effects on stakeholders. This consultation is carried out through various methods, such as public debates, symposia, planning workshops, or other sociological methods.

Stakeholders can use the procedure to report ethical breaches, irregularities, or any violations of the law through professional alert mechanisms. They may report any deviations from the plans or decisions made following stakeholder consultations, or any aspect that, during the implementation of these plans and decisions, affects the stakeholders or the community. Subsequently, responses to these complaints are provided within 45 days from the date of registration, and the responses are published on the company's website.

All the aforementioned policies are communicated to the staff through publication on the intranet page, training, and dissemination, and to the stakeholders through publication on the Group's website and the websites of each entity within the organization. These policies are mandatory for all staff and are made available to them upon hiring in a shared folder. After hiring, training sessions on the regulations stipulated in these procedures are conducted annually or as required by management or in response to specific situations. At the SERV level, two training sessions are held each year. Additionally, at the DEER level, training is conducted annually as well as during specific periods, with these training sessions being mandated as explicit measures in Investigation Reports. Besides the annual training activity, EFSA employees receive ethics training through periodic tests conducted via the Training Qdesk platform.

All Electrica Group's policies comply with the provisions of the United Nations Convention.

Violations of these policies may constitute a disciplinary breach, which will be reviewed by the Disciplinary Committee in the case of employees, or a breach of contractual obligations for other collaborators or contractual partners. The policies are approved by the company's highest governing body, namely the Board of Directors.

ESRS 2 MDR-A

Electrica implements a set of actions to manage material sustainability matters in corporate governance. These actions are structured in a way that prevents, mitigates, and remedies current and potential impacts, addresses relevant risks and opportunities, and contributes to achieving business conduct objectives.

With respect to corporate culture and business ethics, in 2025 Electrica Group continued to implement and monitor the Code of Conduct and all other policies applicable at Group level. In alignment with best practices in corporate governance, the company also organised presentations and training sessions for employees, aimed at increasing awareness of ethics and integrity in business. Through these initiatives, employees were familiarised with the mechanisms for reporting irregularities and with the importance of adhering to principles of responsible conduct. In the same direction, emphasis was placed on ensuring easy access to secure reporting channels, thereby strengthening a transparent and accountable working environment. Furthermore, the independence criterion for the members of the Board of Directors of the parent company, ELSA, was maintained, with four independent members out of a total of seven, ensuring balanced corporate governance aligned with international requirements.

To achieve the target of zero incidents of corruption, the company continued to implement mechanisms for identifying and assessing corruption-related risks, following a rigorous process of analysis and prevention. As part of this effort, training sessions were organised for all employees to reinforce an organisational culture grounded in integrity and accountability. The anonymous reporting system was also promoted, ensuring that employees are informed and feel protected when signalling potential irregularities. Through these measures, the company strengthened its ability to prevent and combat corruption, ensuring an ethical business environment in line with regulatory requirements. Regarding cybersecurity, the company maintained a dedicated governance structure for managing this area, implementing protective measures adapted to emerging digital challenges. In 2025, awareness sessions were held to familiarise employees with cybersecurity risks, and internal procedures (where applicable) were updated to reflect industry best practices. Through these actions, the company aims to ensure a high level of data protection and prevent incidents with potential operational impact.

The company also organised an annual awareness session on ESG implications for all staff, with the objective of increasing understanding and integrating sustainability principles into daily operations. The session covered topics such as sustainability reporting, business ethics, environmental impacts and social responsibility, all of which are part of the Group's sustainable development strategy.

Furthermore, supplier evaluations continued to incorporate ESG criteria to ensure their alignment with sustainability standards and ethical business conduct.

New commitments related to corporate governance and professional conduct are embedded in Electrica Group's Sustainability Strategy for 2025–2030 approved at the end of 2024. The Strategy defines six main sustainability pillars, one of which is explicitly dedicated to sustainable, responsible and ethical business practices. In this context, Electrica strengthens its existing ethics, integrity and compliance framework through strategic objectives aimed at increasing transparency, reinforcing anti-corruption mechanisms, promoting ethical behaviour at all levels and integrating stakeholder expectations into governance processes. This pillar supports an organisational culture rooted in responsibility, compliance and zero tolerance for misconduct, ensuring that sound governance principles become an integral part of the Group's operational and strategic decision-making.

ESRS2 MDR-T

Through the 2025–2030 Sustainability Strategy, Electrica Group has established several targets aimed at strengthening corporate governance, operational integrity and cybersecurity, as part of its commitment to integrating ESG principles into the organisation's decision-making and operational processes. In this context, the company introduced a phased target for integrating ESG KPIs into the evaluation of the executive management, with progressive expansion until 2030, to ensure that sustainability becomes an essential criterion in strategic planning and managerial performance. Implementation is monitored annually through progress assessments and the adjustment of necessary measures, and these mechanisms contribute to institutionalising responsible governance aligned with the strategic directions set at Group level.

To strengthen supplier accountability and reduce risks in the supply chain, Electrica Group has set, through the 2025–2030 Sustainability Strategy, the objective of expanding the annual supplier assessment by incorporating ESG criteria and sustainability-relevant performance indicators. In parallel, the company has initiated the development of an integrated supplier-management framework aligned with applicable European regulations, such as the CSRD and the EU Taxonomy, through internal consultations, analysis of existing policies, and the drafting of a sustainable procurement policy and a supplier code of conduct. These initiatives support the promotion of ethical practices throughout the value chain, reinforce control over social, environmental and compliance risks, and contribute to increased transparency and responsibility standards in the Group's commercial relationships.

As part of its corporate governance objectives, Electrica Group has committed to achieving a minimum of 33% female representation on the Boards of Directors of the Group's entities by 2026, thereby promoting diversity and equal opportunities in decision-making processes. According to the annual gender-balance disclosure published on 11 July 2025, the ELSA Board of Directors consisted of seven non-executive members, of whom one was a woman, representing 14% as of 30 June 2025—a situation that remained the same at 31 December 2025 (compared to 28.57% at 31 December 2024). At Group level, the leadership structures of the subsidiaries follow the same reporting framework under Law 24/2017, with periodic monitoring of gender balance and of the measures implemented to ensure balanced representation. Across Electrica Group, the under-represented gender in the Boards of Directors of all Group companies is male, representing 46.88%.

For 2025, Electrica's objective remains the progressive increase of the share of women in governance bodies so that the 33% target is achieved by 2026. This objective is aligned with the 2025–2030 Sustainability Strategy, which includes diversity and inclusion as key principles of responsible governance. Progress is monitored periodically at Group level, and dedicated measures include diversity-focused recruitment processes, the integration of gender-balance criteria in internal policies, and leadership development programmes for women, developed and implemented across all Group entities. Through these initiatives, Electrica strengthens an inclusive and sustainable governance framework that reflects its commitment to balanced representation and responsible decision-making at all organisational levels.

To ensure transparency and compliance with ethical principles, Electrica has set the target of organizing annual ESG awareness sessions for all employees, starting from 2024. These sessions aim to enhance employees' understanding of sustainability responsibilities and encourage the integration of the best ESG practices into daily operations.

To prevent corruption, the Group has set the objective of maintaining a zero confirmed corruption incidents level starting from 2024 throughout the end of the strategy period, along with the establishment of an Anti-Fraud Department. This goal is supported by a robust anonymous reporting system and annual compliance risk assessments.

To strengthen cybersecurity, the company has set the objective of running annual awareness and training programs for employees from 2024 to 2030. These initiatives aim to reduce vulnerabilities, increase awareness of cybersecurity risks, and implement best practices for data protection and IT infrastructure security.

Progress towards achieving these targets is monitored through internal audits, compliance reports, and periodic performance indicator analysis. The Group tracks the effectiveness of its actions through continuous monitoring and annual assessments to measure progress toward the established goals.

Performance against these targets is reported annually through sustainability reporting. The indicators are analyzed to verify whether progress aligns with the initial plan and to identify any necessary adjustments.

In terms of corporate governance and business conduct, new targets are also set in the Group's new Sustainability Strategy adopted at the end of last year for the 2025-2030 period, which identifies one of the six sustainability pillars as "Sustainable, Responsible, and Ethical Business Practices." The development of the new Strategy considered the results of consultations with management representatives, employees, suppliers, and business partners.

G1-2 Management of relationships with suppliers

Electrica Group has a set of policies and procedures designed to ensure the compliance of its value chain with its sustainability, ethics, and safety standards. Electrica Group's suppliers are contractually obligated to adhere to the Code of Ethics and Business Conduct of the subsidiary with whom the contract is signed with. The adherence of suppliers, service providers, and contractors to Electrica's Code of Ethics and Conduct, which ensures their accountability, integrity, and proper conduct in business relationships, has been identified as a positive impact based on the double materiality assessment regarding corporate governance.

A significant risk identified in the value chain is the change in legislation regarding the procurement of energy and natural gas, which may impose additional costs and compliance risks for suppliers. To manage this risk, Electrica implements measures such as continuous monitoring of applicable regulations, informing suppliers about new legislative requirements, and applying strict compliance verification processes within the value chain.

In addition to the Code of Ethics and Business Conduct, the company conducts the "Know Your Business Partners (Clients and Suppliers)" initiative, which contributes to identifying and assessing the reputation, creditworthiness, and nature of potential partners' businesses before entering a contractual relationship. Therefore, the MR&KYC Department, through its dedicated personnel, ensures the following activities:

- performs the necessary checks on business partners and applies customer due diligence measures;
- ensures that all measures for identifying the supplier/client are applied;
- conducts KYC (Know Your Customer) assessments on business partners;
- participates in risk analysis regarding business partners.

This procedure applies to both new and existing partners, in cases where updates to previous assessments are required.

In addition to the Business Partner Due-Diligence Policy (covering customers and suppliers), suppliers of products, services and works are assessed based on the Supplier Evaluation and Management Instruction. As part of this process, a Self-Assessment Questionnaire is used, requesting, among other aspects, governance-related information such as the existence of a code of ethics and professional conduct or a policy for the prevention of money laundering. Given that DEER is not a reporting entity to the National Office for Preventing and Combating Money Laundering (ONPCSB), it does not have a money-laundering prevention policy in place.

In addition to governance requirements, suppliers are also evaluated based on social and environmental criteria. They must demonstrate the implementation of policies regarding environmental protection, respect for employees' rights, and the existence of measures to reduce environmental impact.

In the case of EFSA, the company applies a due diligence process in its relationships with clients and suppliers to ensure legal compliance, risk reduction, and adherence to the company's principles of ethics, responsibility, and sustainability. This process includes standardized stages and procedures that govern the selection, evaluation, and monitoring of business partners, contributing to a functional supply chain and meeting operational requirements.

This process is formalized through the "Business Partner Knowledge Policy" and other internal operational procedures, such as the "Procurement Management Procedure", complemented by an instruction that outlines environmental requirements for suppliers/service providers, and the "Supplier Evaluation and Management Procedure".

The process begins with an initial evaluation of business partners before entering a contractual relationship. This evaluation involves collecting and analyzing information about the partner's identity, financial situation, and reputation, using sources such as the Trade Register, financial reports, checks on the ultimate beneficiary, and the history of previous relationships with EFSA. New partners are also verified for compliance with applicable legislation regarding money laundering prevention and combating the financing of terrorism.

For suppliers, EFSA implements a formalized prequalification process, which includes completing a standardized questionnaire. This document evaluates aspects such as experience, turnover, human resources, management system certifications (ISO 9001, 14001, 45001), and the existence of internal sustainability policies and anti-money laundering measures. Depending on the score obtained, suppliers are deemed eligible to participate in procurement procedures. Suppliers who do not meet the established criteria are excluded from the process.

During the contractual relationship, EFSA monitors the performance of suppliers, focusing on meeting deadlines, quality of deliveries, and fulfillment of contractual obligations. At the end of the contract, EFSA conducts a formal evaluation, documented through a report. This evaluation determines the supplier's performance classification – excellent, good, or poor. Suppliers classified as poor are excluded for a minimum period of one year from the list of potential partners for similar procurements.

In addition, EFSA integrates environmental requirements throughout the supplier relationship, in accordance with the "Instruction regarding environmental requirements for suppliers." Partners are required to comply with environmental legislation, manage waste efficiently, prevent pollution, and implement eco-friendly solutions. Suppliers who possess an environmental management system certified according to the ISO 14001:2015 standard have a competitive advantage in the selection process. Furthermore, functional and performance requirements regarding the environment are included in the procurement documentation and verified during the offer evaluation process.

Electrica promotes the integration of local suppliers into the value chain, contributing to regional economic development and reducing the logistical footprint. At the same time, the company considers supporting vulnerable suppliers, particularly SMEs that may face financial difficulties. For these suppliers, measures such as establishing flexible payment terms or providing support to meet compliance and sustainability requirements may be applied.

Another tool used to ensure transparency and efficiency in the relationship with suppliers is the Procurement Procedure. This procedure requires that suppliers of the companies within the Group be evaluated and validated in advance by the legal department, in accordance with specific procedures, including, but not limited to, the evaluation of potential conflicts of interest, ongoing litigations, etc.

Furthermore, Electrica Group has an Integrity Whistleblowing Policy and has implemented a reporting mechanism for suspicions of violations, whereby suppliers, contractors, subcontractors, and other stakeholders interacting with Electrica Group can anonymously report any breach of ethical principles, irregularities, or any legal violations that could harm the reputation or business of company, or lead to legal sanctions.

To assess the compliance and performance of its suppliers on a constant basis, Electrica conducts annual audits.

Electrica invests in developing the competencies of its procurement teams through dedicated training programs.

Regarding the Payment Delay Prevention Policy, especially towards SMEs, its main provisions refer to the following:

- A. types of procurement procedures:
 - orders based on framework agreements;
 - emergency purchases for addressing urgent situations;
 - purchases through competitive procedures;
 - direct purchases;
 - direct grants.

- B. avoidance of conflicts of interests:

The Non-core Procurement Service (NCPS) takes all necessary measures to avoid situations that could lead to conflicts of interest and/or unfair competition and will seek support in this regard from the Compliance and Control Department or the Ethics Advisor.

Additionally, individuals who have connections with one of the bidders/candidates or subcontractors (such as holding shares, being employees, collaborators, etc.), or who have relatives in any of the aforementioned statuses, are excluded from the offer evaluation process. Furthermore, individuals who are found to have an interest that could affect their impartiality during the offer evaluation process are also excluded.

To ensure internal control elements related to increasing transparency and monitoring of acquisitions, NCPS develops and maintains a protocol for interacting with internal clients and bidders based on the principles of transparency and equal treatment, while also monitoring their compliance.

- C. Types of contracts/agreements with suppliers
- D. Preparation of procurement requests
- E. Estimating the procurement value
- F. Competitive procedure
- G. Evaluation of offers and negotiation with suppliers
- H. Closing the contract and notifying the supplier
- I. Cancelling or restarting the procurement procedure
- J. Guarantees

Additionally, all parties involved in the procurement process and their specific responsibilities are listed.

The Transparency Policy mentions several stakeholders for whom the transparency relationship is important, including business partners. Thus, the organization, through its staff, promotes open and fair competition, conducting contractual relationships in a transparent, honest, and legal manner.

The organization uses clauses related to integrity and transparency in all of its commercial relationships with public and private entities and takes an objective approach to the issues of interest to its partners and clients.

G1-3 Prevention and detection of corruption and bribery

To prevent corruption and bribery and establish a mechanism for reporting suspicions of misconduct, the Group applies the Zero-Tolerance Policy for Corruption, Fraud, and Money Laundering, and the Integrity Whistleblowing Policy.

Both policies are communicated both internally and externally, and are applicable to suppliers, clients, and other business partners.

At the beginning of the collaboration, employees are trained and sign documents detailing their specific responsibilities related to the prevention of bribery and corruption. This includes the obligation not to request or accept material advantages in exchange for performing their duties and not to offer gifts or other benefits to individuals involved in business relationships with the company, in accordance with our Code of Ethics and Business Conduct and our Zero-Tolerance Policy for Corruption, Fraud, and Money Laundering.

Corruption risks are identified at the company level through the Risk Management Procedure.

The Ethics Advisor, together with the MR&KYC Department/ Risk Management Responsible at the organizational level conduct a process of identifying corruption risks and vulnerable areas whenever major changes occur in the organization, such as changes in the majority shareholder, appointment of a new board of directors, appointment of a new CEO, company and Group restructuring, entry into new markets, listing on new stock exchanges, and similar events. The sources for identifying risks and vulnerable areas include:

- Complaints made under the Ethical Reporting Procedure, irregularities, or any legal violations through professional alert devices (integrity warning), communicated by the Internal Audit Department of the organization, provided upon the written request of the Ethics Officer.
- Reports from the Internal Audit Department regarding the disciplinary actions taken, provided upon the written request of the Ethics Officer.
- Reports from the Human Resources Department regarding disciplinary actions taken, provided upon the written request of the Ethics Officer.
- Information provided by the Legal Department about the lawsuits in which the organization is involved, including those related to holding the organization accountable, or holding specific staff members accountable by the organization, in order to repair any damage caused.
- Press monitoring reports on public allegations regarding the organization.

The Ethics Officer, in collaboration with the MR&KYC Department conducts an integrated analysis of the indicated sources and creates a list of risk factors and vulnerable areas. This list is validated during consultations with other departments within the organization.

Upon the request of the Ethics Officer, the MR&KYC Department/ Risk Management Responsible updates the existing risk register with the identified corruption risks, specifying the risk factor, the description of the risk, the likelihood of the risk occurring, the impact in case the risk materializes, the preventive and mitigating measures, the evaluation of the degree of implementation of the proposed measures, and the calculation of the residual risk.

Once the risks are identified, they are assessed based on the likelihood of occurrence and the potential impact. This evaluation allows for the calculation of the level of exposure to risk and the prioritization of preventive measures.

Based on the evaluations performed, the Control and Compliance department collaborates with the Risk Management team to develop an action plan aimed at preventing and reducing the identified risks. The implementation of the plan is monitored by the Control and Compliance Department, which assesses the effectiveness of the measures implemented to prevent and reduce corruption risks.

Also, any employee, client, supplier, contractor, subcontractor, or other parties involved with the company's activities can file a report under the Policy on Reporting Ethical Violations, Irregularities, or Any Breach of the Law through professional alert mechanisms (whistleblowing). The report can be made via a dedicated, independent service operator, by phone, to a dedicated hotline, by email to a secure address for the protection of the whistleblower and the company, online via the platform <https://managementparticipativ.info.ro/electrica>, or directly to the attention of the Whistleblowing Policy Advisor.

To ensure an objective and independent investigation process, the members of the investigation committee are required not to be part of the management chain of the activities related to the subject of the investigation.

The Ethics Officer reports directly to the Board of Directors. Other departments (such as the Control and Compliance Department, the Legal Department, the Internal Audit Department, the MR&KYC Department and the Human Resources Department) can identify risks and provide support to the Ethics Officer. Additionally, the Internal Audit Department is directly subordinated to the Board of Directors.

Complaints are received by the dedicated operator, who, after anonymizing the complaint, forwards them to the people responsible in the company. The handling and investigation of the issues reported by the integrity whistleblowers are carried out by the Internal Audit Department and other specialized departments within the company, ensuring the avoidance of any conflicts of interest and the application of the principles and norms established by the Code of Ethics and Business Conduct.

The analysis of the complaints received from the integrity whistleblowers is the main duty of the specialized departments within the company and is treated as a priority.

The investigation or analysis of the issues mentioned in the whistleblower reports is handled objectively and independently, and the observed results are reported to the highest management level in the company, specifically to the Board of Directors (BoD). The Ethics Officer directly reports to the BoD, and their activity is presented to the BoD. Upon the BoD's request, any documents or educational materials prepared may be made available.

Additionally, the activities of the Internal Control, MR&KYC Department and Internal Audit departments regarding the identification and presentation of risks, as well as cases of corruption, bribery, and the giving or receiving of bribes, are presented to the BoD whenever necessary.

All Group policies are applicable to the members of the Board of Directors as well.

The results of the risk management are included in an annual risk management report, accompanied by recommendations, where applicable.

The information about internal channels for identifying and monitoring ethical breaches, as well as reporting policies, is accessible on Electrica's [website](#), ensuring that all employees and stakeholders can easily access and correctly understand them.

The Ethics Officer conducts training programs for all employees every year, based on the risks and needs identified within the organization. Additionally, the officer provides consultancy whenever necessary in the cases analyzed by other departments.

The training program is aimed at all employees of the company, regardless of their seniority level within the organization or any department-specific limitations.

Electrica Group does not run structured training programs on combating corruption or bribery, whether offered or mandated by the company. However, the Group ensures that the provisions of the Policy on Zero-Tolerance towards Corruption, Fraud, and Money Laundering (with special attention to gifts) are brought to the attention of its employees. This process takes place annually through email notification. These communications are addressed to all staff, focusing primarily on departments exposed to risks (procurement, sales, management) and include real-life examples and legislative references concerning corruption.

The anti-corruption policies and procedures are publicly accessible to all interested parties on the parent company ELSA's website and those of its subsidiaries. Additionally, the members of the BoD sign their commitment to comply with these policies upon assuming their mandates.

G1-4 Incidents of corruption or bribery

Electrica is committed to maintaining a high standard of ethics and compliance, adhering to applicable legislation as well as to the values and internal rules established through clear policies and procedures.

During the reporting period, no incidents of corruption or bribery were recorded within the Group. Electrica's commitment to transparency and integrity is reflected in the continuous monitoring of activities and in the periodic training of employees on compliance and responsible conduct requirements.

Likewise, in 2025, no convictions or fines were reported for violations of anti-corruption or anti-bribery laws (and no such convictions or fines were reported in 2024).

In 2025, no disciplinary actions were required, and internal procedures did not record any significant breaches related to corruption (similarly, no disciplinary actions and no significant corruption-related breaches were reported in 2024). Nevertheless, the company remains prepared to act swiftly and decisively should such situations arise.

With respect to the value chain, no corruption incidents involving company employees or business partners were identified in 2025 (and none were identified in 2024). Electrica maintains its commitment to acting with integrity across all operations and will continue to develop proactive measures to prevent and combat any form of corruption or non-compliant behaviour.

There were no confirmed incidents in which Electrica's own workers were dismissed or subjected to disciplinary procedures due to corruption or bribery. Likewise, there were no confirmed incidents involving business partners where contracts were terminated or not renewed due to breaches related to corruption or bribery.

Additionally, no public cases of corruption or bribery involving the company or its employees were reported during the reporting period.

G1-6 Payment practices

Payment practices are regulated through the Policy on Preventing Delays in Payments, especially towards SMEs.

The Transparency Policy highlights several stakeholders for whom transparency in relationships is important, including business partners (Chapter 6). Thus, the organization, through its personnel, promotes open and fair competition, conducting contractual relationships in a transparent, honest and legal manner. The objective of these procedures is to ensure that payment operations involving the company are conducted under optimal conditions and in full compliance with legal requirements. They establish rules and procedures regarding deadlines, methods, and payment conditions, contributing to clarity and transparency in financial transactions.

Electrica uses clauses regarding integrity and transparency in all its commercial relationships with both public and private entities and takes an objective approach to issues of interest to its partners and clients.

At Electrica level, invoices are paid according to the terms specified in the contract (between 5 and 30 working days). Internal procedures include essential elements such as: authorized

personnel who can submit payment lists for management approval; payment deadlines, which, in accordance with contracts signed with suppliers or other collaborators, are recorded in the ERP system; payment methods utilized by companies, detailing the accepted methods, such as bank transfer, credit card, check, or other digital financial instruments; approval and processing procedures, describing the operational flow for invoice validation, payment authorization, and their submission to financial departments; and special clauses and exceptions, specifying how unforeseen situations are handled, such as financial difficulties of the supplier and/or client, invoice disputes, or force majeure events. Furthermore, the implementation of these procedures and the use of financial management systems provide Electrica Group companies with an efficient mechanism to prevent delays, ensuring proper management of payment operations. Thus, companies can achieve the following: improved cash flow by ensuring timely collections, which contribute to maintaining a healthy cash flow; reduced risk of non-payment, as penalties and preventive measures deter delays; strengthened commercial relationships, promoting trust and mutual respect between partners; and legal compliance, by adhering to regulations regarding payment deadlines.

In the case of DEER, given that the company is required to comply with Law 99/2016 on sectoral procurement, the standard payment terms published when carrying out a procurement procedure that results in a contract (above 20,000 RON) are 120 days. There are, however, several procurement categories for which, prior to launching the procedure, a 30-day payment derogation was approved (for example, administrative service contracts such as security services, elevator maintenance, air-conditioning system maintenance, thermal plant maintenance, etc.).

For direct acquisitions, if no offers are received with a 120-day payment term, approval for a shorter payment term must be obtained from the Director of the Financial Division, allowing purchase orders to be issued with payment deadlines shorter than 120 days (30, 60 or 90 days).

Thus, for 2025, DEER also implemented the following payment terms on a case-by-case basis, which are detailed in the table below:

OPEE	Market	Contract type	Type of payment for received invoices	Payment term from the date of invoice receipt
BRM	PMC	Proposed by the initiator (producer/supplier)	In advance	4 working days
		EFET Contract		
	Forward	In all cases, the BRM Framework Contract applies, with specific payment terms and conditions established by the initiator (producer/supplier)	In advance/After delivery	between 1–15 working days
	Forward CCP	Standard dematerialised Forward contract, with BRM acting as Central Counterparty	Direct Debit	Direct Debit
	PZU	Participation agreement for the electricity markets operated by BRM	Direct Debit	Direct Debit
	PI		Direct Debit	Direct Debit
OPCOM	PCCB-LE-flex	OPCOM framework contract with specific clauses on payment terms and conditions established by the initiator (producer/supplier)	In advance/After delivery	between 3–15 working days
	PCCB-NC	OPCOM framework contract	In advance/After delivery	between 1–18 working days
	PC-OTC	EFET Contract	In advance/After delivery	between 10–12 working days
	PZU	Participation agreement for short-term electricity markets	Direct Debit	Direct Debit
	PI		Direct Debit	Direct Debit

Therefore, payments to suppliers are made in accordance with the agreed contractual clauses. Payments are executed based on the terms stipulated in the contracts, while also taking into account the payment deadlines recorded in the accounting system, which ensures ongoing monitoring of these deadlines throughout the payment process. As of the date of this declaration, there are no disputes regarding delayed payments. Furthermore, by adopting such well-structured payment procedures, DEER is able to optimize its financial relationships and reduce the negative impact of delays on daily operations. The procedure is aligned with the following legislative framework: Government Decision 773/2019, Accounting Law no. 82/1991, Order no. 1802/2014 on accounting regulations for individual and consolidated annual financial statements, Law no. 227/2015 on the Fiscal Code, Government Decision no. 1/2016, Order no. 2634/2015, Law no. 31/1990 on companies, and Law 99/2016 on sectoral procurement. The process owner of the Procedure/Instruction is the Cash Flow Management Department. The Procedure/Instruction is internally accessible and communicated through the DEER intranet.

For works financed by European funds, invoice payment deadlines comply with the contractual provisions and are set at 60 or 120 days. Payments are made accordingly, however, in some cases, alignment with reimbursement request deadlines may require earlier payment of the respective invoices

Independent auditor's limited assurance report on the consolidated sustainability statement for the financial year 2025

INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT ON THE CONSOLIDATED SUSTAINABILITY STATEMENT FOR THE FINANCIAL YEAR 2025

To the Shareholders of
SOCIETATEA ENERGETICĂ ELECTRICĂ S.A.

Limited Assurance Conclusion

We have conducted a limited assurance engagement on the Consolidated Sustainability Statement of Societatea Energetică Electrică S.A and its subsidiaries (hereafter the "Group") as at December 31, 2025 and for the period from January 1, 2025 to December 31, 2025 (the "Consolidated Sustainability Statement"), prepared by the Group with the social premises of the Parent Entity registered in Romania, Address Bucharest, District 1, Street Grigore Alexandrescu, No. 9, Fiscal Identification Number RO 13267221, Trade Register number J40/7425/2000.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Consolidated Sustainability Statement of the Group is not prepared, in all material respects, in accordance with Ministry of Public Finance Order 2844/2016, Chapter 7, section 7.3 implementing article 29(a) of the EU Directive 2013/34/EU, including:

- compliance with the European Sustainability Reporting Standards ("ESRS"), including that the process carried out by the Group to identify the information reported in the Consolidated Sustainability Statement (the "Process") is in accordance with the description set out in note ESRS 2 IRO-1 'Description of the processes to identify and assess material impacts, risks and opportunities'; and
- compliance of the taxonomy disclosures detailed in the Consolidated Sustainability Statement, section 'Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)', with the applicable reporting requirements of Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

Basis for Conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements other than Audits or Reviews of Historical Financial Information*.

Our responsibilities under this standard are further described in the *Auditor's Responsibilities* section of our report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Identification of Applicable Criteria

The Consolidated Sustainability Statement was prepared by the Administrators of the Group in order to satisfy the requirements of Ministry of Public Finance Order 2844/2016, Chapter 7, section 7.3 implementing article 29(a) of the EU Directive 2013/34/EU, including:

- compliance with the European Sustainability Reporting Standards ("ESRS"), including that the process carried out by the Group to identify the information reported in the Consolidated Sustainability Statement is in accordance with the description set out in note ESRS 2 IRO-1 'Description of the processes to identify and assess material impacts, risks and opportunities'; and
- compliance of the taxonomy disclosures detailed in the Section 'Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)' of the Consolidated Sustainability Statement, with the applicable reporting requirements of Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

Inherent Limitations in Preparing the Consolidated Sustainability Statement

The criteria, nature of the Consolidated Sustainability Statement, and absence of long-standing established authoritative guidance, standard applications and reporting practices allow for different, but acceptable, measurement methodologies to be adopted which may result in variances between entities. The adopted measurement methodologies may also impact the comparability of sustainability matters reported by different organizations and from year to year within an organization as methodologies evolve.

In reporting forward looking information in accordance with ESRS, the Administrators of the Group are required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcome is likely to be different since anticipated events frequently do not occur as expected.

In determining the disclosures in the Consolidated Sustainability Statement, the Administrators of the Group interprets undefined legal and other terms. Undefined legal and other terms may be interpreted differently, including the legal conformity of their interpretation and, accordingly, are subject to uncertainties.

We draw your attention to the following specific limitations discussed in the Consolidated Sustainability Statement :

- Environmental reporting as applied by all companies includes information based on climate-related scenarios that are subject to inherent uncertainty because of incomplete scientific and economic knowledge about the likelihood, timing, or effect of possible future physical and transitional climate-related impacts. For the avoidance of doubt, the scope of our engagement and our responsibilities will not include performing work necessary for any assurance on the reliability, proper compilation, or accuracy of the prospective information.
- Any supply chain emissions metrics listed in the Consolidated Sustainability Statements may include information provided by suppliers and third-party sources. Our procedures will not include obtaining assurance over the information provided by suppliers or third parties.
- The Consolidated Sustainability Statement may include metrics that are derived from reported events relating to employees and subcontractors. As such, our testing may not identify misstatements relating to completeness, for example in instances where events may have occurred but have not been reported.

Responsibility of the Administrators of the Group

Administrators of the Group are responsible for designing, implementing, and maintaining a process to identify the information reported in the Consolidated Sustainability Statement in accordance with the ESRS and for disclosing this process in note ESRS 2 IRO-1 'Description of the processes to identify and assess material impacts, risks and opportunities' of the Consolidated Sustainability Statement .

This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the entity's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- developing methodologies and making assumptions that are reasonable in the circumstances.

Administrators of the Group are further responsible for the preparation of the Consolidated Sustainability Statement, in accordance with Ministry of Public Finance Order 2844/2016, Chapter 7, section 7.3 implementing article 29(a) of the EU Directive 2013/34/EU, including:

- compliance with the ESRS;
- preparing the taxonomy disclosures of the Consolidated Sustainability Statement, Section 'Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)' in compliance with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation");
- designing, implementing and maintaining such internal controls that management determines are necessary to enable the preparation of the Consolidated Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates about individual sustainability disclosures that are reasonable in the circumstances.

Those charged with governance are responsible for overseeing the Group's sustainability reporting process.

Auditor's Responsibility

Our objectives are to plan and perform the assurance engagement to obtain limited assurance about whether the Consolidated Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Consolidated Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities in respect of the Consolidated Sustainability Statement, in relation to the Process, include:

- Obtaining an understanding of the Process but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- Designing and performing procedures to evaluate whether the Process is consistent with the Group's description of its Process, as disclosed in note ESRS 2 IRO-1 'Description of the processes to identify and assess material impacts, risks and opportunities'.

Our other responsibilities in respect of the Consolidated Sustainability Statement include:

- Obtaining an understanding of the entity's control environment, processes and information systems relevant to the preparation of the Consolidated Sustainability Statement but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;
- Identifying disclosures where material misstatements are likely to arise, whether due to fraud or error.
- Designing and performing procedures responsive to disclosures in the Consolidated Sustainability Statement where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Our Independence and Quality Management

We complied with the applicable independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the “Code”), together with the ethical requirements that are relevant to our assurance engagement of the Consolidated Sustainability Statement in Romania, including Law 162/2017 with subsequent amendments, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. The Code is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

We applied International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Summary of Work Performed

A limited assurance engagement involves performing procedures to obtain evidence about the Consolidated Sustainability Statement .

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the Consolidated Sustainability Statement.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by:
 - performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents; and
 - reviewing the Group’s internal documentation of its Process; and
- Evaluated whether the evidence obtained from our procedures about the Process implemented by the Group was consistent with the description of the Process set out in note ESRS 2 IRO-1 ‘Description of the processes to identify and assess material impacts, risks and opportunities’.

In conducting our limited assurance engagement, with respect to the Consolidated Sustainability Statement, we:

- Obtained an understanding of the Group’s reporting processes relevant to the preparation of its Consolidated Sustainability Statement by:
 - performing inquiries to understand the Group’s control environment, processes and information systems relevant to the preparation of the Consolidated Sustainability Statement;
- Evaluated whether material information identified by the Process to identify the information reported in the Consolidated Sustainability Statement is included in the Consolidated Sustainability Statement;
- Evaluated whether the structure and the presentation of the Consolidated Sustainability Statement is in accordance with the ESRS;

- Performed inquiries of relevant personnel and analytical procedures on selected disclosures in the Consolidated Sustainability Statement;
- Performed substantive assurance procedures based on a sample basis on selected disclosures in the Consolidated Sustainability Statement;
- Obtained evidence on the methods for developing material estimates and forward-looking information and on how these methods were applied;
- Obtained an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Consolidated Sustainability Statement ;

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Răzvan Ungureanu, Audit Partner

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

*Registered in the Electronic Public Register of Financial
Auditors and Audit Firms under number AF 4866*

On behalf of:

DELOITTE AUDIT SRL

*Registered in the Electronic Public Register of Financial
Auditors and Audit Firms under number FA 25*

The Mark Building, 84-98 and 100-102 Calea Griviței, 9th Floor, District 1
Bucharest, Romania
25 March 2026

2025 Separate Financial Statements



SOCIETATEA ENERGETICA ELECTRICA S.A.

Separate Financial Statements

as at and for the year ended

31 December 2025

prepared in accordance with

**Ministry of Public Finance Order no. 2844/2016 for the approval of the
Accounting Regulations in accordance with International Financial Reporting
Standards**

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

Contents

A.	Separate statement of financial position.....	1
B.	Separate statement of profit or loss.....	3
C.	Separate statement of comprehensive income.....	4
D.	Separate statement of changes in equity	5
E.	Separate statement of cash flows	7
F.	Notes to the separate financial statements	9
1	Reporting entity and general information.....	9
2	Basis of accounting	11
3	Functional and presentation currency.....	11
4	Use of judgements and estimates	12
5	Basis of measurement	12
6	Changes in significant accounting policies.....	13
7	Significant accounting policies.....	13
8	Adoption of new and revised standards and interpretations	23
9	Revenue, other income and operating expenses	24
10	Net finance income.....	25
11	Earnings per share	25
12	Short-term employee benefits	26
13	Post-employment and other long-term employee benefits.....	26
14	Employee benefit expenses.....	30
15	Bank borrowings and overdrafts	30
16	Income tax	32
17	Trade receivables	34
18	Investments in government securities and deposits	35
19	Green bonds.....	36
20	Other receivables.....	36
21	Cash and cash equivalents.....	37

SOCIETATEA ENERGETICA ELECTRICA S.A.**SEPARATE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025**PREPARED IN ACCORDANCE WITH THE ORDER OF THE MINISTRY OF PUBLIC FINANCE NO. 2844/2016

22	Property, plant and equipment	37
23	Intangible assets	38
24	Investments in subsidiaries.....	39
25	Loans granted to subsidiaries	40
26	Capital and reserves.....	46
27	Trade payables	48
28	Other payables.....	48
29	Provisions.....	48
30	Financial instruments.....	49
31	Related parties.....	52
32	Contingencies.....	56
33	Commitments	58
34	Subsequent events.....	59

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

AS AT 31 DECEMBER 2025

*(All amounts are in RON, if not otherwise stated)***A. Separate statement of financial position**

	Note	31 December 2025	31 December 2024
ASSETS			
Non-current assets			
Property, plant and equipment	22	185,602,613	178,600,607
Intangible assets	23	6,217,332	1,150,546
Goodwill	23	1,446,450	1,446,450
Investments in subsidiaries	24	2,493,295,751	2,342,374,772
Investments in associates	25	22,500	22,500
Investments in government securities and deposits		1,271,916,860	-
Other investments		8,651,960	7,000,000
Loans granted to subsidiaries – long term	25	246,325,000	756,325,000
Right of use assets		16,467,513	17,085,927
Total non-current assets		4,229,945,979	3,304,005,802
Current assets			
Cash and cash equivalents	21	18,154,749	8,013,268
Trade receivables	17	1,879,346	1,935,197
Other receivables	20	55,442,390	31,081,746
Loans granted to subsidiaries - cash pool	31	482,860,094	482,860,094
Inventories		2,836	2,836
Prepayments		1,792,060	1,950,406
Current profit tax		57,153	141,967
Assets held for sale		279,655	279,655
Investments in government securities and deposits - short term		892,915,757	-
Loans granted to subsidiaries – short term	25	1,508,434,815	942,920,800
Total current assets		2,961,818,855	1,469,185,969
Total assets		7,191,764,834	4,773,191,771
EQUITY AND LIABILITIES			
Equity			
Share capital	26	3,395,530,040	3,395,530,040
Share premium	26	103,049,177	103,049,177
Treasury shares reserve	26	-	-
Pre-paid capital contributions in kind from shareholders	26	7,366	7,366
Revaluation reserves	26	19,222,273	20,030,772
Legal reserves	26	239,984,794	235,159,000
Other reserves	26	188,913,575	188,913,575
Retained earnings		95,908,376	67,108,734
Total equity		4,042,615,601	4,009,798,664

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

AS AT 31 DECEMBER 2025

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

	Note	31 December 2025	31 December 2024
Liabilities			
Non-current liabilities			
Long-term liabilities to banks		4,841,865	-
Green bonds – long term	19	2,525,365,033	-
Lease liability – long term		16,573,987	16,651,733
Employee benefits	13	2,179,554	1,619,994
Total non-current liabilities		2,548,960,439	18,271,727
Current liabilities			
Current portion of long-term bank borrowings	15	13,599	236,042,214
Green bonds – short term	19	45,584,606	-
Cash pooling received from subsidiaries	31	46,418,067	170,101,192
Bank overdrafts	15	454,253,915	313,553,595
Lease liability – short term		933,322	847,482
Trade payables	27	17,985,968	7,780,483
Other payables	28	4,689,601	6,969,151
Deferred revenue		62,614	62,582
Employee benefits	12	8,283,190	8,279,710
Provisions	29	21,963,912	1,484,971
Total current liabilities		600,188,794	745,121,380
Total liabilities		3,149,149,233	763,393,107
Total equity and liabilities		7,191,764,834	4,773,191,771

The accompanying notes are an integral part of these separate financial statements.

Chief Executive Officer

Alexandru - Aurelian Chirita

f.Chief Financial Officer

Andreea Lambru

25 March 2026

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

FOR THE YEAR ENDED 31 DECEMBER 2025

*(All amounts are in RON, if not otherwise stated)***B. Separate statement of profit or loss**

	Note	2025	2024
Revenue	9	16,136,818	12,490,700
Other income	9	12,827,440	1,115,802
The cost of purchased electricity		(3,678,527)	(2,787,288)
Employee benefits	14	(39,871,911)	(35,239,370)
Depreciation and amortization	22,23	(7,275,291)	(4,493,566)
Reversal of impairment/(Impairment) of property, plant and equipment, net	22	-	1,900,668
Other operating expenses	9	(53,277,659)	(28,908,405)
Change in provisions for legal cases and non-compete clauses, net	29	(20,478,940)	(759,889)
Loss before finance result		(95,618,070)	(56,681,348)
Finance income	10	300,553,640	171,215,856
Finance costs	10	(108,313,031)	(43,336,117)
Net finance income		192,240,609	127,879,739
Share of results of associates	24	-	(10,009)
Profit before tax		96,622,539	71,188,382
Income tax benefit/expense	16	(3,569,552)	(1,864,627)
Profit for the year		93,052,987	69,323,755
Earnings per share			
Basic and diluted earnings per share (RON)	11	0.27	0.20

*The accompanying notes are an integral part of these separate financial statements.***Chief Executive Officer**

Alexandru - Aurelian Chirita

f.Chief Financial Officer

Andreea Lambru

25 March 2026

SOCIETATEA ENERGETICA ELECTRICA S.A.
SEPARATE STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 31 DECEMBER 2025 *(All amounts are in RON, if not otherwise stated)*

C. Separate statement of comprehensive income

	Note	2025	2024
Profit for the year		93,052,987	69,323,755
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Re-measurements of the defined benefit liability	16	(282,184)	98,256
Tax related to re-measurements of the defined benefit liability	16	45,149	(15,721)
Other comprehensive income, net of tax		(237,035)	82,535
Total comprehensive income		92,815,952	69,406,290

The accompanying notes are an integral part of these separate financial statements.

Chief Executive Officer
 Alexandru - Aurelian Chirita

f.Chief Financial Officer
 Andreea Lambru

25 March 2026

SOCIETATEA ENERGETICA ELECTRICA S.A.
SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in RON, if not otherwise stated)

D. Separate statement of changes in equity

		Subscribed and paid in share capital	Share premium	Treasury shares reserve	Capital contributions in kind from shareholders	Revaluation reserves	Legal reserves	Other reserves	Retained earnings	Total equity
Balance at 1 January 2025		3,395,530,040	103,049,177	-	7,366	20,030,772	235,158,999	188,913,575	67,108,735	4,009,798,664
Comprehensive income		-	-	-	-	-	-	-	-	-
Profit for the year		-	-	-	-	-	-	-	93,052,987	93,052,987
Other comprehensive income		-	-	-	-	-	-	-	(237,035)	(237,035)
Total comprehensive income		-	-	-	-	-	-	-	92,815,952	92,815,952
Transactions with owners of the Company										
Contributions and distributions		-	-	-	-	-	-	-	-	-
Reduction of share capital and cancellation of own shares		-	-	-	-	-	-	-	-	-
Dividends to the owners of the Company	26	-	-	-	-	-	-	-	(59,999,016)	(59,999,016)
Total transactions with owners of the Company		-	-	-	-	-	-	-	(59,999,016)	(59,999,016)
Other changes in equity										
Set up of legal reserves	26	-	-	-	-	-	4,825,794	-	(4,825,794)	-
Transfer of other reserves	26	-	-	-	-	-	-	-	-	-
Distribution of dividends from other reserves		-	-	-	-	-	-	-	-	-
Transfer of revaluation reserve to retained earnings due to depreciation and disposals of property, plant and equipment		-	-	-	-	(808,499)	-	-	808,499	-
Impact of IFRS16 Central France migration		-	-	-	-	-	-	-	-	-
Balance at 31 December 2025		3,395,530,040	103,049,177	-	7,366	19,222,273	239,984,794	188,913,575	95,908,376	4,042,615,601

SOCIETATEA ENERGETICA ELECTRICA S.A.
SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in RON, if not otherwise stated)

		Subscribed and paid in share capital	Share premium	Treasury shares reserve	Capital contributions in kind from shareholders	Revaluation reserves	Legal reserves	Other reserves	Retained earnings	Total equity
Balance at 1 January 2024		3,464,435,970	103,049,177	(75,372,435)	7,366	20,258,665	231,595,694	224,105,807	12,417,834	3,980,498,078
Comprehensive income										
Profit for the year		-	-	-	-	-	-	-	69,323,755	69,323,755
Other comprehensive income		-	-	-	-	-	-	-	82,535	82,535
Total comprehensive income		-	-	-	-	-	-	-	69,406,290	69,406,290
Transactions with owners of the Company		-	-	-	-	-	-	-	-	-
Contributions and distributions		-	-	-	-	-	-	-	-	-
Share capital reduction and cancellation of treasury shares		(68,905,930)	-	75,372,435	-	-	-	-	(6,466,505)	-
Dividends to the owners of the Company	26	-	-	-	-	-	-	-	(39,999,343)	(39,999,343)
Total transactions with owners of the Company		(68,905,930)	-	75,372,435	-	-	-	-	(46,465,848)	(39,999,343)
Other changes in equity										
Set up of legal reserves	26	-	-	-	-	-	3,563,305	-	(3,563,305)	-
Transfer to other reserves	26	-	-	-	-	-	-	(16,973,333)	16,973,333	-
Distribution of dividends from other reserves		-	-	-	-	-	-	(18,218,899)	18,218,899	-
Transfer of revaluation reserve to retained earnings due to depreciation and disposals of property, plant and equipment		-	-	-	-	(227,893)	-	-	227,893	-
IFRS16 impact – Central Finance implementation		-	-	-	-	-	-	-	(106,360)	(106,360)
Balance at 31 December 2024		3,395,530,040	103,049,177	-	7,366	20,030,772	235,158,999	188,913,575	67,108,735	4,009,798,664

The accompanying notes are an integral part of these separate financial statements.

Chief Executive Officer
Alexandru - Aurelian Chirita

f.Chief Financial Officer
Andreea Lambru

25 March 2026

SOCIETATEA ENERGETICA ELECTRICA S.A.
SEPARATE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in RON, if not otherwise stated)

E. Separate statement of cash flows

	Note	2025	2024
Cash flows from operating activities			
Profit for the year		93,052,987	69,323,755
Adjustments for:			
Depreciation	22	4,390,256	3,425,575
Amortization	23	2,885,035	1,067,991
Adjustments/(Resumption of adjustments) for depreciation of tangible assets, net	22	-	(1,900,668)
Reversal of impairment for Right of Use Assets – IFRS16		-	(106,360)
Reversal of impairment of trade and other receivables, net	17,20	-	-
Net finance income	10	(192,240,609)	(127,879,738)
Income tax expense	16	3,569,552	1,864,627
Share of loss of associates	24	-	10,009
Changes in employee benefits obligations	13	900,403	289,265
Changes in provisions, net	29	20,478,940	759,889
		(66,963,436)	(53,145,657)
Changes in:			
Trade receivables		(7,747,914)	(159,232)
Other receivables		(22,453,556)	(1,710,960)
Prepaid expenses		(993,671)	-
Trade payables		10,205,485	1,135,053
Other payables		5,167,833	6,274,340
Employee benefits		(737,985)	1,044,132
Cash flow used in operating activities		(83,523,243)	(46,562,325)
Interest paid		(42,013,033)	(42,697,180)
Income tax paid		(3,439,589)	(1,784,835)
Net cash used in operating activities		(128,975,865)	(91,044,340)

(Continued on page 8)

SOCIETATEA ENERGETICA ELECTRICA S.A.**SEPARATE STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED 31 DECEMBER 2025

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

	Note	2025	2024
Cash flows from investing activities			
Payments for purchases of property, plant and equipment		(25,915,131)	(35,826,434)
Payments for purchase of intangible assets		(618,318)	(489,051)
Payments for purchase of interests in subsidiaries, net		(22,500)	(22,500)
Payments for the purchase of shares in subsidiaries, net of transaction costs		(418,479)	(15,808,832)
Payments for the increase in the share capital of subsidiaries		(150,480,000)	-
Receipts related to loans granted to subsidiaries		520,000,000	-
Payment for acquisition of investment in associate		-	(10,009)
Payments for investments in government bonds and deposits		(2,117,423,008)	-
Payments for the acquisition of shares in other entities		(1,651,960)	-
Interest received		158,717,738	110,920,452
Dividends received		100,000,000	60,000,000
Loans granted to subsidiaries		(575,514,014)	(330,323,114)
Cash used by subsidiaries under the cash pooling facility	31	(123,683,125)	207,123,277
Net cash (used in)/from investing activities		(2,217,008,797)	(4,436,211)
Cash flows from financing activities			
Issuance of green bonds	19	2,507,232,744	-
Dividends paid	26	(59,917,741)	(39,982,739)
Loan reimbursement		(236,028,615)	(80,000,000)
Repayment / Proceeds from overdrafts		140,700,320	108,033,516
Long-term bank borrowings	15	5,627,722	98,718,468
Payment of lease liabilities		(1,488,289)	(2,429,669)
Net cash used in financing activities		2,356,126,140	84,339,576
Net decrease / increase in cash and cash equivalents		10,141,480	(11,140,974)
Cash and cash equivalents at 1 January	21	8,013,268	19,154,241
Cash and cash equivalents transferred on merger	21	-	-
Cash and cash equivalents at 31 December	21	18,154,749	8,013,268

*The accompanying notes are an integral part of these separate financial statements.***Chief Executive Officer**

Alexandru - Aurelian Chirita

f.Chief Financial Officer

Andreea Lambru

25 March 2026

SOCIETATEA ENERGETICA ELECTRICA S.A.**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

*(All amounts are in RON, if not otherwise stated)***F. Notes to the separate financial statements****1 Reporting entity and general information**

These financial statements are the separate financial statements of Societatea Energetica Electrica S.A. ("Company" or "Electrica SA") as at and for the year ended 31 December 2025.

Electrica was originally incorporated as a company in 1998 by Government Decision no. 365/1998, following the restructuring of the former National Electricity Company (RENEL). On 1 August 2000, following the restructuring of the former National Electricity Company (CONEL) under the Government Decision no. 627/2000, the Company was allocated a new tax registration number. The registered office of the Company is no 9, Grigore Alexandrescu Street, District 1, Bucharest, Romania. The Company has sole registration code 13267221 and Trade Register number J2000007425408.

As at 31 December 2025 and 31 December 2024, the major shareholder of Societatea Energetica Electrica S.A. is the Romanian State, represented by the Ministry of Energy with a share of ownership of 49.785% from the share capital (31 December 2024: 48.785%). On July 11, 2024, the Bucharest Trade Registry Office admitted the request to reduce the share capital of Electrica, according to the decision no. 1 from 25 April 2024, of the Extraordinary General Meeting of the Company's Shareholders. The share capital of Electrica is thus reduced from the value of 3,464,435,970 RON to the value of 3,395,530,040 RON, and the number of shares is reduced from 346,443,597 shares to 339,553,004 shares. As a result of the reduction of the share capital, the Romanian State holds a percentage of 49.7850% of the subscribed share capital, and other shareholders - list type (individuals and legal entities), hold a percentage of 50.2150% of the share capital.

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

As at 31 December 2025 and 31 December 2024, the Company's subsidiaries are the following:

Subsidiary	Activity	Sole registration code	Head Office	% shareholding as at 31 December 2025	% shareholding as at 31 December 2024
Distributie Energie Electrica Romania S.A. ("DEER")	Electricity distribution in geographical areas Transilvania Nord, Transilvania Sud and Muntenia Nord	14476722	Cluj-Napoca	99.99999929%	99.99999929%
Electrica Furnizare S.A. ("EFSA")	Electricity and natural gas supply	28909028	Bucharest	99.9998444099934%	99.9998444099934%
Electrica Serv S.A. ("SERV")	Services in the energy sector (maintenance, repairs, construction)	17329505	Bucharest	99.99998095%	99.99998095%
Sunwind Energy S.R.L. ("SNW")	Electricity generation	42910478	Bucharest	100%	100%
New Trend Energy S.R.L. ("NTE")	Electricity generation	42921590	Bucharest	100%	100%
Foton Power Energy S.R.L. ("FPE")	Electricity generation	43652555	Bucharest	100%	100%
Crucea Power Park S.R.L. ("CPP")	Electricity generation	25242042	Bucharest	100%	60%

SOCIETATEA ENERGETICA ELECTRICA S.A.**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

As at 31 December 2025 and 31 December 2024, the Company's associates are the following:

Associate	Activity	Sole registration code	Head Office	% shareholding as at 31 December 2025	% shareholding as at 31 December 2024
Electrica EsyaSoft Smart Solutions S.A ("EsyaSoft")	Fabricarea de acumulatori si baterii	50993644	Bucharest	25%	25%

As at 31 December 2025 and 31 December 2024, the Company's other long-term investments are the following:

Company	Activity	Sole registration code	Head Office	% shareholding as at 31 December 2025	% shareholding as at 31 December 2024
CCP.RO Bucharest S.A. (CCP.RO)	Financial brokerage activities, exclusively insurance activities and pension funds (risk management through derivative products on the energy market)	17777754	Bucharest	5.92%	5.92%

Changes in Company's structure during 2025**Acquisition of Shares in Subsidiaries**

On February 7, 2025, Electrica SA finalized the acquisition of the company Crucea Power Park SRL (CPP), whose main activity is the production of energy from wind sources. CPP is developing the "Crucea East" wind project, with an installed turbine capacity of up to 138 MW and a designed electricity storage capacity of 60 MWh (15 MW x 4h), located in Constanța County, in the area of the localities Crucea and Pantelimon. The project is currently in the "ready-to-build" phase.

Changes in Company's structure during 2024**Acquisition of shares in subsidiaries**

On July 12, 2024, Electrica completed the acquisition of New Trend Energy S.R.L., whose primary activity is the production of energy from photovoltaic sources, by acquiring an additional 40% of the company's social shares and voting interests. Thus, Electrica now holds 100% of the social shares of New Trend Energy S.R.L.

On September 12, 2024, Electrica finalized the acquisition of Foton Power Energy S.R.L., a company primarily engaged in the production of energy from photovoltaic sources, by acquiring an additional 40% of the social shares and voting rights. Consequently, Electrica now owns 100% of the social shares of Foton Power Energy S.R.L.

On October 15, 2024, Electrica acquired an additional 20% of the social shares and voting interests in Crucea Power Park S.R.L. (CPP), the developer of the wind project "Crucea Est" (with an installed capacity of 121 MW and a storage capacity of 60 MWh), located in the outskirts of Crucea commune, Constanța county. Therefore, the Company's participation increased from 40% to 60%, and thus Crucea Power Park S.R.L. becoming the subsidiary of the Company.

SOCIETATEA ENERGETICA ELECTRICA S.A.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

Acquisition of shares in associates

On December 5, 2024, the company Electrica EsyaSoft Smart Solutions S.A. ("EsyaSoft") was established, in which ELSA owns 25% of the company's share capital and the difference of 75% is owned by Esyasoft Enterprise Holding RSC LTD. EsyaSoft will focus on smart grid technologies (including storage solutions - batteries and digitalization of networks).

The Company's main activities

Currently, the core business of the Company, according to the Statute is "Activities of business and management consulting", also performing corporate activities at parent company level for its subsidiaries.

Starting with January 1, 2024, the Company also provides the following secondary activities: Electricity production and electricity trading.

Electrica SA is the parent company of one electricity distribution company (set up from merger of three electricity distribution companies), one electricity and natural gas supplier, five companies providing services in the energy sector (out of which four are currently in bankruptcy) and four energy production companies from renewable sources.

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

The Company has initiated the competitive procurement procedure for selecting the EPC Contractor for the implementation of the ELSA Project – a storage project with a capacity of 35 MW / 70 MWh – in Fântânele. On December 18, 2025, the EPC contract was concluded, and the implementation phase began.

The Company has completed the construction of a photovoltaic park with an installed capacity of 12 MWp DC (peak power at the level of the panels), 9.75 MW AC (evacuating power in the network) located in Vulturu village, Vrancea County (project started by its former subsidiary, Green Energy Consultancy & Investments S.R.L.). Starting from October 21, 2024, it is connected to the National Energy System and operates during the trial period according to the applicable regulations. It is currently in commercial operation.

2 Basis of accounting

These separate financial statements have been prepared in accordance with the Ministry of Public Finance Order no. 2844/2016 for the approval of the Accounting Regulations in accordance with International Financial Reporting Standards ("OMFP no. 2844/2016"). In acceptance of OMFP no. 2844/2016, International Financial Reporting Standards are standards adopted under the procedure provided by the European Commission Regulation no. 1606/2002 of the European Parliament and of the Council of 19 July 2002 regarding the application of the international accounting standards. The consolidated financial statements of Electrica Group prepared in accordance with the Ministry of Public Finance Order no. 2844/2016 will be published at least 30 days before the GSM.

These separate financial statements were authorized for issue on 25 March 2026 and will be submitted for shareholders approval in the general meeting scheduled on 29 April 2026.

Details of the Company's accounting policies are included in Note 7. The Company has consistently applied the accounting policies to all periods presented in these separate financial statements.

3 Functional and presentation currency

These separate financial statements are presented in Romanian Lei (RON), which is the functional currency of the Company. All amounts are in RON, if not otherwise stated.

4 Use of judgements and estimates

In preparing these separate financial statements, the management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are prospectively recognized.

Judgements, assumptions and estimation uncertainties

Information about judgements made in applying accounting policies and assumptions and estimation uncertainties that have the most significant effects on the amounts recognized in the separate financial statements is included below:

- Note 6 h) – estimates regarding the useful lives of property, plant and equipment;
- Note 22 – assumptions regarding the revalued amount of property, plant and equipment;
- Note 24 – assumptions and estimates regarding the valuation of shareholdings in the subsidiaries;
- Note 16 - assumptions regarding the recognition of deferred tax asset;

Measurement of fair values

Some of the Company's accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in the 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 are categorised into different levels of the fair value hierarchy, then the fair value measurement is entirely categorised on the level of the lowest level input that is significant to the entire measurement.

The Company 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 used in measuring fair values is included in

- Note 22: Property, plant and equipment.
- Note 30: Financial instruments

5 Basis of measurement

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

SOCIETATEA ENERGETICA ELECTRICA S.A.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

6 Changes in significant accounting policies

Adopting new standards

The Company has not adopted new standards issued by the International Accounting Standards Board (IASB) and adopted by the EU applicable on 1 January 2025, so there is no significant change in the consolidated statements of the Group.

Adoption of new changes to existing standards

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements. The new amendments to existing standards effective from 1 January 2025 do not have a significant effect on the Group's consolidated financial statements.

Amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatory for reporting periods beginning on or after 1 January 2025, but without a significant impact on the financial statements are as follows:

- Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates": Lack of Convertibility (mandatory for annual periods beginning on or after January 1, 2025).

7 Significant accounting policies

The Company has consistently applied the following accounting policies to all periods presented in these separate financial statements.

(a) Going Concern

The standalone financial statements have been prepared on the going concern basis. In making this judgement management considers current trading performance and access to finance resources.

At the date of issuance of these separate financial statements, the regulatory position may be further amended and there may be further laws enacted which could adversely impact the Company's operating cash flows during the forecast period. Given the current market uncertainties, Electrica SA is closely monitoring the market context and is continuously analysing the opportunities for optimisation of debt and increase of bank overdrafts and long-term loans. In light of the importance of the Electrica SA/Group as the supplier and distributed of electricity on the Romanian market, having 39.5% (according to the latest ANRE report 2024 for the distribution segment) as market share on the electricity distribution and 14.73% (according to the latest ANRE report November 2025 for the supply segment) as market share on the electricity supply market and having as main shareholder of Electrica SA the Romanian State, the management believes sufficient financing will be made available to cover any financing requirements arising from market uncertainty and the Company will be able to meet its obligations as they fall due.

Based upon the above projections and other information, given the measures already implemented and the strategies to reduce the risks which may occur due to the instability of the economic environment, the Board of Directors has at the time of approving the separate financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the separate financial statements.

SOCIETATEA ENERGETICA ELECTRICA S.A.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

(b) Revenue

Under the standard, revenue is recognized when or as the customer acquires control over the goods or services rendered, at the amount which reflects the price at which the Company is expected to be entitled to receive in exchange for those goods or services. Revenue is recognized at the fair value of the services rendered or goods delivered, net of VAT, excises or other taxes related to the sale.

The Company recognizes the revenue from contracts with customers in accordance with IFRS 15.

According to this standard, revenue is recognized when or as the customer obtains control over the goods or services, at the amount that reflects the price at which the Company expects to be entitled to receive it in exchange for these goods and services.

Generation and sale of electricity

The electricity produced by the Company is mainly sold on the Electricity Market, supported by green certificates, and on the Day Ahead Market, and the revenue is recognized when the electricity is injected into the network and is being sold on the market.

Sale of green certificates

Electricity suppliers have a legal obligation to purchase green certificates from producers of electricity from renewable sources, based on annual targets or quotas set by law, which are applied to the quantity of electricity purchased and supplied to final customers. Cost of green certificates is invoiced to final customers separately from the tariffs for electricity.

Electricity producers are entitled by the law in force to receive a certain number of green certificates for each MWH of electricity produced from renewable sources and injected into the network. The green certificates can be sold on the OPCOM spot market, term market or a combination of both. The selling price must fall between the minimum and maximum values set by Law no. 220/2008 for establishing the system for promoting the production of electricity from renewable energy sources, republished, with subsequent amendments. Revenue from green certificates is recognized in the profit or loss statement when the green certificates are sold on the trading market.

(c) Commissions

The Company assesses its revenue arrangements based on specific criteria to determine if it is acting as principal or agent. If the Company acts in the capacity of an agent rather than as the principal in a transaction, then the recognized revenue is the net amount of commission earned by the Company.

(d) Finance income and finance costs

The Company's finance income and finance costs include:

- interest income;
- interest expense;
- dividend income;
- the foreign currency gain or loss on financial assets and financial liabilities;
- impairment losses recognized on financial assets (other than trade receivables).

Interest income or expense is recognized using the effective interest method.

(e) Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency at the exchange rates at the date of the transactions.

SOCIETATEA ENERGETICA ELECTRICA S.A.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date, as communicated by the National Bank of Romania. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are recognized in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated to the functional currency.

(f) Employee benefits

(i) Short-term employee benefits

Short-term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present, legal or constructive obligation to pay this amount as a result of past services provided by the employee and the obligation can be reliably estimated.

(ii) Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefits that employees have earned in the current and prior periods, by discounting that amount.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognized immediately in other comprehensive income. The Company determines the net interest expense/(income) on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, at the net value of the defined benefit liability at that date, considering any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re-measurements are recognized in profit or loss in the period in which they arise.

(iv) Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes costs for a restructuring. If the benefits are not expected to be settled within less than 12 months from the reporting date, they are discounted to their present value.

(g) Income tax

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except for the items recognized directly in equity or in other comprehensive income, in which case it will be recognized directly in equity or in other comprehensive income.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

SOCIETATEA ENERGETICA ELECTRICA S.A.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

(ii) Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences arising from the initial recognition of assets and liabilities resulting from transactions that are not business combinations and that affect neither accounting nor taxable profit or loss;
- temporary differences resulting from investments in subsidiaries, associates and jointly controlled entities, to the extent that the Company can exercise control over the reversal period of the temporary differences and it is probable that they will not be reversed in the foreseeable future.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences only to the extent that it is probable that future taxable profits will be available to be used for covering them. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax is measured based on the tax rates that are expected to be applicable to temporary differences when they are reversed, using tax rates enacted or substantively enacted at the reporting date.

The measurement of the deferred tax reflects the tax consequences that would arise from the manner in which the Company expects to recover or settle the carrying amount of its assets and liabilities at the reporting date.

Deferred tax assets and liabilities are offset only if certain criteria are met.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it is probable that the future taxable profits will be available against which they can be used.

(h) Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment are initially recognized at cost, which includes purchase price and other costs directly attributable to acquisition and bringing the asset to the location and condition necessary for their intended use. After initial recognition, land and buildings are measured at revalued amounts, less any accumulated depreciation and any accumulated impairment losses since the most recent valuation.

The Company used the fair value as deemed cost for the tangible assets for the opening of the financial position.

Revaluations are performed with sufficient regularity to ensure that the carrying amount does not materially differ from the one which would be determined using the fair value at the end of the reporting period.

When a building is revalued, the accumulated depreciation is eliminated against the gross carrying amount of that item, and the net amount is restated to the revalued amount of the asset.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Spare parts, stand-by and servicing equipment are classified as property, plant and equipment if they are expected to be used during more than one period or can be used only in connection with an item of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

SOCIETATEA ENERGETICA ELECTRICA S.A.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

(iii) Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is recognized in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership right by the end of the lease term. Land and other non-current assets in progress are not depreciated.

The estimated useful lives of property, plant and equipment are as follows:

Category	Useful lives (years)
Buildings	40-60
Equipment	4-12
Vehicles, furniture and office equipment	3-10

The depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(i) Intangible assets

(i) Recognition and measurement

Intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is recognized in profit or loss.

The estimated useful lives of software and licenses are 3-5 years.

Amortization method, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(j) Financial instruments

Financial assets and financial liabilities are recognized in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

(i) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

SOCIETATEA ENERGETICA ELECTRICA S.A.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

Financial assets are initially measured at fair value and subsequently at amortized cost in accordance with IFRS 9, as they are held in a business model to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition less the principal reimbursements, plus the cumulative amortization using the effective interest method, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

Loans and receivables

These assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses.

Loans and receivables comprise trade receivables, cash and cash equivalents and bank deposits.

Trade receivables

Trade receivables include mainly invoices issued or to be issued to the subsidiaries for the services rendered.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and deposits with maturities of three months or less from the transaction date that are subject to an insignificant risk of changes in their fair value, that are used by the Company in the management of its short-term commitments.

(ii) Financial liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method or at fair value through profit or loss.

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at fair value, are measured subsequently at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

Other financial liabilities include trade payables.

(iii) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognized as a deduction from equity.

SOCIETATEA ENERGETICA ELECTRICA S.A.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

Repurchase and reissue of ordinary shares (treasury shares)

When shares recognized as equity are repurchased, the amount of the consideration paid, which also includes other directly attributable costs, net of any tax effects, is recognized as a deduction from equity. Repurchased shares are classified and presented in the treasury share reserve. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

(k) Impairment

Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost or at fair value through other comprehensive income. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognizes lifetime expected credit losses for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition.

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(ii) Write-off policy

The Company writes off a financial asset when after the finalization of the bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

(iii) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues

SOCIETATEA ENERGETICA ELECTRICA S.A.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

(l) Revaluation reserves

The difference between the revalued amount and the net carrying amount of property, plant and equipment is recognized as revaluation reserve included in equity.

If an asset's carrying amount is increased as a result of a revaluation, the increase is recognized and accumulated in equity under the heading of revaluation reserve. However, the increase is recognized in profit and loss to the extent that it reverses a revaluation decrease of the same amount of the asset previously recognized in profit and loss.

If an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognized in profit or loss. However, the decrease is recognized in equity in revaluation reserves if there is any credit balance existing in the revaluation reserve in respect of that asset.

The revaluation reserve is transferred to retained earnings in an amount corresponding to the use of the asset (as the asset is depreciated) and upon disposal of the asset.

(m) Dividends

Dividends are recognized as a deduction from equity in the period in which their distribution is approved and recognized as a liability to the extent it is unpaid at the reporting date. Dividends are disclosed in the notes to financial statements when their distribution is proposed after the reporting date and before the date of the issuance of the financial statements.

(n) Capital contributions in kind from shareholders

These contributions from a shareholder represent pre-paid contributions of land for which the Company obtained title deeds in respect of future issuance of shares. The amounts recorded are based on the fair value of the land.

(o) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

A provision for restructuring is recognized when the Company has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. No provisions are provided for future operating losses.

(p) Contingent assets and liabilities

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- (b) a present obligation that arises from past events that is not recognized because:
 - i. it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - ii. the amount of the obligation cannot be measured with sufficient reliability.

SOCIETATEA ENERGETICA ELECTRICA S.A.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

Contingent liabilities are not recognized in the financial statements of the Company. They are presented in case the output of resources incorporating economic benefits is possible and not probable.

A contingent asset is a potential asset that appears as a result of previous events and whose existence will be confirmed only by the occurrence or the non-occurrence of one or more uncertain future events, which are not fully controlled by the Company.

A contingent asset is not recognized in the financial statements of the Company, but it is shown when an input of economic benefits is likely to arise.

(q) Leases

(i) The Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (with a lease term of 12 months or less) and leases of low value assets (of less than USD 5,000). For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the default rate in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

The lease liability is presented as a separate line in the statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

(ii) Rental income

Rental income from property, plant and equipment other than property investment is recognized as *Other operating income*. Rental income is recognized on a straight-line basis over the term of the lease.

SOCIETATEA ENERGETICA ELECTRICA S.A.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

(r) Investment in associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5.

Under the equity method, an investment in an associate is recognised initially in the separate statement of financial position at cost and adjusted thereafter to recognise the Company's share of the profit or loss and other comprehensive income of the associate.

When the Company's share of losses of an associate exceeds the Company's interest in that associate (which includes any long-term interests that, in substance, form part of the Company's net investment in the associate), the Company discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Company's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment.

Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Company's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Company discontinues the use of the equity method from the date when the investment ceases to be an associate.

(s) Subsequent events

Events occurring after the reporting date 31 December 2025, which provide additional information about conditions prevailing at the reporting date (adjusting events) are reflected in the separate financial statements. Events occurring after the reporting date that provide information on events that occurred after the reporting date (non-adjusting events), when material, are disclosed in the notes to the separate financial statements. When the going concern assumption is no longer appropriate at or after the reporting period, the financial statements are not prepared on a going concern basis.

SOCIETATEA ENERGETICA ELECTRICA S.A.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

8 Adoption of new and revised standards and interpretations

Initial application of new amendments to the existing standards effective for the current year

In the current year, the Company applied amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates": Non-Convertibility, issued by the International Accounting Standards Board (IASB) and adopted by the EU, which are mandatory for reporting periods beginning on or after January 1, 2025. The adoption of these amendments did not have any significant impact on the information presented or the amounts reported in these financial statements.

Standards and amendments to the existing standards issued by IASB and adopted by the EU but not yet effective

At the date of authorization of these consolidated financial statements, the following amendments to the existing standards were issued by IASB and adopted by the EU and which are not yet effective:

- Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures": Amendments to the classification and measurement of financial instruments (effective for annual periods beginning on or after 1 January 2026);
- Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures": Contracts relating to electricity dependent on nature (effective for annual periods beginning on or after 1 January 2026);
- Amendments to IFRS 1 "First-time Adoption of International Financial Reporting Standards", IFRS 7 "Financial Instruments: Disclosures", IFRS 9 "Financial Instruments", IFRS 10 "Consolidated Financial Statements" and IAS 7 "Cash Flow Statements": Annual Improvements to IFRS Accounting Standards - Volume 11 (effective for annual periods beginning on or after 1 January 2026).

The Group has elected not to adopt the amendments to existing standards in advance of their effective dates. The Group anticipates that the adoption of these amendments to existing standards will have no material impact on the financial statements of the Group in the period of initial application.

New standards and amendments to the existing standards issued by IASB but not yet adopted by the EU

At present, IFRS as adopted by the EU do not significantly differ from regulations adopted by the International Accounting Standards Board (IASB) except for the following new standards and amendments to the existing standards, which were not endorsed for use in EU as at the date of publication of these consolidated financial statements (the effective dates stated below are for IFRS as issued by IASB):

- IFRS 14 "Regulatory Deferral Accounts" (effective for annual periods beginning on or after 1 January 2016) – the European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard;
- IFRS 18 "Presentation of Information in Financial Statements" (effective for annual periods beginning on or after 1 January 2027, but not yet adopted by the EU). IFRS 18 will replace IAS 1 Presentation of Financial Statements. The standard introduces three sets of new requirements to improve the reporting of financial performance by companies and to provide investors with a better basis for analysing and comparing companies. The main changes in the new standard compared to IAS 1 include: (a) The introduction of categories (operating, investing, financing, income tax and discontinued operations) and defined subtotals in the income statement; (b) the introduction of requirements to improve aggregation and disaggregation; (c) The introduction of information on Management Defined Performance Indicators (MPMs) in the notes to the financial statements.
- IFRS 19 "Non-Public Subsidiaries: Disclosures" as amended (effective for annual periods beginning on or after 1 January 2027, but not yet adopted by the EU). The standard allows a subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements. IFRS 19 is optional for eligible subsidiaries and sets out the disclosure requirements for subsidiaries that choose to apply it.

SOCIETATEA ENERGETICA ELECTRICA S.A.**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

- Amendments to IAS 21: Translation into a Hyperinflationary Presentation Currency (effective for annual periods beginning on or after 1 January 2027, but not yet adopted by the EU).
- Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures": Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and subsequent amendments (effective date postponed by IASB indefinitely, but early application permitted) – approval process postponed indefinitely pending completion of the equity method research project.

The Company anticipates that the adoption of these new standards and amendments to the existing standards will have no material impact on the separate financial statements of the Company in the period of initial application.

Hedge accounting for a portfolio of financial assets and liabilities whose principles have not been adopted by the EU remains unregulated. According to the Company's estimates, the application of hedge accounting for a portfolio of financial assets or liabilities in accordance with IAS 39: Financial Instruments: Recognition and Measurement would not have a significant impact on the financial statements, if applied at the balance sheet date.

9 Revenue, other income and operating expenses***(a) Revenue***

	2025	2024
Revenues from consulting services	81,568	83,525
Revenues from green certificates	9,015,852	8,114,445
Revenues from the supply of electricity on the Balancing Market	7,039,398	4,292,730
Total	16,136,818	12,490,700

(b) Other operating income

	2025	2024
Revenues from disposal of assets	2,094	-
Rental income	774,304	715,190
Revenues from fines and penalties	8,849,103	
Other	3,201,938	400,612
Total	12,827,439	1,115,802

SOCIETATEA ENERGETICA ELECTRICA S.A.**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

*(All amounts are in RON, if not otherwise stated)***(c) Other operating expenses**

	2025	2024
Consumable materials	611,259	543,507
Repairs and maintenance expenses	607,314	1,296,237
Rent expenses	158,236	299,383
Insurance premiums	1,236,425	989,084
Travel and transportation expenses	439,599	683,015
Postage and telecommunications expenses	38,822	49,090
Legal and consulting expenses	2,800,748	1,045,946
Expenses related to disposed assets	-	1,898,268
Taxes and duties	519,368	637,802
Fines and compensation*	16,429,272	-
Other third-party services	25,083,992	18,507,610
Other expenses	5,352,624	2,958,464
Total	53,277,659	28,908,406

*The amount represents the principal and interest related to the penalties in file no. 4469 with DEER. The file concerns the request drawn up by Distribuție Energie Electrică România S.A. (DEER), (formerly SDFEE Transilvania SUD S.A. (SDTS), a subsidiary of Electrica SA), to oblige Electrica SA to pay the amount of 8,951,811 lei, representing the equivalent value of the services paid by SDTS and not performed by Electrica SA during the period 2010-2014, based on the consultancy, mandate and service contracts concluded between the parties, as established by the Court of Auditors through Report no. 700 / 23618 / December 04, 2013 and Decision no. 75 / December 23, 2013.

10 Net finance income

	2025	2024
Interest income	198,808,435	110,920,452
Dividend income	100,000,000	60,000,000
Foreign exchange gains, net	-	28,559
Other finance income	1,745,204	266,845
Total finance income	300,553,639	171,215,856
Interest expense	(45,530,080)	(43,252,678)
Interest expense – green bonds	(52,095,079)	-
Transaction costs – green bonds	(2,765,669)	-
Interest cost for employee benefits (Note 12)	(118,438)	(83,439)
Foreign exchange gain / losses, net	(7,803,765)	-
Total finance costs	(108,313,031)	(43,336,117)
Net finance income	192,240,608	127,879,739

11 Earnings per share

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

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in RON, if not otherwise stated)

Profit attributable to shareholders

	2025	2024
Profit for the year attributable to the shareholders of the Company	93,052,987	69,323,755
Profit attributable to the shareholders of the Company	93,052,987	69,323,755

Number of ordinary shares (in number of shares)

	2025	2024
Number of ordinary shares at 31 December	339,553,004	339,553,004

In April 2024, within the company ELSA., AGEA approved the cancellation of 6,890,593 own shares (respectively the reduction of the company's share capital from 3,464,435,970 lei to 3,395,530,040 lei), which represents 1.988951% of the share capital and the reduction of the number of shares from 346,443,597 shares to 339,553,004 shares, obtained through the stabilization that took place during the Initial Public Offering of June 2014.

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

	2025	2024
Basic and diluted earnings per share (RON)	0,27	0,20

12 Short-term employee benefits

	31 December 2025	31 December 2024
Personnel payables	6,147,477	7,374,574
Current portion of defined benefit liability and other long-term employee benefits	452,173	111,330
Social security charges	1,307,180	618,349
Tax on salaries	376,360	175,457
Total	8,283,190	8,279,710

Details related to employee benefit expenses are presented in Note 13.

In Romania, all employers and employees, as well as other persons, are contributors to the state social security system. The social security system covers state pensions, child benefit, temporary incapacity for work situations, risks of work accidents and professional diseases and other social assistance services, redundancy payments and incentives granted to employers for creating new jobs.

13 Post-employment and other long-term employee benefits

The Company provides cash benefits to employees depending on seniority in the form of jubilee bonuses and depending on the years of service at retirement in the form of retirement bonuses. The post-employment and other long-term employee benefits are stipulated in the Collective Labor Contract.

SOCIETATEA ENERGETICA ELECTRICA S.A.**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

In 2025 and 2024, employee benefit obligations were computed by an independent actuary using the projected unit credit method with benefits calculated proportionally to the period of service.

	31 December 2025	31 December 2024
Defined benefit liability	1,100,477	746,880
Other long-term employee benefits	1,531,250	984,444
Total	2,631,727	1,731,324
- Current portion*	452,173	111,330
- Non-current portion	2,179,554	1,619,994

*Included in Personnel payables in Note 12

(i) Movement in the defined benefit liability and other long-term employee benefits

The following tables show a reconciliation between the opening balances and the closing balances of the defined benefit liability and other long-term employee benefits and their components. There are no plan assets.

Defined benefit liability	2025	2024
Balance at 1 January	746,880	673,354
Included in profit or loss		
Current service cost	134,384	130,844
Past service cost	-	443
Interest cost	52,669	40,495
	187,053	171,782
Included in other comprehensive income		
<i>Re-measurements gain</i>		
- Actuarial gain / loss	282,184	(98,256)
Other		
Benefits paid	(115,640)	-
Balance at 31 December	1,100,477	746,880

Other long-term employee benefits	2025	2024
Balance at 1 January	984,444	768,705
Included in profit or loss		
Current service cost	25,231	54,273
Past service cost	-	51,301
Actuarial gain	715,707	244,170
Interest cost	65,769	42,944
Other		
Benefits paid	(259,901)	(176,949)
Balance at 31 December	1,531,250	984,444

Defined benefits refer to the retirement bonuses granted according to the seniority within the Company and other long-term benefits refer to the jubilee bonuses granted for seniority.

(ii) Actuarial assumptions

The following are the main actuarial assumptions at the respective reporting date:

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in RON, if not otherwise stated)

(a) Macroeconomic assumptions:

- inflation. The actuary used information from the *National Commission for Strategy and Prognosis*:

Year	Valuation date 31 December 2025	Valuation date 31 December 2024
2024	-	-
2025	7,1%	3,8%
2026	5,8%	3,9%
2027	3,2%	2,7%
2028	3,0%	-
2029	2,8%	-
2030-2031	2,5%	-

- the discount rate used is based on the yield of the Romanian Government bonds at the reporting date, therefore the weighted average discount rate is 6.4% for the year 2025 (2024: 7.1%);
- taxes and social charges are those in force as at the reporting date.

(b) Company specific assumptions:

- Starting with 2023 the gross salaries growth was forecasted at the inflation level;
- employees' turnover: based on historical data;
- jubilee and retirement bonuses granted based on seniority as per the collective labor contracts, as follows:

Jubilee bonuses based on years of service in the Company

Seniority	No. of gross monthly base salaries	
	31 December 2025	31 December 2024
20 years	1	1
25 years	1	-
30 years	2	2
35 years	3	3
40 years	4	4
45 years	5	5

Retirement bonuses based on years of service in the Company

Seniority	No. of gross monthly base salaries	
	31 December 2025	31 December 2024
Between 8 and 10 years	2	2
Between 10 and 25 years	3	3
More than 25 years	4	4

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in RON, if not otherwise stated)

Termination benefits

a. Termination benefits for individual layoffs at the Company's initiative

In accordance with the Collective Labor Contract concluded between the Company and the Union, when individual labor contract is terminated at the Company's initiative, the Company will pay termination benefits to the employees depending on their period of service, as follows:

Seniority	No. of gross monthly average base salary at Company level
1 - 2 years	2
2 - 5 years	3
5 - 10 years	4
10 - 20 years	5
More than 20 years	8

b. Termination benefits for collective layoffs at the Company's initiative

For collective layoffs, according to the Collective labor contract, the Company will pay termination benefits to the employees depending on their period of service, as follows:

Seniority	No. of gross monthly average base salary at Company level
1 - 3 years	3
3 - 5 years	6
5 - 10 years	7
10 - 20 years	11
More than 20 years	16

The above-mentioned stipulations do not apply to employees with individual labor contract concluded for a determined period. The above provisions do not apply to employees that obtained other higher cumulative salary compensation rights, provided by legal regulations regarding the Company's reorganization and restructuring. Employees who are re-employed within the Company after layoff are not entitled to the above-mentioned benefits.

Sensitivity analysis

Significant actuarial assumptions for the determination of the benefit obligation are the discount rate, expected salary increase and retirement age. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

	Increase by 1%		Decrease by 1%	
	2025	2024	2025	2024
Discount rate	(163,603)	(102,978)	163,603	102,978
Salary growth	193,690	119,282	(193,690)	(119,282)

	Increase by 1 year		Decrease by 1 year	
	2025	2024	2025	2024
Retirement age	16,193	10,056	(16,193)	10,056

The sensitivity analysis presented above may not be representative of the actual change in the benefit obligation as it is unlikely that the changes in assumptions would occur in isolation of one another, as some of the assumptions may be correlated. In presenting the above sensitivity analysis, the present value of the benefit obligation has been calculated

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in RON, if not otherwise stated)

using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the benefit obligation liability recognized in the statement of financial position.

14 Employee benefit expenses

	2025	2024
Average number of employees	86	82
Number of employees at 31 December	96	84
	2025	2024
Wages and salaries	38,020,763	33,535,986
Social security contributions	916,545	763,948
Meal tickets	727,680	702,040
Termination benefit for labor/mandate contracts	206,923	237,396
Total	39,871,911	35,239,370

The number of employees at 31 December 2025 includes also 3 employees with mandate agreements (2024: 4 employees with mandate agreements).

Termination benefits represent compensation payments for management in case of mandate contracts termination.

Management remuneration is presented within Note 31 – Related parties.

15 Bank borrowings and overdrafts

As of 31 December 2025, respectively 31 December 2024, the long-term bank borrowings are presented as follows:

Lender	Balance at 31 December 2025	Balance at 31 December 2024
Vista Bank	-	130.839.821
ERSTE Group Bank and Raiffeisen Bank	-	105.202.393
Syndicated loan – Facility B	4,855,464	-
Total	4,855,464	236.042.214
Out of which: current portion of the long-term bank borrowings	13.599	236,042,214
Total long-term borrowings, net of current portion	4.841.865	-

**The current portion of long-term loans represents the interest outstanding as of 31.12.2025*

Drawings and repayments of borrowings during the year ended 31 December 2025 were as follows:

	Amount
Balance at 1 January 2025	236,042,214
Drawings of borrowings during the period , out of which:	
Syndicated loan – Facility B	4,841,865
Total drawings	4,841,865
Accumulated interest	13,599
Payment of interest	0

SOCIETATEA ENERGETICA ELECTRICA S.A.**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

	Amount
Reimbursements during the period , out of which:	
ERSTE Group Bank and Raiffeisen Bank	130,839,821
Vista Bank	105,202,393
Total reimbursements	236,042,214
Balance at 31 December 2025	4,855,464

Bank Borrowings description:*a) Line of Credit for working capital and for issuing Bank Guarantee Letters granted by Vista Bank*

On 30 December 2022, Societatea Energetica Electrica S.A., as the borrower, concluded a contract for a line of credit for working capital and for the issuance of Bank Guarantee Letters granted by Vista Bank for a period of 18 months. On 28 June 2024, the value of the loan increased by 5,000,000 RON, up to the value of 130,000,000 RON. The main provisions are: Maximum credit amount: 130,000,000 RON; Interest rate: ROBOR 3M +2.4 % p.a.; due date: 29 December 2025; full refund at maturity.

On 31 December 2025, the balance of the loan is RON 0, as part of the refinancing through the syndicated credit facility (December 31, 2024: RON 130,839,821 of which principal RON 129,950,000 and accrued interest of RON 889,821).

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

On 2 November 2021, Electrica S.A., as borrower, entered a syndicated credit facility with Erste Group Bank AG and Raiffeisen Bank SA. The main provisions are: Maximum loan amount RON 750,000,000; Interest rate: ROBOR 3M+1.16%. On 3 November 2023 the loan was extended for a period of one year and the maximum loan amount was reduced to RON 450,000,000. On August 20, 2024, two Comfort Letters were issued, totaling RON 345,020,000, as follows: New Trend Energy SRL, RON 92,020,000 and Foton Power Energy SRL, RON 253,000,000.

The credit was extended until 31 July 2025.

As at 31 December 2025 the balance of the loan is RON 0, as part of the refinancing in July 2025 through the syndicated credit facility (December 31, 2024: RON 105,202,393, of which principal RON 104,917,585 and accrued interest RON 284,808).

c) Facility B

In December 2025, Societatea Energetica Electrica partially accessed Facility B, in order to finance the capital expenditures for the development and implementation of an Eligible Green Project at the ready-to-build stage. The main provisions of Facility B are: Value RON 500,000,000 ; Interest rate: ROBOR 3M+ 1.55%; Repayments: in 28 equal quarterly installments and the last as bullet installment representing 30% of the amount used, starting with 19.06.2028 until 30.04.2035.

As of December 31, 2025, the loan balance under Facility B is RON 4,856,439, of which principal RON 4,841,865 and accrued interest, due on March 17, 2026 for the amount of RON 13,599.

Overdrafts and short-term loans

As of the date of approval of these individual financial statements by the Board of Directors, the Company has overdraft facilities from ING Bank N.V. with a maximum overdraft limit of up to RON 210,000,000 (maximum overdraft limit of up to RON 210,000,000 on 31 December 2025), due date: 27 January 2026, overdrafts from BRD with a maximum overdraft

SOCIETATEA ENERGETICA ELECTRICA S.A.**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

limit of up to 150,000,000 RON, due date: 30 April 2026 and overdrafts through syndicated facility A, with a maximum overdraft limit of up to RON 130,000,000, maturing on 30.04.2026. The overdraft facilities are used for financing activities. The balance of the overdraft facilities as of 31 December 2025 is RON 454,253,915 (31 December 2024: RON 313,553,595).

On 31 December 2025 and 31 December 2024, the overdrafts are presented as follows:

Creditor (overdrafts and short-term loans)	Borrowed	2025	2024
ING Bank N. V	Societatea Energetica Electrica S.A.	181,217,593	164,983,794
BRD	Societatea Energetica Electrica S.A.	143,036,322	148,569,801
Syndicated loan – Facility A	Societatea Energetica Electrica S.A.	130,000,000	-
Total overdrafts		454.253.915	313,553,595

16 Income tax

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. The Company considers that the accounting records for taxes due are adequate for all open fiscal years, based on assessments 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 Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact the income tax expense in the period when such a determination is made.

(i) Amounts recognized in profit or loss

	2025	2024
Current tax expense	(3,524,403)	(1,880,348)
Deferred tax expense/income	(45,149)	15,721
Total benefit related to income tax	(3,569,552)	(1,864,627)

(ii) Amounts recognized in other comprehensive income

	2025			2024		
	Before tax	Tax benefit	Net of tax	Before tax	Tax benefit	Net of tax
Revaluation of property, plant and equipment	-	-	-	-	-	-
Revaluation of property, plant and equipment - merger	-	-	-	-	-	-
Re-measurement of defined benefit liability	(282,184)	45,149	(237,035)	98,256	(15,721)	82,535
Total	(282,184)	45,149	(237,035)	98,256	(15,721)	82,535

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in RON, if not otherwise stated)

(iii) Reconciliation of effective tax rate

	2025		2024	
Profit before tax		96,622,539		71,188,381
Tax using Company's domestic tax rate	16%	15,459,606	16%	11,390,141
Non-deductible expenses	15%	13,919,500	0%	(112,801)
Non-taxable income	-17%	(15,870,731)	-8%	(5,616,874)
Deductible legal reserve	-1%	(772,127)	-1%	(569,507)
Recognition of tax effect of previously unrecognized tax losses	-9%	(9,166,696)	-5%	(3,226,331)
Other tax effects	0%	-	0%	-
The effect of merger	0%	-	0%	-
Total benefit related to income tax	4%	3,569,552	3%	1,864,627

(iv) Movement in deferred tax balances

	Balance at 31 December 2025					
	Net balance at 1 January 2025	Recognized in profit or loss	Recognized in other comprehensive income	Net	Deferred tax assets	Deferred tax liabilities
2025						
Property, plant and equipment	9,090,281	4,861	-	9,095,142	-	9,095,142
Employee benefits	(1,606,933)	99,476	(45,149)	(1,552,606)	(1,552,606)	-
Tax loss carried forward	(7,483,348)	(59,188)	-	(7,542,536)	(7,542,536)	-
Tax (assets)/ liabilities	-	45,149	(45,149)	-	(9,095,142)	9,095,142
	Balance at 31 December 2024					
	Net balance at 1 January 2024	Recognized in profit or loss	Recognized in other comprehensive income	Net	Deferred tax assets	Deferred tax liabilities
2024						
Property, plant and equipment	10,208,948	(1,118,668)	-	9,090,281	-	9,090,281
Employee benefits	(1,277,534)	(345,120)	15,721	(1,606,933)	(1,606,933)	-
Tax loss carried forward	(8,931,414)	1,448,066	-	(7,483,348)	(7,483,348)	-
Tax (assets)/ liabilities	-	(15,721)	15,721	-	(9,090,281)	9,090,281

(v) Unrecognised deferred tax assets

The Company has not recognized deferred tax assets in respect of the entire cumulated tax losses as it is not probable that future taxable profits will be available against which the Company can use the benefits therefrom.

	2025	2024
Tax losses	237,231,026	292,997,775

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in RON, if not otherwise stated)

Expiration dates of the tax losses as of 31 December 2025:

	Amount	Due date
Loss remaining from 2019 after deduction in subsequent years	(233,299,477)	31.12.2026
Loss arising from merger	(3,931,549)	31.12.2030
Total trade receivables, net	(237,231,026)	

Expiration dates of the tax losses as of 31 December 2024:

	Amount	Due date
Loss remaining from 2019 after deduction in subsequent years	(289,066,226)	31.12.2026
Loss arising from merger	(3,931,549)	31.12.2030
Total trade receivables, net	(292,997,775)	

17 Trade receivables

	31 December 2025	31 December 2024
Trade receivables, gross	157,097,854	157,153,704
Loss allowance	(155,218,508)	(155,218,508)
Total trade receivables, net	1,879,346	1,935,197

Receivables from related parties are presented in Note 31.

Trade receivables, gross, comprise of:

	31 December 2025	31 December 2024
Electricity receivables from clients in litigation, insolvency or bankruptcy (mainly Oltchim, Transenergo)	130,098,666	129,966,217
Late payment penalties from clients in litigation, insolvency or bankruptcy (Oltchim)	26,506,303	26,506,303
Other	492,885	681,185
Total trade receivables, gross	157,097,854	157,153,705

The reconciliation between the opening balances and the closing balances of the impairment for trade receivables is as follows:

Loss allowance	2025	2024
Balance as at 1 January	155,218,508	155,337,719
Loss allowance recognized	-	-
Loss allowance used	-	(119,211)
Decrease in loss allowance	-	-
Balance as at 31 December	155,218,508	155,218,508

SOCIETATEA ENERGETICA ELECTRICA S.A.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

The ageing of trade receivables is presented in Note 30.

Oltchim (a state-controlled company) was an important customer of Electrica S.A. until January 2012, when the Company transferred the contract to Electrica Furnizare S.A. In January 2013, Oltchim entered into insolvency procedures and subsequently in May 2019 started bankruptcy procedures. Due to the uncertainties regarding the recoverability of the amounts owed by this customer, the Company recognized in prior years a bad debt allowance for the entire amount receivable. During 2020, the Company adjusted the uncollected VAT in amount of RON 95,186,215 related to the doubtful receivables from Oltchim, based on the sentence of starting the bankruptcy procedures and the provisions of art. 287 of the Fiscal Code.

As of 31 December 2021, the balance of receivables with Oltchim was RON 518,938,151, bad debt allowance was also at the same amount.

By decision of the European Court in Luxembourg pronounced on 15 December 2021 (final decision being applicable as of 21 March 2022), in case T565/19, it was partially cancelled the European Commission Decision no. C (2018) 8592 from 17.12.2018, which established a series of measures regarding the recovery of the aid granted by Romania State to Oltchim S.A. By its decision, the European court cancelled a series of the measures, including the amounts considered state aid with which Electrica was registered in the table of receivables. Following the decision, the company remained registered in the table of receivables with the amount of RON 116,058,538.

Following the evolution of the bankruptcy process, on 06 April 2022, the updated table of receivables was published in BPI Tabel Oltchim, which still recognizes only the guaranteed receivables, which in the case of the company the estimated amount that remains to be recovered from the sales of assets of Oltchim SA in the completion of the bankruptcy process is RON 116,058,538 (including VAT), comprised of the base in the amount of RON 98,725,847 and respectively the VAT in the amount of RON 17,332,691.

Considering the events above, as of 31 December 2022 a part of the receivable for Oltchim in amount of RON 420,212,304 was written off as it was not recognised in the final bankruptcy table. The bad debt allowance was also adjusted with the same amount. As of 31 December 2025, the balance of receivables with Oltchim is RON 98,725,847, bad debt allowance being at the same amount.

Loss allowances are determined according to IFRS 9 "Financial instruments" based on "expected credit loss" model. A significant part of the loss allowances refers to clients in litigation, insolvency or bankruptcy procedures, many of them being older than five years. The Company will derecognize these receivables together with the related allowances after the finalization of the bankruptcy process. These receivables were treated separately in computing the allowance according to IFRS 9.

18 Investments in government securities and deposits

	31 December 2025		31 December 2024	
	Current	Long term	Current	Long term
Government bonds	12,032,461	1,019,700,000	-	-
Deposits with a maturity of more than 3 months and less than 24 months held for investment purposes	880,883,297	252,216,860	-	-
Total	892,915,757	1,271,916,860	-	-

Bank deposits in RON and EUR, with maturities between 4 months and 24 months, established starting with August 2025 are held for investment purposes and not for the purpose of covering short-term payment commitments. The

SOCIETATEA ENERGETICA ELECTRICA S.A.**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

average interest rate on term deposits was 7.18% per annum for deposits in RON and 2.45% per annum for deposits denominated in EUR in the first nine months of 2025 (2024: not the case).

In August 2025, Electrica purchased government bonds, denominated in EUR, with a maturity of 2 years and an interest rate of 2.95%.

Current bank deposits include deposits with a maturity between 4 months and 12 months from the date of establishment, and long-term deposits represent deposits with a maturity of 18/24 months from the date of establishment (i.e. February/August 2027).

19 Green bonds

In July 2025, the Company issued EUR-denominated green bonds of EUR 500 million maturing on July 14, 2030. Upon maturity, the bonds will be redeemed at their nominal value. The coupon rate is 4.375% and the coupon is payable annually.

The green bonds are unsecured, have no associated financial indicators and can be redeemed early only at the issuer's request in the event of an unfavorable change in the legislative regulations, including tax regulations.

The bonds are listed on the Bucharest Stock Exchange and the Luxembourg Stock Exchange.

	31 December 2025	31 December 2024
Proceeds from the green bond issue	2,519,236,000	-
Transaction costs	(12,052,941)	-
Net proceeds from the green bond issue	2,507,183,059	-
Balance as at 1 January	-	-
Proceeds from the green bond issue	2,507,183,059	-
Interest rates on green bonds	52,095,000	-
Other financial expenses	11,671,580	-
Balance as at 31 December	2,570,949,639	-

20 Other receivables

	31 December 2025	31 December 2024
Interest receivable	32,472,645	28,806,467
Elements related to tax treatments under clarification	17,332,691	-
Other receivables	14,895,650	11,533,876
Bad debt allowance	(9,258,596)	(9,258,597)
Total other receivables, net	55,442,390	31,081,746

**Interest receivable represents mainly interest to be received from related parties for the loans granted (Note 31).*

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in RON, if not otherwise stated)

21 Cash and cash equivalents

	31 December 2025	31 December 2024
Bank current accounts	1,826,259	8,013,268
Call deposits	16,328,490	-
Total cash and cash equivalents in the separate statement of financial position	18,154,749	8,013,268

22 Property, plant and equipment

The reconciliation between the initial balance and the final balance of property, plant and equipment in 2025 and 2024 was as follows:

	Land and land improvement	Buildings	Equipment	Vehicles, furniture and office equipment	Construction in progress	Total
Gross carrying amount						
Balance at 01 January 20245	73,330,925	32,339,490	51,868,094	3,558,579	46,152,516	207,249,605
Additions	-	24,480	467,064	1,039,652	16,728,688	18,259,884
Transfer from construction in progress	-	12,751,571	21,463,876	362,012	-	34,577,459
Disposals	-	-	(32,903)	-	(41,445,081)	(41,477,984)
Balance at 31 December 2025	73,330,925	45,115,542	73,766,131	4,960,243	21,436,123	218,608,963
Accumulated depreciation and impairment losses						
Balance at 31 December 2024	-	783,396	24,440,388	1,290,770	2,134,443	28,648,997
Depreciation	-	1,055,009	2,978,643	356,605	-	4,390,256
Accumulated depreciation of disposals	-	-	(32,903)	-	-	(32,903)
Reversal of impairment of property, plant, equipment net	-	-	-	-	-	-
Balance at 31 December 2025	-	1,838,405	27,386,127	1,647,375	2,134,443	33,006,350
Net carrying amounts						
At 01 January 2025	73,330,925	31,556,094	27,427,707	2,267,809	44,018,073	178,600,607
At 31 December 2025	73,330,925	43,277,137	46,380,004	3,312,868	19,301,680	185,602,613

On December 31, 2023, the Company performed the revaluation at fair value of tangible fixed assets consisting of land and buildings. The revaluation was performed by an independent authorized appraiser Darian DRS S.A.

Measurement of fair value

The Company's land and buildings are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value measurements of the Company's land and buildings as at 31 December 2023 were performed by Darian DRS S.A. an independent valuer not related to the Company. Darian DRS S.A. is member of the National Association of Authorised Romanian Valuers and has appropriate qualifications and recent experience in the fair value measurement of properties in the relevant locations. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties, whenever possible, and discounted cash-flows method.

SOCIETATEA ENERGETICA ELECTRICA S.A.**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

There were no significant changes to the valuation technique in the period between the current revaluation performed on 31 December 2023 and the previous one performed on 31 December 2020.

The following table shows the valuation techniques used in measuring fair values (Level 3), as well as the significant unobservable inputs used.

Category	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Land	<i>Market approach</i> The fair value is estimated based on selling price per square meter of land of similar characteristics (i.e. ownership, legal limitations, financing and selling conditions, location, physical and economical properties, and best use). The market price is mainly based on recent transactions.	Adjustment for liquidity, location, size.	The estimated fair value would increase/(decrease) if: Adjustment for liquidity, location or size would be lower/(higher).
Buildings	<i>Market approach and discounted cash-flows (DCF) method</i> Buildings were evaluated using the following methods, depending on the best use and the availability and credibility of available market information: <u>Market approach</u> The market approach is based on the selling price per square meter for buildings with similar characteristics (i.e. ownership, legal limitations, financing and selling conditions, location, physical and economical properties, and best use), adjusted liquidity, location, size etc. <u>The DCF method</u> The valuation model based on the DCF method estimates the present value of net cash flows to be generated by a building taking into account occupancy rate and annual rent. The discount rate estimation considers, inter alia, the quality of a building and its location.	- Adjustment for liquidity, location, size. - Occupancy rates (90%) - Yield rates (between 9% and 10%) - Annual rent per sqm (between 2 and 10 EUR/sqm), depending on location;	- Adjustment for liquidity, location or size would be lower/(higher). - Occupancy rates were higher/(lower) - Yield rates were lower/(higher) - Annual rent per sqm was higher/(lower)

23 Intangible assets

Intangible assets include mainly licenses and costs of implementation of the accounting system SAP and licenses for various software, as follows:

SOCIETATEA ENERGETICA ELECTRICA S.A.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

	Software and licenses	Goodwill	Construction in progress	Total
Gross carrying amount				
Balance at 31 December 2024	3,453,119	1,446,450	-	4,899,569
Additions	355,394	-	-	355,394
Transfers from intangibles in progress	6,867,622	-	-	6,867,622
Disposals	-	-	-	-
Balance at 31 December 2025	10,676,134	1,446,450	-	12,122,584
Accumulated depreciation and impairment losses				
Balance at 31 December 2024	2,302,573	-	-	2,302,573
Amortization	2,156,230			2,156,230
Accumulated amortization of disposals				
Balance at 31 December 2025	4,458,803	-	-	4,458,803
Net carrying amounts				
At 31 December 2024	1,150,546	1,446,450	-	2,596,996
At 31 December 2025	6,217,331	1,446,450	-	7,663,781

24 Investments in subsidiaries

The investments in subsidiaries are presented as follows:

	31 December 2025			31 December 2024		
	Gross value	Impairment	Net	Gross value	Impairment	Net
Distributie Energie Electrica Romania S.A.	1,741,959,406	-	1,741,959,406	1,741,959,406	-	1,741,959,406
Electrica Furnizare S.A.*****	377,181,073	-	377,181,073	227,181,073	-	227,181,073
Electrica Serv S.A.	481,803,770	(164,368,925)	317,434,846	481,803,770	(164,368,925)	317,434,846
Sunwind Energy S.R.L.	5,868,857	-	5,868,857	5,868,857	-	5,868,857
New Trend Energy S.R.L. **	10,316,375	-	10,316,375	10,166,375	-	10,166,375
Foton Power Energy S.R.L. ***	14,943,203	-	14,943,203	14,708,017	-	14,708,017
Servicii Energetice Oltenia S.A. (in bankruptcy)	82,033,220	(82,033,220)	-	82,033,220	(82,033,220)	-
Servicii Energetice Moldova S.A. (in bankruptcy)	106,162,492	(106,162,492)	-	106,162,492	(106,162,492)	-
Servicii Energetice Banat S.A. (in bankruptcy)	43,761,094	(43,761,094)	-	43,761,094	(43,761,094)	-
Servicii Energetice Dobrogea S.A. (in bankruptcy)	23,822,124	(23,822,124)	-	23,822,124	(23,822,124)	-
Crucea Power ****	25,591,991	-	25,591,991	25,056,198	-	25,056,198
Total	2,913,443,606	(420,147,855)	2,493,295,751	2,762,522,627	(420,147,855)	2,342,374,772

** On 12th July 2024, Electrica completed the acquisition of New Trend Energy S.R.L. Also, on December 23, 2025, Electrica SA carried out a capital increase worth RON 150,000.

*** On 12th September 2024, Electrica completed the acquisition of Foton Power Energy S.R.L. Also, on December 23, 2025, Electrica carried out a capital increase worth RON 180,000.

SOCIETATEA ENERGETICA ELECTRICA S.A.**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

**** On 7th February 2025, Electrica SA completed the acquisition of Crucea Power Park S.R.L. Also, on December 23, 2025, Electrica carried out a capital increase of RON 150,000.

***** On 30th December 2025, Electrica SA carried out a share capital increase at Electrica Furnizare S.A. for the amount of RON 150,000,000.

Changes in Company's subsidiaries structure in 2025

On February 7, 2025, Electrica completed the acquisition of Crucea Power Park S.R.L. ("CPP"), the developer of the "Crucea Est" wind project (with an installed capacity of 121 MW and a storage capacity of 60 MWh), located in the rural area of Crucea village, Constanța county, by acquiring another 40% of the company's shares and voting rights. Thus, Electrica owns 100% of the shares of Crucea Power Park S.R.L. Also, on December 23, 2025, Electrica carried out a capital increase in the amount of RON 150,000.

25 Loans granted to subsidiaries**a) Loans granted to subsidiaries – long term**

	Loans granted to subsidiaries	
	31 December 2025	31 December 2024
Distributie Energie Electrica Romania S.A.	246,325,000	756,325,000
Total loans granted to subsidiaries – long term	246,325,000	756,325,000

The Company has entered into loan agreements as lender, as follows:

- Loans granted in 2021:**

- Intragroup loan agreement with Distributie Energie Electrica Romania S.A. concluded in October 2021. Main provisions are: maximum loan amount: RON 246,325,000, The purpose of granting this loan is the partial repayment of loans contracted from BRD in 2016 to finance the investment plan for the year 2016 which reached the maturity in October 2021, Interest rate: 3.51% per annum, Maturity: 96 months until 12.10.2029, Period allowed for disbursements: 12 months, Repayment in full at maturity; Reimbursement allowed in advance, but not earlier than the 12 months of the period of use. As at 31 December 2025, the outstanding balance is RON 246,325,000 (31 december 2024: RON 246,325,000).

b) Loans granted to subsidiaries – short term

	Loans granted to subsidiaries	
	31 December 2025	31 December 2024
Distributie Energie Electrica Romania S.A.	510,000,000	520,000,000
New Trend Energy S.R.L.	19,565,463	18,176,500
Sunwind Energy S.R.L.	112,675,773	72,749,691
Crucea Power S.R.L.	22,599,329	4,324,548
Foton Power Energy S.R.L.	8,594,249	8,383,678
Electrica Furnizare S.A.	835,000,000	319,286,383
Total loans granted to subsidiaries – short term	1,508,434,815	942,920,800

SOCIETATEA ENERGETICA ELECTRICA S.A.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

- **Short-term loans granted in 2017:**

- Intragroup loan agreement with Societatea de Distribuție a Energiei Electrice Muntenia Nord S.A. (currently Distribuție Energie Electrica Romania S.A.) concluded in November 2017. Main provisions are: maximum loan amount: RON 150,000,000; Purpose of the loan: to finance the investment program of 2017; Interest rate: 2.79% per annum; Maturity: 84 months; Period allowed for disbursements: 12 months; Repayment in full at maturity; Reimbursement allowed in advance, but not earlier than the 12 months of the period of use. On November 6, 2024, an additional act was concluded in which the maturity of the loan was extended until December 10, 2026, and the interest rate is composed of the reference index ROBOR 3M (for 3 months) to which is added a margin of 1.3% p.a. As at 31 December 2025, the outstanding balance is of RON 150,000,000 (31 December 2024: RON 150,000,000);

- Intragroup loan agreement with Societatea de Distribuție a Energiei Electrice Transilvania Nord S.A. (currently Distribuție Energie Electrica Romania S.A.) concluded in November 2017. Main provisions are: maximum loan amount: RON 200,000,000; Purpose of the loan: to finance the investment program of 2017; Interest rate: 2.79% per annum; Maturity: 84 months; Period allowed for disbursements: 12 months; Repayment in full at maturity; Reimbursement allowed in advance, but not earlier than the 12 months of the period of use. On November 6, 2024, an additional act was concluded in which the maturity of the loan was extended until December 10, 2026, and the interest rate is composed of the reference index ROBOR 3M (for 3 months) to which is added a margin of 1.3% p.a. As at 31 December 2025, the outstanding balance is of RON 200,000,000 (31 December 2024: RON 200,000,000);

- Intragroup loan agreement with Societatea de Distribuție a Energiei Electrice Transilvania Sud S.A. (currently Distribuție Energie Electrica Romania S.A.) concluded in November 2017. Main provisions are: maximum loan amount: RON 160,000,000; Purpose of the loan: to finance the investment program of 2017; Interest rate: 2.79% per annum; Maturity: 84 months; Period allowed for disbursements: 12 months; Repayment in full at maturity; Reimbursement allowed in advance, but not earlier than the 12 months of the period of use. On November 6, 2024, an additional act was concluded in which the maturity of the loan was extended until December 10, 2026, and the interest rate is composed of the reference index ROBOR 3M (for 3 months) to which is added a margin of 1.3% p.a. As at 31 December 2025, the outstanding balance is of RON 160,000,000 (31 December 2024: RON 160,000,000).

- **Short-term loans granted in 2018:**

- Intragroup loan agreement concluded with Societatea de Distribuție a Energiei Electrice Muntenia Nord S.A. (currently Distribuție Energie Electrica Romania S.A.) in April 2018. The main provisions are: Maximum loan amount: RON 230,000,000; The purpose of the loan: financing the investment program related to 2018; Interest rate: 4.7% per year; Maturity: 84 months; Drawing period: 12 months; Full repayment at maturity; Reimbursement allowed in advance, but not earlier than 12 months of the usage period. At 31 December 2025, the outstanding balance is RON 0 (31 December 2024: RON 230,000,000);

- Intragroup loan agreement concluded with Societatea de Distribuție a Energiei Electrice Transilvania Nord S.A. (currently Distribuție Energie Electrica Romania S.A.) in April 2018. The main provisions are: Maximum loan amount: RON 160,000,000; The purpose of the loan: financing the investment program related to 2018; Interest rate: 4.7% per year; Maturity: 84 months; Drawing period: 12 months; Full repayment at maturity; Reimbursement allowed in advance, but not earlier than 12 months of the usage period. At 31 December 2025, the outstanding balance is RON 0 (31 December 2024: RON 160,000,000);

- Intragroup loan agreement concluded with Societatea de Distribuție a Energiei Electrice Transilvania Sud S.A. (currently Distribuție Energie Electrica Romania S.A.) in April 2018. The main provisions are: Maximum loan amount: RON 130,000,000; The purpose of the loan: financing the investment program related to 2018; Interest rate: 4.7% per year; Maturity: 84 months; Drawing period: 12 months; Full repayment at maturity; Reimbursement allowed in advance, but not earlier than 12 months of the usage period. At 31 December 2025, the outstanding balance is RON 0 (31 December 2024: RON 130,000,000);

SOCIETATEA ENERGETICA ELECTRICA S.A.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

- **Short-term loans granted in 2022:**

- Intragroup loan agreement with New Trend Energy S.R.L. concluded in June 2022. Main provisions are: maximum loan amount: RON 2,400,000, The purpose of granting this loan is financing for the payment of the land set-aside fee and the related bank commissions and the partial financing of the costs for issuing a Bank Letter of Guarantee having as beneficiary the company Distributie Energie Electrica Romania SA, Interest rate: ROBOR 3M + 1.16 % per annum, Maturity: 12 months until 13.06.2023, Repayment in full at maturity. During 2023 the parties agree to supplement the loan granted by Electrica SA to New Trend Energy SRL up to the total cumulative amount of RON 8,517,600. Expiry date and duration of the contract, including the period of use, not exceeding 13.06.2024. During 2024 the parties agree to supplement the loan granted by Electrica SA to New Trend Energy SRL up to the total cumulative amount of RON 15,433,600 and maturity date of the loan until 13 May 2025. On May 13, 2025, an additional act was concluded in which the loan maturity was extended until May 13, 2026. As at 31 December 2025, the balance of the loan granted is RON 15,065,463 (31 December 2024: RON 13,676,500).

- Intragroup loan agreement with Sunwind Energy S.R.L. concluded in September 2022. Main provisions are: maximum loan amount: RON 1,200,000, The purpose of granting this loan is financing the costs that are the responsibility of ELSA according to the Sale and Purchase Agreement, Interest rate: ROBOR 3M + 1.16 % per annum, Maturity: 12 months until 25.09.2024, Repayment in full at maturity. On 25 September 2024, an additional act was concluded in which the maturity of the loan was extended until 25 September 2025, and the maximum value of the loan is RON 1,665,350. As of 31 December 2025, the outstanding balance is RON 1,665,307 (31 december 2024: RON 1,665,307).

- Intragroup loan agreement with Sunwind Energy S.R.L. concluded in November 2022. Main provisions are: maximum loan amount: RON 147,300,000, The purpose of granting this loan is financing the investment works necessary for the completion and operation of the "Satu Mare 2" (Botiz) photovoltaic power plant, Interest rate: ROBOR 3M + 1.16% per annum, Maturity: 12 months until 27.10.2023, Repayment in full at maturity. On 10 April 2024, an additional act was concluded in which the maturity of the loan was extended until 10 April 2025, and the maximum value of the loan is RON 126,500,000. On September 23, 2025, an additional act was concluded in which the loan maturity was extended until September 25, 2026. As of 31 December 2025, the outstanding balance is RON 109,211,268 (31 December 2024: RON 69,285,192).

- **Short-term loans granted in 2023:**

- Intragroup loan agreement with Sunwind Energy S.R.L. concluded in April 2023. Main provisions are: maximum loan amount: RON 1,800,000, The purpose of granting this loan is financing the costs that are the responsibility of ELSA according to the Sale and Purchase Agreement, Interest rate: ROBOR 3M + 2,95 % per annum, Maturity: 12 months until 06.04.2024, Repayment in full at maturity. On 04 April 2025, an additional act was concluded in which the maturity of the loan was extended until 06 April 2026. As at 31 December 2025, the outstanding balance is RON 1,799,199 (31 December 2024: RON 1,799,199).

- Intragroup loan contract concluded with FOTON POWER ENERGY SRL in October 2023. The main provisions are: the maximum amount of the loan: RON 3,640,108, the due date and duration of the contract, including the period of use, not exceeding 10.10.2024. On October 3, 2025, an additional deed was concluded in which the maturity of the loan was extended until 10 October 2026. On 31 December 2025, the balance of the granted loan is RON 3,295,088 (31 December 2024: RON 3,223,987).

- Intragroup loan agreement concluded with New Trend Energy S.R.L. in January 2024. The main provisions are: the maximum amount of the loan: 200,000,000 RON, The purpose of granting this loan is to finance the investment works necessary for the completion and operation of the "Satu Mare 3" photovoltaic power plant, Interest rate: ROBOR 3M+ 1.16% per year, the maturity of the loan until 16 May 2025. On December 31, 2024, the balance the tax granted is zero.

SOCIETATEA ENERGETICA ELECTRICA S.A.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

- On 18.12.2023, an intragroup loan contract was concluded with Electrica Furnizare S.A.. The main provisions are: maximum loan amount: RON 100,000,000. The purpose of this loan is to finance the short-term working capital requirement, Interest rate: ROBOR 3M+ 1.16% per year, Maturity: 02.11.2024. On 25.10.2024, an additional act was concluded in which the interest rate was changed to ROBOR 1M+ 1.46% p.a. and maturity on 02.11.2025. On October 14, 2025, an additional act was concluded extending the loan maturity until November 2, 2026. On 31 December 2025, the balance of the loan granted is RON 100,000,000 (31 December 2024: RON 100,000,000).

• Short-term loans granted in 2024:

- Intragroup loan agreement concluded with FOTON POWER ENERGY SRL in January 2024. The main provisions are: maximum loan amount: RON 245,000,000, The purpose of granting this loan is to finance the investment works necessary for the completion and operation of the "BIHOR" photovoltaic power plant, Interest rate: ROBOR 3M+1.16%, Maturity: 16.05.2025. On May 12, 2025, an additional act was concluded extending the loan maturity to May 16, 2026. On 31 December 2025, the balance of the granted loan is RON 23,800 (31 December 2024: RON 0).

- Intragroup loan agreement concluded with Electrica Furnizare S.A. in April 2024. The main provisions are: the maximum amount of the loan: RON 245,000,000, The purpose of granting this loan is to make payments to the electricity suppliers and the State Budget, as well as to make payments to Distributie Energie Electrica Romania S.A., Interest rate: 1. for amounts worth RON 139,146,941: ROBOR 1M + 2.25% p.a.; 2. for amounts worth RON 13,299,955: ROBOR 3M + 2.4% p.a.; 3. for amounts worth RON 66,839,487: ROBOR 1M + 1.46% p.a.; for the remaining amount up to RON 245,000,000, respectively RON 25,713,617, the interest to be paid is the one resulting from the ex-ante analysis carried out by an independent specialist in transfer prices prior to the release of the amount, taking into account the market value principle and communicated by ELSA to the Borrower through a notification sent one working day before the date of release of the amount, Maturity: 08.04.2025. On April 4, 2025, an addendum was concluded extending the loan maturity until April 8, 2026. On 31 December 2025, the balance of the granted loan is RON 245,000,000 (31 December 2024: RON 219,286,383).

- Intragroup loan agreement concluded with FOTON POWER ENERGY SRL in September 2024. The main provisions are: the maximum amount of the loan: RON 5,460,000, The purpose of granting this loan is: (i) repayment of the associate loan granted to Foton Power Energy S.R.L., by Mr. Emanuel Muntmark; (ii) payment of the invoice value related to the development services provided by Monsson S.R.L. (formerly Monsson Alma SRL) to Foton Power Energy S.R.L.; (iii) the financing of some operational costs (in the maximum amount of up to 300 thousand RON), Interest rate: ROBOR 3M +1.16%, Maturity: 26.09.2025. On September 26, 2025, an additional act was concluded extending the loan maturity until September 26, 2026. On 31 December 2025, the balance of the granted loan is RON 5,275,360 (31 December 2024: RON 5,159,691).

- Intragroup loan agreement concluded with New Trend Energy S.R.L. in July 2024. The main provisions are: the maximum amount of the loan: 4,500,000 RON, The purpose of granting this loan is: 1. the repayment of the shareholder loan granted to the company New Trend Energy S.R.L., by Mr. Emanuel Muntmark according to the "Agreement on the repayment of the amounts borrowed under loan agreement no. New Trend Energy S.R.L. 1/10.09.2020", within 10 working days from the completion of the Final Closing and the taking over of 100% of the participations; 2. Payment of the invoice value related to the development services provided by Monsson S.R.L. (formerly Monsson Alma SRL) to New Trend Energy S.R.L., the invoice to be paid by New Trend Energy S.R.L., after taking over 100% of the shares; 3. financing of some operational costs that could appear in the period immediately following the Closing (in the maximum amount of up to RON 255,000); Interest rate ROBOR 3M+ 1.16% per year, loan maturity 12 months until 24 July 2025. On July 22, 2025, an additional act was concluded extending the loan maturity until July 24, 2026. On 31 December 2025, the balance of the granted loan is RON 4,500,000 (31 December 2024: RON 4,500,000).

- Intragroup loan agreement concluded with CRUCEA POWER PARK S.R.L. in November 2024. The main provisions are: the maximum amount of the loan: RON 1,601,500, The purpose of granting this loan is the financing of

SOCIETATEA ENERGETICA ELECTRICA S.A.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

all costs (including, but not limited to: notary fees, ANCPPI taxes, taxes owed by the seller and deducted from the price by the buyer (if applicable), as well as any other adjacent costs necessary to fulfill the object of the contract, related to the purchase of the share of 29.11% of the land related to the joint connection station for the project developed by CPP (Centrala Electrica Crucea Est), with a total area of 83,299 square meters, located in the outskirts of Vulturu, Constanta County, Plot A78/16/2/1, registered in the land register no. 101721 Vulturu, at a total price determined as a share of 29.11% of EUR 1,083,982, Interest rate: ROBOR 3M to which a margin of 1.16% is added. On November 17, 2025, an additional act was concluded extending the loan maturity until November 19, 2026. On 31 December 2025, the balance of the loan granted is RON 1,590,415 (31 December 2024: RON 1,590,415).

- Intragroup loan agreement concluded with CRUCEA POWER PARK S.R.L. in December 2024. The main provisions are: the maximum amount of the loan: RON 3,233,000. The purpose of this loan is to finance the costs related to the payment of invoices issued by Transelectrica S.A. issued based on the connection contract no. C1031/11.11.2024, Interest rate: ROBOR 3M to which a margin of 1.16% is added; The duration of the contract is 12 months, with maturity until 18.12.2025. On December 18, 2025, an additional act was concluded, which modified the interest rate to ROBOR 1M + 2.45% p.a., as well as extending the loan maturity until December 18, 2026. On 31 December 2025, the balance of the granted loan is RON 2,744,439 (31 December 2024: 2,734,126).

• Short-term loans granted in 2025:

- Intragroup loan agreement concluded with CRUCEA POWER PARK S.R.L. in February 2025. The main provisions are: maximum loan amount: RON 19,200,000; the purpose of granting this loan is the reimbursement of the loan granted to CPP by Mr. Emanuel Muntmark, the payment of the value related to the development services provided by Monsson SRL to CPP, the financing of operational and investment costs related to the project that could occur in the period immediately following the Stage 4 Closing (in a maximum amount of up to RON 650,000). Interest rate: ROBOR 3M to which a margin of 1.16% is added; The duration of the agreement is 12 months, with maturity until 18.02.2026. On December 31, 2025, the balance of the loan granted is RON 18,264,475.

- Intragroup loan agreement concluded with Electrica Furnizare S.A. in July 2025. The main provisions are: maximum loan amount: RON 245,000,000, The purpose of granting this loan is to make payments to Distributie Energie Electrica Romania S.A.; Interest rate: until the completion of the ex-ante analysis and the signing of the additional act, the interest rate is ROBOR 3M + 1.5% p.a.; Maturity: 28.07.2026. On December 31, 2025, the balance of the loan granted is RON 245,000,000.

- Intragroup loan agreement concluded with Electrica Furnizare S.A. in September 2025. The main provisions are: maximum loan amount: RON 245,000,000, The purpose of granting this loan is to make payments to Distributie Energie Electrica Romania S.A. representing the equivalent value of the electricity distribution service; Interest rate: until the completion of the ex-ante analysis and the signing of the additional act, the interest rate is ROBOR 3M + 1.5% p.a.; Maturity: 31.08.2026. On December 31, 2025, the balance of the loan granted is RON 245,000,000.

Cash pooling system at Group level

1. On 20 December 2019, between ING Bank N.V., Electrica SA and its subsidiaries, two agreements were concluded for the implementation of two cash pooling schemes, as follows:

- a first system involving Electrica SA, as cash pool leader and its distribution subsidiaries (Societatea de Distributie a Energiei Electrice Muntenia Nord S.A., Societatea de Distributie a Energiei Electrice Transilvania Nord S.A. and Societatea de Distributie a Energiei Electrice Transilvania Sud S.A., currently Distributie Energie Electrica Romania S.A.), as participants. The credit facility offered by the pool leader to each participant is up to the amount of RON 180,000,000; The credit facility offered by each participant to the pool leader is up to

SOCIETATEA ENERGETICA ELECTRICA S.A.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

the amount of RON 50,000,000;

Through the internal treasury agreements concluded by Electrica SA with each of the participants, later amended by additional documents, the Internal Interest Rate was established: ROBOR 1M + 0.58% p.a and ROBOR 3M + 1.5% and Bank Rate : ROBOR 1M + 2.25%.

However, if the amounts drawn by the participants are covered both by the internal liquidity of Electrica SA, and by drawing from the credit line granted to Electrica SA, the amount of interest due by the participants to Electrica SA will be calculated using a weighted interest rate, calculated on the basis of the ROBOR Internal Rate 1M +0.58% p.a. and the ROBOR Bank Rate 1M + 2.25% p.y.

The initial due date was 20.12.2020, the convention being automatically extended at the maturity of the bank facility agreement until 27.02.2026;

- a second system involving Electrica SA, as cash pool leader and its subsidiaries, Electrica Furnizare S.A., Electrica Serv S.A., Servicii Energetice Muntenia S.A (currently absorbed by Electrica Serv S.A.), Electrica Energie Verde 1 SRL (starting with 30 December 2020) as participants;

The credit facility offered by the coordinator is RON 245,000,000 for Electrica Furnizare S.A., RON 15,000,000 for Electrica Energie Verde 1 SRL and RON 12,000,000 for Electrica Serv S.A.;

The credit facility offered by the participants to the pool leader is up to the amount of RON 180,000,000 for Electrica Furnizare S.A.; RON 10,000,000 for Electrica Energie Verde 1 SRL; RON 50,000,000 for Electrica Serv S.A..

**On 31.12.2023 the merger by absorption took place between Societatea Energetica Electrica SA (ELSA) as absorbing company and Societatea Electrica Productie Energie SA (EPE), Electrica Energie Verde 1 SRL (EEV1) and Green Energy Consultancy & Investments SRL (GECI) as absorbed companies.*

Through internal agreements concluded by Electrica SA with each of the participants, subsequently amended by additional agreements, the internal interest rate was set at ROBOR 1M + 0.58% and ROBOR 3M + 1.5% and the Bank rate at ROBOR 1M + 2.25%;

In the case where the amounts drawn by the participants are covered both from Electrica SA's internal liquidity and by drawing on the credit line granted to Electrica SA, the amount of interest owed by the participants to Electrica SA will be calculated using a weighted interest rate calculated on the basis of the Internal Rate ROBOR 1M + 0.58% and the Bank Rate ROBOR 1M + 2.25%;

The initial due date was 20.12.2020, the convention being automatically extended at the maturity of the bank facility agreement until 27.01.2026; through which the bank will automatically transfer all available amounts existing at the end of each day in the current bank accounts of the participants to the master bank account of Electrica SA. In case the current bank accounts of the participants have a negative balance at the end of the day, the bank will transfer the necessary amounts from the master bank account of Electrica SA to the current bank accounts of the participants, so as at the end of each day the balance of the current bank accounts of the participants is nil. In case the balance of the master bank account of Electrica SA is not sufficient to cover the negative balance of the current bank accounts of the participants, the bank will make available the necessary funds from the overdraft facility that will be signed between the bank and Electrica SA.

2. On 18 January 18 2024, between BRD - Groupe Societe Generale SA, Electrica SA and its subsidiaries (Electrica Furnizare S.A., Electrica Serv S.A., Distributie Energetica Romania) as participants, a contract regarding the granting by the Bank of a credit facility was concluded, as follows: The borrower can use until 30.04.2026, the maximum value of the facility is of 150,000,000 RON, Variable Interest Rate ROBOR 1M + margin of 1.35% per year for Uses in RON.

As of 31 December 2025, the credit facility has an outstanding balance of RON 324,253,915 (31 December 2024: RON 313,553,595). For the amounts drawn/transferred to the cash pooling systems between Electrica SA and the other participants, please refer to Note 31.

SOCIETATEA ENERGETICA ELECTRICA S.A.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

26 Capital and reserves

(a) Share capital, share premium, gains and losses referring to share issue

The issued share capital in nominal terms consists of ordinary shares as 339,553,004 at 31 December 2025 (31 December 2024: 339,553,004) with a nominal value of RON 10 per share. As of 4 July 2014, after the Initial Public Offering ("IPO"), the Company's shares are listed on the Bucharest Stock Exchange and the Global Depositary Receipts are listed on the London Stock Exchange.

The shares owned by the Company's shareholders that are traded on the London Stock Exchange are the global depositary receipts (GDRs). A global depositary receipt represents four shares. The Bank of New York Mellon is the depositary bank for these securities.

The holders of ordinary shares are entitled to receive dividends as declared, and are entitled to one vote per share in the shareholders' meetings of the Company. All shares rank equal and confer equal rights to the net assets of the Company.

The Company recognizes changes in share capital only after their approval in the General Shareholders Meeting and their registration by the Trade Register. The contributions made by the shareholders which are not yet registered with the Trade Register at year end are recognized as pre-paid capital contributions from shareholders.

After IPO privatization, the Company recognized an increase of share capital of RON 1,771,887,440 and a share premium of RON 171,128,062. The transaction costs of RON 68,078,885 were deducted from the share premium.

Following the SPO that took place in November 2019, the share capital of Electrica SA was increased by in kind and cash contribution, with the amount of RON 5,036,680, from the amount of RON 3,459,399,290 to the amount of RON 3,464,435,970, by issuing a number of 503,668 new nominative and dematerialized shares with a nominal value of 10 RON/share.

The costs generated by the secondary public offering are in amount of RON 963,601. Also, the Company recorded gains referring to share issue of RON 2,185,519, resulting from the difference between the contribution value of the plots of land and their value recorded as pre-paid capital contributions in kind from shareholders.

On 11 July 2024, the Bucharest Trade Registry Office approved the request to reduce Electrica's share capital, as decided by the Extraordinary General Meeting of Shareholders. The share capital of Electrica was thus reduced from RON 3,464,435,970 to RON 3,395,530,040, and the number of shares was reduced from 346,443,597 to 339,553,004 shares.

As a result of the share capital reduction, the Romanian State holds 49.7850% of the subscribed share capital, while other shareholders (individuals and legal entities) hold 50.2150% of the share capital.

On 19 July 2024, the Financial Supervisory Authority (ASF) issued the Certificate of Registration of Financial Instruments (CIIF) no. AC-4023-3 / 19.07.2024, reflecting the share capital reduction corresponding to the value of the treasury shares held since 2014.

On 22 July 2024, the Central Depository implemented the reduction of Electrica's share capital by canceling the treasury shares.

(b) Treasury shares reserve

In July 2014, the Company purchased 5,206,593 ordinary shares and 421,000 Global Depositary Receipts, equivalent to 1,684,000 shares (totaling 6,890,593 shares). The total amount paid for acquiring the shares and Global Depositary Receipts was RON 75,372,435.

SOCIETATEA ENERGETICA ELECTRICA S.A.**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

*(All amounts are in RON, if not otherwise stated)***(c) Revaluation reserves**

The reconciliation between opening and closing balance of the revaluation reserve is as follows:

	2025	2024
Balance at 1 January	20,030,772	20,258,665
Revaluation of property, plant and equipment	-	-
Deferred tax liability arising on revaluation of property, plant and equipment	-	-
Release of revaluation reserve to retain earnings corresponding to depreciation and disposals of property, plant and equipment	(808,499)	(227,893)
Balance at 31 December	19,222,273	20,030,772

(d) Legal reserves

The Legal reserves are set up as 5% of the gross profit for the year, until the total legal reserves reach 20% of the paid-up nominal share capital of the Company, according to the legislation. These reserves are deductible for income tax purposes and are not distributable.

As at 31 December 2025, the legal reserves were in amount of 239,984,794 RON (31 December 2024: RON 235,159,000).

(e) Dividends

The dividends distributed by the Company in 2025 and 2024 (from the statutory profits of preceding years) were as follows:

	2025	2024
Distributed dividends	59,999,016	39,999,343

On 29 April 2025, the General Shareholders Meeting of the Company approved the net distributable profit of 2024 as follows:

- Dividends to be distributed to shareholders: RON 59,999,016.
- Legal reserve (5% from 2024 pre-tax profit): RON 3,563,305;
- Other reserves: RON 0.

On 27 April 2024, the General Shareholders Meeting of the Company approved the net distributable profit of 2023 as follows:

- Dividends to be distributed to shareholders: RON 39,999,343;
- Legal reserve (5% from 2023 pre-tax profit): RON 2,160,391.
- Other reserves: RON 18,218,899.

The total amount of dividends to be distributed to shareholders in 2025 was of RON 59,999,016 (2024: RON 39,999,343). The value of dividends per share distributed to the shareholders of the Company was: RON 0.1767 per share (2024: RON 0.1178 per share).

In April 2024, within Electrica S.A., AGEA approved the cancellation of 6,890,593 own shares (respectively the reduction of the company's share capital from RON 3,464,435,970 to RON 3,395,530,040), which represents 1.988951% of the share capital and the reduction of the number of shares from 346,443,597 shares to 339,553,004 shares, obtained through the stabilization that took place within the Initial Public Offering of June 2014.

SOCIETATEA ENERGETICA ELECTRICA S.A.**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

Out of the dividends declared by the Company of RON 59,999,016 (2024: RON 39,999,343), the dividends paid were RON 59,917,741 (2024: RON 39,982,739), relating to the current period and previous periods. The amount relating to the current period is RON 59,850,873.

27 Trade payables

	31 December 2025	31 December 2024
Energy suppliers	7,613,892	6,112,339
Property, plant and equipment suppliers	10,243,941	981,092
Suppliers – related parties (Note 31)	128,135	687,052
Total	17,985,968	7,780,483

Payables to related parties are detailed in Note 31.

28 Other payables

	31 December 2025		31 December 2024	
	Current	Non-current	Current	Non-current
Interest payable	253,360	-	-	-
Other payables to the state budget	23,846	-	119,492	-
Dividends payable	1,679,457	-	1,598,182	-
Other liabilities	2,732,938	-	5,251,477	-
Total	4,689,601	-	6,969,151	-

Other liabilities include mainly guarantees and sundry creditors. Dividends payable represent the dividends uncollected by the shareholders.

29 Provisions

	Litigations and other risks
Balance at 1 January 2025	1,484,971
Provisions recognized	22,764,814
Provisions utilized	-
Provisions reversed	(2,285,875)
Balance at 31 December 2025	21,963,912

The provisions consists of:

a) provisions in amount of RON 1,607,714 as of 31 December 2025 (31 December 2024: RON 1,251,118) referring to the benefits granted upon the termination of executive directors' and management key personnel contracts in the form of a non-compete clause;

b) provision in amount of RON 20,350,104 as of 31 December 2025 (31 December 2024: RON 225,598). The provision in the amount of RON 20,350,104 refers to the dispute with DEER, in file no. 18976/3/2020. The case concerns the action of the plaintiff DEER to return the unpaid payment, namely obliging the defendant ELSA to pay the amount, an

SOCIETATEA ENERGETICA ELECTRICA S.A.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

action initiated by DEER in order to implement the measures ordered by the Prahova Chamber of Accounts to remedy the violations found by Decision no. 45/2016.

c) other provisions in amount of RON 6,092 as of 31 December 2025 (31 December 2024: RON 8,256).

30 Financial instruments

(a) Accounting classifications and fair values

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

The Company doesn't have real Group guarantees, only corporate guarantees disclosed in note 33 Commitments.

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

(b) Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk;
- market risk.

These risks are further explained and detailed.

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises mainly from the Company's receivables from customers, cash-pooling debtors, cash and cash equivalents, restricted cash and bank deposits.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. In the past, the Company had a high credit risk mainly from State-owned companies (see Note 15).

Cash and bank deposits are placed in financial institutions, which are considered to have good creditworthiness. The carrying amount of financial assets represents the maximum credit exposure.

Trade receivables

The Company establishes an allowance for impairment that represents the amount of expected credit losses, calculated based on the expected loss rates.

Impairment

The following table provides information about the exposure to credit risk and expected credit losses for trade receivables for customers as of 31 December 2025:

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE SEPARATE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

	31 December 2025				
	Expected loss rates ("ECL")	Gross value	Lifetime ECL	Net trade receivables	Credit impaired
Neither past due nor impaired	0%	364,027	-	364,027	No
Past due 1-30 days	0%	-	-	-	No
Past due 31-60 days	0%	-	-	-	No
Past due 61-90 days	0%	-	-	-	No
Past due more than 90 days	99%	156,733,828	(155,218,508)	1,515,320	Yes
Total		157,097,854	(155,218,508)	1,879,346	

Allowances for impairment are referring mainly to Oltchim in amount of RON 98,725,847 (31 December 2024: RON 98,725,847), Transenergo Com in amount of RON 37,084,601 (31 December 2024: RON 37,084,601) and to Fidelis Energy in amount of RON 11,154,320 (31 December 2024: RON 11,154,320). Please see Note 17.

An analysis of trade receivables from the point of view of the credit risk and expected credit losses for trade receivables for customers as of 31 December 2024, is as follows:

	31 December 2024				
	Expected loss rates ("ECL")	Gross value	Lifetime ECL	Net trade receivables	Credit impaired
Neither past due nor impaired	0%	414,459	-	414,459	No
Past due 1-30 days	0%	(1)	-	(1)	No
Past due 31-60 days	0%	505	-	505	No
Past due 61-90 days	0%	(1)	-	(1)	No
Past due more than 90 days	99%	156,738,742	(155,218,508)	1,520,234	Yes
Total		157,153,704	(155,218,508)	1,935,196	

(ii) Liquidity risk

Liquidity risk is the risk that the Company might encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company has significant cash and cash equivalents so that no liquidity risk is experienced.

The Company aims to maintain the level of its cash and cash equivalents at an amount more than expected cash outflows on financial liabilities. The Company also monitors the level of expected cash inflows on trade receivables together with expected cash outflows on trade and other payables.

Exposure to liquidity risk

The following table presents the contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest accrued.

Financial liabilities 31 December 2025	Carrying amount	Contractual cash flows				
		Total	less than 1 year	1-2 years	2-5 years	more than 5 years
Bank overdrafts	454,253,915	454,253,915	454,253,915	-	-	-
Trade payables	17,985,968	17,985,968	17,985,968	-	-	-
Green bonds	2,570,949,639	(*) 2,601,500,895	52,250,895	-	2,549,250,000	-
Lease liability	17,507,309	17,507,309	933,322	676,637	818,224	15,079,126
Total	3,060,696,831	3,091,248,087	525,424,100	676,637	2,550,068,224	15,079,126

SOCIETATEA ENERGETICA ELECTRICA S.A.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

Financial liabilities 31 December 2024	Carrying amount	Contractual cash flows				
		Total	less than 1 year	1-2 years	2-5 years	more than 5 years
Bank overdrafts	313,553,595	313,553,595	313,553,595			
Trade payables	7,780,483	7,780,483	7,780,483			
Lease liability	17,499,215	17,499,215	847,482	875,557	1,060,869	14,715,307
Total	338,833,293	338,833,293	322,181,560	875,557	1,060,869	14,715,307

* The amount of 2,601,500,895 RON represents the gross value of the green bonds, the difference of 30,551,256 RON up to the amount of 2,570,949,639 lei represents bond issue premiums and expenses recorded for obtaining the bonds.

(iii) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the functional currency of the Company. The functional currency of the Company is the Romanian Leu (RON).

The currencies in which these transactions are primarily denominated are RON and EUR. The Company also has deposits and bank accounts denominated in foreign currency (EUR). The Company's policy is to use the local currency in its transactions as far as practically possible. The Company does not use derivative or hedging instruments.

Exposure to currency risk

The summary of the quantitative data about the Company's exposure to currency risk is as follows:

<i>In RON</i>	31 December 2025	31 December 2024
	denominated in EUR	denominated in EUR
Cash and cash equivalents	70,726	1,686,406
Lease liability	(17,507,309)	(17,499,215)
Investments in government bonds and deposits	1,141,071,230	-
Green bonds	(2,601,500,895)	-
Net statement of financial position exposure	(1,477,866,248)	(15,812,809)

The following significant exchange rates have been applied during the year:

	Average rate		Year-end spot rate	
	2025	2024	2025	2024
RON				
EUR 1	5.0415	4.9746	5.0985	4.9741

Sensitivity analysis

A reasonable possible appreciation (depreciation) of the EUR against RON on 31 December would have affected the measurement of financial instruments denominated in a foreign currency, the profit before tax and the equity, respectively, by the amounts shown below. The analysis assumes that all other variables, especially the interest rates, remain constant and ignores the impact of forecasted sales and purchases.

<i>Effect</i>	Profit before tax	
	Appreciation	Depreciation
31 December 2025		
EUR (5% movement)	(14,492,495)	14,492,495
31 December 2024		

SOCIETATEA ENERGETICA ELECTRICA S.A.**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

EUR (5% movement)

Profit before tax	
Appreciation	Depreciation
(156,299)	156,299

Interest rate risk

The Company exposures to interest rates on financial assets and financial liabilities are detailed below. The Company is exposed to the interest rate benchmark ROBOR, which is the interest rate on the Romanian interbank market. The Company does not have in place hedging contracts for interest rate.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments is as follows:

	31 December 2025	31 December 2024
Variable-rate instruments		
Financial assets		
Cash pooling receivables (Note 23, Note 31)	482,860,094	482,860,094
Investments in government bonds and deposits (Note 18)	2,164,832,618	-
Financial liabilities		
Cash pooling payables (Note 23, Note 31)	(46,418,067)	(170,101,192)
Bank overdrafts (Note 15)	(454,253,915)	(313,553,595)
Green bonds (Note 19)	(2,570,949,639)	-
Lease liability	(17,507,309)	(17,499,215)
Total	(441,436,218)	(18,293,908)

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) profit before tax by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit before tax	
	50 bp increase	50 bp decrease
31 December 2025		
Variable-rate instruments	2,207,181	(2,207,181)
31 December 2024		
Variable-rate instruments	91,470	(91,470)

31 Related parties**(a) Main shareholders**

As of 31 December 2025, the major shareholder of Societatea Energetica Electrica S.A. is the Romanian State, represented by the Ministry of Energy with a share of ownership of 49.785% from the share capital (31 December 2024: 49.785%).

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in RON, if not otherwise stated)

(b) Management and administrators' compensation

	2025	2024
Management compensation	2,583,627	3,159,506

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

Compensation granted to the members of the Board of Directors was as follows:

	2025	2024
Members of Board of Directors	2,787,738	2,827,754

Electrica SA's Board of Directors comprises 7 members. According to the remuneration policy approved by the General Meeting of Shareholders that took place 20 April 2022, the annual number of paid sessions is limited to twelve for Board of Directors meetings and to six for each of the committees. Additional committee meetings can be organized only in exceptional situations, upon the Chairs' decision, who are responsible to efficiently organize the agenda and activity. Any exceptional meeting is remunerated separately, for each committee.

No loans were granted to managers and administrators in 2025 and 2024.

(c) Transactions with the Group companies

(i) Balance of receivables and payables from/ to Group companies:

Trade Receivables/Trade Payables

	Receivables from		Payables to	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Distributie Energie Electrica Romania S.A.	164,692	518,814	20,423,669	0
Electrica Serv S.A.	89,535	179,565	-	148,750
Electrica Furnizare S.A.	2,249,848	1,725,564	54,655	538,302
Sunwind Energy S.R.L.	5,224	-	-	-
Foton Power Energy S.R.L.	12,700	3,552	-	-
New Trend Energy S.R.L.	13,220	4,944	-	-
Esyssoft	68,755	-	-	-
Total	2,603,974	2,432,439	20,478,324	687,052

** Of the 20.4 million debt balance, 20.3 million represents the litigation recorded as a provision.*

As of 31 December 2025 and 31 December 2024, receivables from electricity distribution subsidiaries include mainly other services reinvoiced.

Loans granted/interest receivable:

	Loans granted to		Interest receivable from	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Distributie Energie Electrica Romania S.A.	756,325,000	1,276,325,000	11,021,304	21,320,873

SOCIETATEA ENERGETICA ELECTRICA S.A.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

Electrica Furnizare S.A.	835,000,000	319,286,383	5,614,505	2,093,363
New Trend Energy S.R.L.	19,565,463	18,176,500	2,589,092	1,135,031
Sunwind Energy S.R.L.	112,675,773	72,749,691	8,316,122	1,210,912
Crucea Power Park S.R.L.	22,599,329	4,324,548	1,471,022	-
Foton Power Energy S.R.L.	8,594,249	8,383,678	951,320	317,963
Total	1,754,759,814	1,699,245,800	29,963,365	26,078,142

Cash-pooling system 31 December 2025:

	Amount drawn by participants	Amount contributed by participants	Net position	Interest receivable/ (payable)
	31 December 2025	31 December 2025	31 December 2025	31 December 2025
Distributie Energie Electrica Romania S.A.				
Electrica Furnizare S.A.	482,860,094	-	482,860,094	2,509,279
Electrica Serv S.A.		(46,418,067)	(46,418,067)	(253,361)
Total	482,860,094	(46,418,067)	436,442,027	2,255,918

Cash-pooling system 31 December 2024:

	Amount drawn by participants	Amount contributed by participants	Net position	Interest receivable/ (payable)
	31 December 2024	31 December 2024	31 December 2024	31 December 2024
Distributie Energie Electrica Romania S.A.	-	(114,500,097)	(114,500,097)	151,020
Electrica Furnizare S.A.	482,860,094	-	482,860,094	3,059,440
Electrica Serv S.A.	-	(55,601,095)	(55,601,095)	(482,135)
Total	482,860,094	(170,101,192)	312,758,902	2,728,325

(ii) Transactions with subsidiaries

Sales/Purchases (including re-invoicing)

	Sales in 2025	Sales in 2024	Purchases in 2025	Purchases in 2024
Distributie Energie Electrica Romania S.A.	1,074,040	1,630,153	1,260,045	1,054,027
Electrica Furnizare S.A.	8,765,162	8,576,140	1,400,718	666,943
Electrica Serv S.A.	465,961	693,942	(19,184)	263,298
Sunwind Energy S.R.L.	4,359	5,844	-	-
Foton Power Energy S.R.L.	10,017	2,985	-	-
New Trend Energy S.R.L.	11,009	4,524	-	-
Esyssoft	56,822	-	-	-
Total	10,387,370	10,913,588	2,641,579	1,984,268

Reimbursements / Borrowings

	Borrowings granted in 2025	Borrowings granted in 2024	Reimbursements in 2025	Reimbursements in 2024
Distributie Energie Electrica Romania S.A.	-	-	520,000,000	-
Electrica Furnizare S.A.	515,713,617	239,286,383	-	-

SOCIETATEA ENERGETICA ELECTRICA S.A.**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

Sunwind Energy S.R.L.	39,926,076	70,273,992	-	-
New Trend Energy S.R.L.	1,388,963	10,992,500	-	-
Foton Power Energy S.R.L.	210,571	5,445,691	-	-
Crucea Power Park S.R.L.	18,274,787	4,324,548	-	-
Total	575,514,014	330,323,114	520,000,000	-

Interest income for loans

	Interest income 2025	Interest income 2024
Distributie Energie Electrica Romania S.A.	61,399,580	51,487,016
Electrica Furnizare S.A.	38,047,020	19,135,899
Sunwind Energy S.R.L.	7,105,210	1,021,004
New Trend Energy S.R.L.	1,454,062	818,481
Foton Power Energy S.R.L.	633,357	274,116
Crucea Power Park S.R.L.	1,453,110	17,913
Total	110,092,339	72,754,431

Cash pooling system – interest income/(expense)

	Interest income/(expense) 2025	Interest income/(expense) 2024
Distributie Energie Electrica Romania S.A.	13	6,004,709
Electrica Serv S.A.	(225,615)	(2,817,320)
Electrica Furnizare S.A.	37,397,488	34,344,198
Total	37,171,886	37,531,588

(d) Transactions with companies in which the state has control or significant influence

The Company had sales and purchase transactions mainly with the following companies:

	Purchases (without VAT)		Balance (including VAT)	
Supplier	2025	2024	31 December 2025	31 December 2024
ANCOM	-	570,672	-	142,668
Transelectrica	27,323	35,500	1,018	2,152
ANRE	7,500	-	-	-
OPCOM	731,179	998,673	1,016	35,532
Depozitar Central	74,248	64,386	5,660	4,308
Bucharest Stock Exchange	78,443	105,287	-	-
Electrocentrale Grup SA	682,005	616,133	69,460	65,141
RA State Protocol Heritage Administration	28,724	161,423	-	-
Others	21,263	127,172	2,078	-
Total	1,650,685	2,679,246	79,231	249,801

	Sales (without VAT)	Balance, gross (including VAT)	Allowance (including VAT)	Balance, net (including VAT)
Client	2025	31 December 2025		
Oltchim	-	98,725,847	(98,725,847)	-
CET Braila	-	2,948,432	(2,948,432)	-
Complexul Energetic Oltenia	3,218	-	-	-

SOCIETATEA ENERGETICA ELECTRICA S.A.**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

Transelectrica	265,734	-	-	-
OPCOM	883,795	4,040	-	4,040
Hidroelectrica	884,978	-	-	-
Others	453,892	37,183	-	37,183
Total	2,491,617	101,715,502	(101,674,280)	41,223

	Sales (without VAT)	Balance, gross (including VAT)	Allowance (including VAT)	Balance, net (including VAT)
Client	2024		31 December 2024	
Oltchim	-	98,725,847	(98,725,847)	-
CET Braila	-	3,118,411	(3,118,411)	-
Transelectrica	315,982	261,504	-	261,504
OPCOM	1,153,560	38,580	-	38,580
Hidroelectrica	1,233,804	-	-	-
Others	50,027	-	-	-
Total	2,753,372	102,144,343	(101,844,258)	300,084

32 Contingencies***(a) Contingent Assets******Litigation with National Agency of Fiscal Administration ("NAFA")***

On 07.06.2023, Electrica SA obtained a decision pronounced by the Bucharest Court of Appeal (remained final on 25.10.2024, by rejecting, by the ICCJ, the main appeal declared by ANAF) in a file having as its object the obligation of ANAF to prepare those documents or administrative correction operations that reflect Electrica's right to the refund of the amount of 5,860,080 lei representing tax obligations reborn in the tax records illegally, the amount paid by Electrica on 9 December 2020 for the purpose of accessing the tax facilities provided by GEO 69/2020, respectively the right of Electrica to the refund of the amount of 817,521 lei that was not the object of the refund through the payment made to ANAF on 22 September 2020, as well as the obligation of ANAF to pay the legal interest related to the period 12.12.2016 – 21.09.2020, in the total amount of 5,161,491.64 lei. Following the final settlement of this case, in April 2025, ANAF paid the total amount of 11.84 million lei, and in May 2025 it also paid the court costs in the amount of 49,083.27 lei.

On 05.02.2025, Electrica also obtained a favorable decision, by which the Bucharest Court of Appeal admitted ELSA's request, ordered the application to the debtor ANAF of a fine in the amount of 20% of the gross minimum wage per economy per day of delay, which is to be made income to the state budget, as well as obliging the debtor ANAF to pay to the creditor ELSA penalties in the amount of 1,000 lei per day of delay, until the execution of the obligation provided for in an enforceable title represented by the court decision pronounced by the Bucharest Court of Appeal in April 2019 *(correction of the tax receivables record, so that it reflects the extinction by prescription of the amount of 16,915,950 lei, representing profit tax, recorded in a decision from 2008, as well as all accessories related to this amount, including the amount of 30,777,354 lei, recorded in another decision from 2008, respectively upon the deduction of these amounts from Electrica's tax records)*, for a period of 3 months calculated from the date of communication of the conclusion regarding the establishment of the fine. ANAF filed an appeal against this decision, registered with the ICCJ, which admitted the appeal, quashed the appealed sentence in its entirety and, in retrial, dismissed the action, as having become without interest (final decision). By address no. 2714/25.02.2025, Electrica was notified by ANAF of the fact that the tax sheet had been corrected.

On 05.03.2025, Electrica SA filed another action, registered with the Bucharest Court, with the object of imposing on the defendant ANAF a fine of 20% of the gross minimum wage per day of delay, which is to be made income to the

SOCIETATEA ENERGETICA ELECTRICA S.A.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

state budget, as well as obliging the defendant to pay to Electrica penalties in the amount of 1,000 lei/day of delay, until the obligation provided for in the enforceable title represented by a decision pronounced by the Bucharest Court (by which ANAF was obliged to regularize Electrica's tax payer sheet from its records regarding the decision to resolve the 2019 appeal and the decision regarding the accessory payment obligations from 2012, issued by ANAF - DGAMC and the amounts contained therein, in the total amount of 166,991 lei), for a maximum period of 3 months, calculated from date of communication of the conclusion regarding the establishment of the fine. On 17.06.2025, the court rejected the request, as having become devoid of purpose, considering that the defendant had fulfilled its obligations, a decision that remained final due to non-appeal.

Thus, at 31 December 2025, the Company did not recognize a provision in this respect, taking into account that management's best estimate is that the Company shall be able to obtain a favourable final Court decision in this case (which happened).

(b) Contingent Liabilities

Other litigations and claims

The Company is involved in a series of litigations and claims (i.e. with SAPE, ANRE, NAFA, Court of Accounts, claims for damages, claims over land titles, labor-related litigations etc.).

As summarized in Note 28, the Company set up provisions for the litigations or claims for which the management assessed as probable the outflow of resources embodying economic benefits due to low chances of favorable outcomes of those litigations or disputes. The Company does not present information in the financial statements and did not set provisions for items for which the management assessed as remote the possibility of outflow of economic benefits.

The Company discloses, if needed, information on the most significant items of litigation or claims for which the Company did not set-up provisions as they relate to possible obligations that arise from past events whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events not wholly within the control of the Company (i.e. litigations for which different inconsistent sentences were issued by the Courts, or litigations which are in early stages and no preliminary ruling was issued so far).

Fiscal environment

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

Income tax statements may be subject to revision and corrections made by tax authorities, generally for a five-year period after they are filled in. The company was the subject of fiscal inspections until 31 December 2021.

The Company may incur significant expenses related to tax adjustments related to previous years as a result of tax authorities inspections and disputes. The Company's management considers that adequate reserves were established in the separate financial statements for all the significant fiscal obligations, however a risk that the tax authorities could take different positions still persists.

During 2024, the Company was subject to a fiscal inspection by NAFA, for the fiscal period 2017-2021. The inspection started in February 2024 and was finalized by Report No. F-MC 32 of 09.04.2025, and the finding by Minutes No. 67 of 12.05.2025. No fiscal measures were established in this report.

Subsequently, on August 21, 2025, following the completion of the Group audit carried out by NAFA on the VAT side for the period January 1, 2017 - December 31, 2020 and on the profit tax for the period January 1, 2017 - December 31, 2020, by RIF FMC_76/20.08.2025, the Company was imposed with total tax obligations in the amount of RON 17,332,691

SOCIETATEA ENERGETICA ELECTRICA S.A.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

(for the adjustment of the VAT collected related to the invoices issued by the bankrupt Oltchim client). For the secured receivable that was accepted at the creditor's estate, the Tax Inspection does not recognize the VAT adjustment of RON 17,332,691 and considers this amount of VAT collected additionally.

During 2025, the Company paid the additional tax obligations, these being recorded in other receivables as the Group considers that the additional VAT obligations are not founded and were contested on 06.10.2025 when Administrative Appeal No. 4869 was filed. The General Directorate for Settlement of Disputes (DGSC) within the Ministry of Finance favorably resolved the appeal filed by the Group, by decision no. 4655/10.12.2025, therefore the amounts will be recovered from NAFA.

(c) Transfer prices

According to the fiscal legislation, the fiscal assessment for a transaction with affiliates is based on the market price concept for that transaction. Based on this concept, the transfer prices must be adjusted in order to reflect the market prices that would have been established between the entities having no affiliation relation and are acting independently, based on "normal market conditions".

Likely, verifications of the transfer prices may be done in the future by the fiscal authorities, in order to establish if these prices are respecting the principle of the "normal market conditions" and that the tax base for Romanian taxpayer is not distorted.

33 Commitments

a) Contractual commitments

Contractual commitments as of 31 December 2025 and 31 December 2024 are as follows:

	31 December 2025	31 December 2024
Purchase of electricity	1,727,700	-
Central storage and maintenance contracts for active parks, of which	88,471,309	-
Connection contract	7,443,740	-
Purchase of property, plant and equipment, intangible assets and other maintenance and repairs services	16,560,111	10,969,495
Purchase of investments	9,293,158	14,998,268
Total	123,496,018	25,967,763

b) Guarantees and pledges

The Company has credit facilities for the issuance of bank letters of guarantee in the total amount of RON 360,000,000 contracted from Unicredit Bank and BNP Paribas. The amount used at Group level as of 31 December 2025 is RON 220,472,590 (31 December 2024: RON 173,393,336). The maturity of the credit facility in the amount of RON 200,000,000 is 31.12.2033 and for the one in the amount of RON 150,000,000 is 5 years from the date of signature, respectively 16.12.2030, both granted by Unicredit Bank, and in the case of the credit facility from BNP Paribas the maturity is automatically extended annually. The Company also issued parental guarantees for Electrica Furnizare S.A. in a total amount of RON 281,437,424 (31.12.2024: RON 7,637,424).

c) Audit fees

For the audit of the individual financial statements during 2025, a fee of EUR 32,400 was charged at the NBR exchange rate on the invoice date, broken down as follows:

SOCIETATEA ENERGETICA ELECTRICA S.A.**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

- Audit fees: EUR 23,200 for the statutory standalone audit for the year ended 31.12.2025, EUR 70,000 for services of analysis and verification of the financial information presented in the Green Bonds issuance process and EUR 150,000 for the audit of the sustainability statement for 2025;

- Non-audit fees: EUR 9,200 for the analysis and verification services on Societatea Energetica Electrica SA transactions reported through current reports in accordance with the provisions of art. 108 of Law no. 24/2017.

34 Subsequent events

There are no subsequent events to report.

Chief Executive Officer

Alexandru - Aurelian Chirita

f.Chief Financial Officer

Andreea Lambru

25 March 2026

Independent Auditor's Report on the 2025 Separate Financial Statements

INDEPENDENT AUDITOR'S REPORT

To the Shareholders,
SOCIETATEA ENERGETICA ELECTRICA S.A.

Report on the Audit of the Separate Financial Statements

Opinion

1. We have audited the separate financial statements of Societatea Energetica Electrica S.A. ("the Company"), with registered office in Bucharest, District 1, Street Grigore Alexandrescu, No. 9, identified by unique tax registration code 13267221, which comprise the separate statement of financial position as at December 31, 2025, and the separate statement of comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year then ended, including a summary of significant accounting policies and notes to the separate financial statements.
2. The separate financial statements as at December 31, 2025 are identified as follows:

• Net assets/ Equity	RON 4,042,615,601
• Net profit for the financial year	RON 93,052,987
3. In our opinion, the accompanying separate financial statements present fairly, in all material respects, the separate financial position of the Company as at December 31, 2025, and its separate financial performance and its separate cash flows for the year then ended in accordance with Order 2844/2016, with subsequent amendments, for the approval of accounting regulations conforming with International Financial Reporting Standards as adopted by EU.

Basis for Opinion

4. We conducted our audit in accordance with International Standards on Auditing (ISAs), Regulation (EU) No. 537/2014 of the European Parliament and the Council (forth named "the Regulation") and Law 162/2017 ("the Law"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), in accordance with ethical requirements relevant for the audit of the financial statements in Romania including the Regulation and the Law and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Other information

6. The administrator's are responsible for preparation and presentation of the other information. The other information comprises the Administrator's report and the Remuneration report, but does not include the separate financial statements and our auditor's report thereon.

Our opinion on the separate financial statements does not cover the other information and, unless otherwise explicitly mentioned in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the separate financial statements for the year ended December 31, 2025, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Other responsibilities of reporting with respect to other information – Administrators’ Report

With respect to the Administrator’s report, we read it and report if this has been prepared, in all material respects, in accordance with the provisions of Ministry of Public Finance Order no. 2844/2016, with subsequent amendments, for the approval of accounting regulations conforming with International Financial Reporting Standards as adopted by EU, article no. 20.

On the sole basis of the procedures performed within the audit of the separate financial statements, in our opinion:

- a) the information included in the Administrators’ report for the financial year for which the separate financial statements have been prepared is consistent, in all material respects, with these separate financial statements;
- b) the Administrators’ report has been prepared, in all material respects, in accordance with the provisions of Ministry of Public Finance Order no. 2844/2016, with subsequent amendments, for the approval of accounting regulations conforming with International Financial Reporting Standards as adopted by EU, article no. 20;
- c) the Remuneration report has been prepared, in all material respects, in accordance with the provisions of Law 24/2017, articles. no. 106 – 107

Moreover, based on our knowledge and understanding concerning the Company and its environment gained during the audit on the separate financial statements prepared as at December 31, 2025, we are required to report if we have identified a material misstatement of this Administrator’s report. We have nothing to report in this regard.

Other reporting responsibilities with respect to other information – Remuneration report

With respect to the Remuneration report, we read it to determine if it presents, in all material respects, the information required by article 107, paragraphs (1) and (2) of Law 24/2017 regarding the issuers of financial instruments and market operations, republished. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Separate Financial Statements

- 7. Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with Order 2844/2016, with subsequent amendments, for the approval of accounting regulations conforming with International Financial Reporting Standards as adopted by EU and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
- 8. In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
- 9. Those charged with governance are responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Separate Financial Statements

- 10. Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

11. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. We have been appointed by the General Assembly of Shareholders on April 27, 2023 to audit the separate financial statements of Societatea Energetica Electrica S.A. for the financial year ended December 31, 2025. The uninterrupted total duration of our commitment is 8 years, covering the financial years ended December 31, 2018 and December 31, 2025.

We confirm that:

- Our audit opinion is consistent with the additional report submitted to the Audit Committee of the Company that we issued the same date we issued this report. Also, in conducting our audit, we have retained our independence from the audited entity.
- No **non-audit services** referred to in Article 5 (1) of EU Regulation No. 537 / 2014 were provided.

Report on Other Legal and Regulatory Requirements – Report on the Information Regarding Income Tax

16. For the financial year preceding the financial year for which the financial statements were prepared, the Company was not required under Ministry of Public Finance Order no. 2844/2016 approving the accounting regulations compliant with International Financial Reporting Standards, with subsequent amendments, articles 602 - 606, to publish a report on income tax information.

Report on compliance with Law no. 162/2017 on the statutory audit of annual financial statements and annual consolidated financial statements and on amending other pronouncements (“Law 162/2017”), and Commission Delegated Regulation (EU) 2018/815 on the European Single Electronic Format Regulatory Technical Standard (“ESEF”)

We have undertaken a reasonable assurance engagement on the compliance with Law 162/2017, and Commission Delegated Regulation (EU) 2018/815 applicable to the financial statements included in the annual financial report of ABC (“the Company”) as presented in the digital files which contain the unique LEI code 213800P4SUNUM5AUDX61 (“Digital Files”).

(I) Responsibilities of Management and Those Charged with Governance for the Digital Files prepared in compliance with ESEF

Management is responsible for preparing the Digital Files that comply with ESEF. This responsibility includes:

- the design, implementation and maintenance of internal controls relevant to the application of ESEF;
- ensuring consistency between the Digital Files and the financial statements to be submitted in accordance with Order 2844/2016, with subsequent amendments.

Those charged with governance are responsible for overseeing the preparation of the Digital Files that comply with ESEF.

(II) Auditor’s Responsibilities for the Audit of the Digital Files

Our responsibility is to express a conclusion on whether the financial statements included in the annual financial report complies in all material respects with the requirements of ESEF based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000) issued by the International Auditing and Assurance Standards Board.

Our firm applies International Standard on Quality Management 1 (“ISQM1”), and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

A reasonable assurance engagement in accordance with ISAE 3000 involves performing procedures to obtain evidence about compliance with ESEF. The nature, timing and extent of procedures selected depend on the auditor’s judgment, including the assessment of the risks of material departures from the requirements set out in ESEF, whether due to fraud or error. A reasonable assurance engagement includes:

- obtaining an understanding of the Company’s process for preparation of the digital files in accordance with ESEF, including relevant internal controls;
- reconciling the digital files with the audited financial statements of the Company to be submitted in accordance with Order 2844/2016, with subsequent amendments;
- evaluating if the financial statements contained in the annual report have been prepared in a valid XHTML format.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In our opinion, the financial statements for the year ended 31 December 2025 included in the annual financial report in the Digital Files comply in all materials respects with the requirements of ESEF.

In this section, we do not express an audit opinion, review conclusion or any other assurance conclusion on the financial statements. Our qualified opinion relating to the financial statements of the Company for the year ended 31 December 2025 is set out in the “*Report on the audit of the financial statements*” section above.

The engagement partner on the audit resulting in this independent auditor’s report is Razvan Ungureanu.

Razvan Ungureanu, Audit Partner

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

*Registered in the Electronic Public Register of Financial
Auditors and Audit Firms under AF 4866*

On behalf of:

DELOITTE AUDIT SRL

*Registered in the Electronic Public Register of Financial
Auditors and Audit Firms under FA 25*

The Mark Building, 84-98 and 100-102 Calea Griviței, 9th Floor, District 1
Bucharest, Romania
25 March 2026

2025 Consolidated Financial Statements (OMFP 2844/2016)



SOCIETATEA ENERGETICA ELECTRICA S.A.

Consolidated Financial Statements

as at and for the year ended

31 December 2025

prepared in accordance with

OMFP no. 2844/2016

Contents

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

Notes to the consolidated financial statements

Basis of preparation

1. Reporting entity and general information	9
2. Basis of accounting	19
3. Functional and presentation currency	20
4. Use of judgments and estimates	20

Accounting policies

5. Restatements	22
6. Basis of measurement	23
7. Accounting policies	23
8. Disclosure for the additional set of the consolidated financial statements	38

Performance for the year

9. Operating segments	38
10. Revenue	42
11. Electricity, natural gas and merchandise purchased	42
12. Other operating income and expenses	42
13. Net finance result	43
14. Earnings per share	43

Employee benefits

15. Short-term employee benefits	44
16. Post-employment and other long-term employee benefits	44
17. Employee benefit expenses	47

Income taxes

18. Income taxes	47

Assets

19. Deposits, treasury bills and government bonds	49
20. Trade receivables	50
21. Other receivables	51
22. Cash and cash equivalents	52
23. Inventories	52
24. Property, plant and equipment	53
25. Intangible assets	55

Equity and liabilities

26. Capital and reserves	57
27. Trade payables	58
28. Other payables	59
29. Provisions	59
30. Long-term bank borrowings	59
31. Green bonds	65
32. Overdrafts and short-term loans	66

Financial instruments

33. Financial instruments - Fair values and risk management	68

Other information

34. Acquisition of subsidiary	72
35. Related parties	73
36. Contingencies	75
37. Commitments	76
38. Subsequent events	77

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

AS AT 31 DECEMBER 2025

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

	Note	31 December 2025	31 December 2024 (Restated)	31 December 2023 (Restated)
ASSETS				
Non-current assets				
Intangible assets related to concession agreements	25	7,105,450	6,678,207	6,220,530
Intangible assets from the capitalization of own technological consumption	25	548,911	755,349	770,934
Other Intangible assets	25	62,080	31,293	27,822
Goodwill		49,767	49,767	24,663
Property, plant and equipment	24	750,667	736,921	594,994
Investments in associates		23	23	16,638
Other investments		8,651	7,000	7,000
Deferred tax assets	18	110,411	84,627	32,404
Other non-current assets		6,264	4,391	51,954
Deposits, treasury bills and government bonds - non current	19	1,271,917	-	-
Right of use asset		48,818	39,435	40,993
Total non-current assets		9,962,959	8,387,013	7,787,932
Current assets				
Trade receivables	20	3,258,922	3,062,533	1,959,710
Subsidies receivable	20	2,518,279	2,572,153	3,105,506
Other receivables	21	216,455	74,713	93,832
Cash and cash equivalents	22	2,032,872	454,455	377,215
Deposits, treasury bills and government bonds	19	892,916	-	-
Inventories	23	91,682	111,896	115,660
Prepayments		15,874	5,059	12,935
Current income tax receivable		4,730	8,949	-
Assets held for sale		280	280	280
Total current assets		9,032,010	6,290,038	5,665,138
Total assets		18,994,969	14,677,051	13,453,070
EQUITY AND LIABILITIES				
Equity				
Share capital	26	3,395,530	3,395,530	3,464,436
Share premium	26	103,049	103,049	103,049
Treasury share reserve	26	-	-	(75,372)
Pre-paid capital contribution in kind from shareholders	26	7	7	7
Revaluation reserves	26	144,539	150,268	159,536
Legal reserves	26	528,809	490,833	449,363
Retained earnings		3,226,293	2,276,468	1,906,981
Total equity attributable to the owners of the Company		7,398,227	6,416,155	6,008,000
Non-controlling interests		-	(25)	(451)
Total equity		7,398,227	6,416,130	6,007,549

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

AS AT 31 DECEMBER 2025

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

Liabilities	Note	31 December 2025	31 December 2024 (Restated)	31 December 2023 (Restated)
Non-current liabilities				
Long-term bank borrowings	30	2,783,207	1,824,506	794,348
Long-term green bonds liabilities	31	2,525,365	-	-
Finance lease liability – long term		42,044	34,379	29,143
Deferred tax liabilities	18	272,229	249,021	244,666
Employee benefits	16	175,388	162,697	151,358
Other payables	28	31,782	45,692	37,161
Total non-current liabilities		5,830,016	2,316,295	1,256,677
Current liabilities				
Current portion of the long-term bank borrowings	30	413,827	565,835	523,294
Current portion of long-term green bonds liabilities	31	45,585	-	-
Finance lease liability – short term		11,068	7,411	14,052
Overdrafts and short-term loans	32	2,352,456	2,490,609	2,851,221
Trade payables	27	1,241,126	1,146,413	1,671,478
Other payables	28	1,418,083	1,487,481	945,323
Deferred revenue		2,547	6,626	7,837
Employee benefits	15,16	194,493	150,863	120,548
Provisions	29	28,639	75,905	41,167
Current tax liabilities		58,902	13,483	13,924
Total current liabilities		5,766,726	5,944,626	6,188,844
Total liabilities		11,596,742	8,260,921	7,445,521
Total equity and liabilities		18,994,969	14,677,051	13,453,070

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

Chief Executive Officer
Alexandru - Aurelian Chirita

f. Chief Financial Officer
Ioana-Andreea Lambru

25 March 2026

SOCIETATEA ENERGETICA ELECTRICA S.A.
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, except per share data)

	Note	2025	2024 (Restated)
Revenue	10	10,910,254	8,979,439
Capitalised costs of intangible non-current assets	25	39,075	190,073
Other income	12	1,255,050	1,793,376
Electricity, natural gas and merchandise purchased	11	(7,048,893)	(6,588,827)
Construction costs related to concession agreements	24	(897,417)	(932,651)
Employee benefits	17	(1,208,514)	(1,077,562)
Repairs, maintenance and materials		(166,294)	(130,953)
Depreciation and amortization	24,25	(846,323)	(803,822)
Impairment for trade and other receivables, net	20,21	(43,462)	(101,964)
Other operating expenses	12	(417,391)	(489,977)
Operating profit		1,576,085	837,132
Finance income	13	101,246	12,622
Finance costs	13	(448,531)	(289,844)
Net finance cost		(347,285)	(277,222)
Share of results of associates		-	(10)
Profit before tax		1,228,800	559,900
Income tax expense	18	(183,341)	(102,765)
Profit for the year		1,045,459	457,135
Profit for the year attributable to: owners of the Company		1,045,459	457,168
non-controlling interests		-	(33)
Profit for the year		1,045,459	457,135
Earnings per share			
Basic and diluted earnings per share (RON)	14	3.08	1.35

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

Chief Executive Officer
Alexandru - Aurelian Chirita

f. Chief Financial Officer
Ioana-Andreea Lambru

25 March 2026

SOCIETATEA ENERGETICA ELECTRICA SA
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

	Note	2025	2024 (Restated)
Profit for the year		1,045,459	457,135
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurements of the defined benefit liability	16	(4,003)	(1,460)
Tax related to re-measurements of the defined benefit liability	18	640	233
Other comprehensive income, net of tax		(3,363)	(1,227)
Total comprehensive income		1,042,096	455,908
Total comprehensive income attributable to:			
owners of the Company		1,042,096	455,941
non-controlling interests		-	(33)
Total comprehensive income		1,042,096	455,908

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

Chief Executive Officer

Alexandru - Aurelian Chirita

f. Chief Financial Officer

Ioana-Andreea Lambru

25 March 2026

SOCIETATEA ENERGETICA ELECTRICA S.A.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

Note	Share capital	Share premium	Treasury share reserve	Pre-paid capital contributions in kind from shareholders	Revaluation reserves	Legal reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2025 (restated)	3,395,530	103,049	-	7	150,268	490,833	2,276,468	6,416,155	(25)	6,416,130
Comprehensive income										
Profit for the year	-	-	-	-	-	-	1,045,459	1,045,459	-	1,045,459
Other comprehensive income	-	-	-	-	-	-	(3,363)	(3,363)	-	(3,363)
Total comprehensive profit	-	-	-	-	-	-	1,042,096	1,042,096	-	1,042,096
Transactions with owners of the Company										
Contributions and distributions										
Reduction of ordinary shares	26	-	-	-	-	-	-	-	-	-
Dividends to the owners of the Company	26	-	-	-	-	-	(59,999)	(59,999)	-	(59,999)
Total contributions and distributions		-	-	-	-	-	(59,999)	(59,999)	-	(59,999)
Changes in ownership interests										
Acquisition of non-controlling interest without a change in control		-	-	-	-	-	-	-	-	-
Acquisition of subsidiary with non-controlling interests	34	-	-	-	-	-	-	-	-	-
Total changes in ownership interests		-	-	-	-	-	-	-	-	-
Total transactions with owners of the Company		-	-	-	-	-	(59,999)	(59,999)	-	(59,999)
Other changes in equity										
Disposal of non-controlling interest		-	-	-	-	-	(25)	(25)	25	-
Set up of legal reserves	26	-	-	-	-	37,976	(37,976)	-	-	-
Transfer of revaluation reserve to retained earnings due to depreciation and disposals of property, plant and equipment	26	-	-	-	(5,729)	-	5,729	-	-	-
Balance at 31 December 2025	3,395,530	103,049	-	7	144,539	528,809	3,226,293	7,398,227	-	7,398,227

SOCIETATEA ENERGETICA ELECTRICA S.A.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

	Note	Share capital	Share premium	Treasury share reserve	Pre-paid capital contributions in kind from shareholders	Revaluation reserves	Legal reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2024 (restated)		3,464,436	103,049	(75,372)	7	159,536	449,363	1,906,981	6,008,000	(451)	6,007,549
Comprehensive income											
Profit for the year (restated)		-	-	-	-	-	-	457,168	457,168	(33)	457,135
Other comprehensive income		-	-	-	-	-	-	(1,227)	(1,227)	-	(1,227)
Total comprehensive profit		-	-	-	-	-	-	455,941	455,941	(33)	455,908
Transactions with owners of the Company											
Contributions and distributions											
Reduction of ordinary shares	26	(68,906)	-	75,372	-	-	-	(6,466)	-	-	-
Dividends to the owners of the Company	26	-	-	-	-	-	-	(39,999)	(39,999)	-	(39,999)
Total contributions and distributions		(68,906)	-	75,372	-	-	-	(46,465)	(39,999)	-	(39,999)
Changes in ownership interests											
Acquisition of non-controlling interest without a change in control		-	-	-	-	-	-	(7,850)	(7,850)	484	(7,366)
Acquisition of subsidiary with non-controlling interests	34	-	-	-	-	-	-	63	63	(25)	38
Total changes in ownership interests		-	-	-	-	-	-	(7,787)	(7,787)	459	(7,328)
Total transactions with owners of the Company		(68,906)	-	75,372	-	-	-	(54,252)	(47,786)	459	(47,327)
Other changes in equity											
Set up of legal reserves	26	-	-	-	-	-	41,470	(41,470)	-	-	-
Transfer of revaluation reserve to retained earnings due to depreciation and disposals of property, plant and equipment	26	-	-	-	-	(9,268)	-	9,268	-	-	-
Balance at 31 December 2024 (restated)		3,395,530	103,049	-	7	150,268	490,833	2,276,468	6,416,155	(25)	6,416,130

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

Chief Executive Officer
Alexandru - Aurelian Chirita

f. Chief Financial Officer
Ioana-Andreea Lambru

25 March 2026

SOCIETATEA ENERGETICA ELECTRICA S.A.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

	Note	2025	2024 (Restated)
Cash flows from operating activities			
Profit for the year		1,045,459	457,135
Adjustments for:			
Depreciation	24	19,630	18,113
Amortisation	25	826,693	785,709
Capitalised costs of intangible non-current assets		(39,075)	(190,073)
Reversal of impairment of property, plant and equipment and intangible assets, net	24,25	-	(1,901)
Loss on disposal of property, plant and equipment and intangible assets	24,25	9,123	1,899
Impairment of trade and other receivables, net	20,21	43,462	101,964
Change in provisions, net	29	97	34,738
Net finance cost	13	347,285	277,222
Changes due to employee benefits		22,196	26,344
Share of loss of associates		-	10
Income tax expense	18	183,341	102,765
		2,458,211	1,613,925
Changes in:			
Trade receivables		(442,325)	(1,529,343)
Subsidies receivable		53,874	533,353
Other receivables		(160,552)	14,431
Prepayments		(10,815)	7,876
Inventories		20,214	3,764
Trade payables		233,683	(112,243)
Other payables		(44,151)	612,315
Deferred revenue		(4,079)	(1,211)
Provisions and employee benefits		(28,769)	-
Cash generated from operating activities		2,075,291	1,142,867
Interest paid		(330,673)	(294,908)
Income tax paid		(147,344)	(147,322)
Net cash flow from operating activities		1,597,274	700,637

(Continued on page 8)

SOCIETATEA ENERGETICA ELECTRICA S.A.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

	Note	2025	2024 (Restated)
Cash flows from investing activities			
Payments for purchases of property, plant and equipment		(72,610)	(149,166)
Payments for network construction related to concession agreements	25	(887,382)	(1,085,671)
Payments for purchase of other intangible assets		(19,135)	(16,516)
Proceeds from sale of property, plant and equipment		150	-
Interest received		44,857	12,112
Acquisition of investments in associates		-	-
Payments for acquisition of subsidiaries, net of cash acquired		-	(8,451)
Payments for non-controlling interest acquired without change in control		-	(7,366)
Deposit, treasury bills and government bonds		(2,117,423)	-
Net cash flow used in investing activities		(3,051,543)	(1,255,058)
Cash flows from financing activities			
Proceeds from long-term bank borrowings	30	1,546,477	1,635,481
Proceeds/ (Payments) from overdrafts and short-term loans	32	(138,153)	82,253
Net proceeds from long-term green bonds liabilities	31	2,507,183	-
Repayment of long-term bank loans	30	(800,655)	(1,018,909)
Payment of lease liabilities		(22,248)	(27,181)
Dividends paid		(59,918)	(39,983)
Net cash generated from financing activities		3,032,686	631,661
Net increase in cash and cash equivalents		1,578,417	77,240
Cash and cash equivalents at 1 January	22	454,455	377,215
Cash and cash equivalents at 31 December	22	2,032,872	454,455

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

The non-cash transactions are disclosed in Note 22.

Chief Executive Officer
Alexandru - Aurelian Chirita

f. Chief Financial Officer
Ioana-Andreea Lambru

25 March 2026

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

1 Reporting entity and general information

(a) General information about the Group

These financial statements are the consolidated financial statements of Societatea Energetica Electrica S.A. ("the Company" or "Electrica SA") and its subsidiaries (together "the Group") as at and for the year ended 31 December 2025.

The registered office of the Company is no. 9, Grigore Alexandrescu Street, District 1, Bucharest, Romania. The Company has sole registration code 13267221 and Trade Register registration number J2000007425408.

As at 31 December 2025 and 31 December 2024, the major shareholder of Societatea Energetica Electrica S.A. is the Romanian State, represented by the Ministry of Energy with a share of ownership of 49.785% from the share capital.

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

As at 31 December 2025 and 31 December 2024 the Company's subsidiaries are the following:

Subsidiary	Activity	Sole registration code	Head Office	% shareholding as at 31 December 2025	% shareholding as at 31 December 2024
Distributie Energie Electrica Romania S.A. ("DEER")	Electricity distribution in geographical areas Transilvania Nord, Transilvania Sud and Muntenia Nord	14476722	Cluj-Napoca	99.99999929%	99.99999929%
Electrica Furnizare S.A. ("EFSA")	Electricity and natural gas supply	28909028	Bucuresti	99.9998444099934%	99.9998444099934%
Electrica Serv S.A. ("SERV")	Services in the energy sector (maintenance, repairs, construction)	17329505	Bucuresti	99.99998095%	99.99998095%
Sunwind Energy S.R.L.	Electricity generation	42910478	Bucuresti	100%	100%
New Trend Energy S.R.L.	Electricity generation	42921590	Bucuresti	100%	100%
Foton Power Energy S.R.L.	Electricity generation	43652555	Bucuresti	100%	100%
Crucea Power Park S.R.L. ("CPP")	Electricity generation	25242042	Bucuresti	100%	60%

As at 31 December 2025 and 31 December 2024, the Company's associates are the following:

Associate	Activity	Sole registration code	Head Office	% shareholding as at 31 December 2025	% shareholding as at 31 December 2024
Electrica EsyaSoft Smart Solutions S.A. ("EsyaSoft")	Manufacture of accumulators and batteries	50993644	Bucuresti	25%	25%

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

Changes in Group structure during 2025

Acquisition of shares in subsidiaries

On 10 February 2025, Electrica SA completed the acquisition of Crucea Power Park SRL (CPP), whose main activity is the production of energy from wind sources. CPP is developing the wind project "Crucea Est" with an installed turbine capacity of up to 138 MW and a projected electricity storage capacity of 60 MWh (15 MW x 4h), located in the county of Constanta, in the area of towns Crucea and Pantelimon. The project is in the ready-to-build phase.

Group's main activities

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

The Company's distribution subsidiary, Distributie Energie Electrica Romania S.A. which resulted from the merger of the three distribution subsidiaries Societatea de Distributie a Energiei Electrice Transilvania Nord S.A., Societatea de Distributie a Energiei Electrice Muntenia Nord S.A. and Societatea de Distributie a Energiei Electrice Transilvania Sud S.A. now operates electric lines in 18 counties, from three geographical areas of the country, representing 40.8% of the Romanian territory, and serves over approximately 4 million users. It invoices the electricity distribution service to electricity suppliers (mainly to Electrica Furnizare S.A. subsidiary) which further invoices the electricity consumption to final consumers.

The electricity supply segment operates through Electrica Furnizare S.A. ("EFSA"), with its main activity electricity supply to end users, on the universal service segment and as a supplier of last resort, and as a supplier on the competitive market, all over Romania.

The Group holds an electricity supply license that covers the entire territory of Romania, valid until 2031. In order to extend the EFSA operations in Hungary, an electricity trading license was granted by the Authority for Regulation of Electricity and Public Utilities in Hungary (MEKH) to Electrica Furnizare, by Decision no. H879/2022. EFSA also holds a natural gas supply license valid until 2032.

In 2025, EFSA was designated supplier of last resort („FUI”) for electricity in January, June and November, and for natural gas it was nominated supplier of last resort in January and August.

The Group is active in the production of electricity, especially from renewable sources.

(b) Regulations in the energy sector

Regulatory environment

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

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

Electricity distribution

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

Order 115/20.12.2023

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

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

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

Ordin 97/20.12.2024 Starting 1 January 2025						
Distribution operator	Voltage	Unit	Specific tariff, comprising of:	non CPT component	CPT util component	CPT util_sc component
Societatea Distributie	High	RON/MWh	34.14	26.32	7.03	0.79
Energie Electrica	Medium	RON/MWh	80.69	46.38	30.84	3.47
Romania - S.A.	Low	RON/MWh	236.10	146.35	80.68	9.07

ANRE approved Order no. 97/2024:

- (i) Unique DEER distribution tariffs for 2025, applicable starting 1 January 2025, resulting in an average increase of 8.3% (in real terms) versus 1 January 2024,
- (ii) the investment plans for DEER over PR5, by financing sources: RON 3,702 mil. from own sources and RON 2,984 mil. from financial contributions,
- (iii) the minimum mandatory value for the investments made from own sources of RON 3,569 mil., of which RON 3,034 mil. related to the distribution network ("RED").

ANRE approved Order no. 77/2025 regarding the approval of the specific tariffs for the electricity distribution service and the price for reactive electricity, valid from 1 January 2026 for DEER, as well as the amendment and completion of ANRE Order no. 97/2024 regarding the approval of the specific tariffs for the electricity distribution service and the price for reactive electricity, valid from 1 January 2025 for DEER, and the values of the investment plans for the fifth regulatory period (PR5).

The distribution tariffs for DEER applicable as of January 1, 2026 show an average adjustment of 0% compared to January 1, 2025 (HV -6%, MV +3%, LV +2%).

Distribution operator	Voltage	Unit	Specific tariff, comprising of:	non CPT component	CPT util component	CPT util_sc component
Societatea Distributie	High	RON/MWh	31.96	23.04	7.15	1.77
Energie Electrica	Medium	RON/MWh	83.36	43.61	31.86	7.89
Romania - S.A.	Low	RON/MWh	240.02	139.45	80.60	19.97

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

The methodology for establishing distribution tariffs was approved on 17 September by ANRE Order no. 67/2024 and entered into force on 20 September 2024.

The main changes to the Methodology for PR5 compared to the Methodology for the fourth regulatory period (PR4):**I. Controllable (CC) and non-controllable (CNC) operation and maintenance costs:**

- CC and the efficiency factor for PR5 will be established based on the OPEX study carried out by ANRE with an external consultant;
- Personnel costs are not subject to efficiency and will be adjusted annually with the inflation rate (IR) and by

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

5%;

- Research and development costs will not be subject to efficiency, and can be requested by the distribution operator ("OD") in a maximum amount of 5 million RON per total PR5;
- Expenses related to contracts with affiliated parties with the object of representing the OD, consulting services in the field of regulation, and expenses corresponding to the profit attributed to any subcontracted parties are not recognized;
- The inflation correction between realized and forecasted IR is applied to personnel costs only if the difference in IR is positive.

II. Investments and RAB:

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

III. RRR incentives:

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

IV. CPT

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

V. Revenues and tariffs

- Regulated income will consist of: non-CPT income and CPT income;
- The non-CPT income is linearized and the related tariff component, calculated as a weighted average, will be capped at 10% (real terms);
- The CPT income is the basis for the establishment of CPT tariffs, which will not be capped and will be recovered from both consumers and producers;
- Pole rental activity is regulated and will be included in the income of the distribution service.

Tariff adjustments

Annually, ANRE makes revenue corrections due to: change in the quantities of electricity distributed compared to the forecast; change in quantities and acquisition price for the regulated own technological consumption compared to the forecast; the annual change in controllable operating and maintenance costs, realized and accepted against the forecast;

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

annual change in uncontrollable operating and maintenance costs compared to the forecast; changes in revenues from reactive energy compared to the forecast; failure to meet/exceeding the approved investments programme; revenues generated from other operations made by the distribution operator and the quantity of electricity recovered from recalculations.

The regulator establishes through the regulated income and tariffs for the following year taking into account the justified corrections presented above. The Group does not recognize assets and liabilities resulting from regulation in relation to these deficits or surpluses, as the differences are recovered or returned through the annual tariff changes.

Electricity and natural gas supply

The regulatory framework suffered significant changes in the last decade in respect of: electricity and natural gas market liberalisation, separation of supply and distribution activities, implementation of the support scheme for renewable energy, support for the electricity consumers and prices caps for end users.

Starting with 1 November 2021, in the context of the increase in prices for the electricity and natural gas markets at international and national level, the energy crisis, as well as the effects caused by these increases among the population, in Romania, a series of support measures for electricity and natural gas customers have been applied, by establishing compensation and capping schemes between 1 November 2021 and 30 June 2025 for electricity, and for 1 November 2021 and 31 March 2026 for natural gas.

Therefore, in the electricity and natural gas supply activity in the year 2025, the following legal components had an impact on the electricity and gas supply operations:

- Price capped for electricity for household and non-domestic customers according to GEO no. 27/2022, with subsequent amendments and additions;
- The limitation of the average purchase price considered for determining the amounts to be recovered from the state budget initially to 1,300 RON/MWh; and currently at 900 RON/MWh (according to Law no. 206/2023, which approves GEO 153/2022), and to 700 RON/MWh starting 1 April 2024 (according to GEO 32/2024);
- The mechanism of centralized purchase of electric energy (MACEE) provides that OPCOM, as sole acquirer, buys electricity from producers (electricity producers with an installed power equal to or greater than 10 MW) and sells the purchased electricity: to electricity suppliers that have contracts with final customers, the transmission system operator electricity and distribution system operators electricity to cover their own technological consumption. For the contracts concluded until 31 March 2024, the price paid by OPCOM to electricity producers, for the quantities of electricity sold by them is 450 RON/MWh and the sale price of OPCOM to the economic operators is also 450 RON/MWh (OPCOM has the right to charge market participants tariffs/commissions at the level of costs recorded by organizing the centralized electricity purchase mechanism); In order to carry out the transactions, OPCOM shall organize an annual procurement procedure as well as an additional procurement procedure each month for the quantities of electricity to be delivered in the following month; annual and monthly electricity quantities are firm obligations of electricity producers and economic operators and are evenly distributed across all settlement intervals each month (contracts are concluded by signing, within maximum 3 working days).
- Starting with 1 April 2024, the MACEE price changes, respectively it decreases from 450 RON/MWh to 400 RON/MWh. At the same time, producers can sell electricity voluntarily through MACEE.
- The storage obligation for the 2025-2026 cycle was set based on the information received from SNTGN Transgaz on 14 March 2025 at a volume of 197 GWh, an obligation that was fulfilled by 31 October 2025, in accordance with legal provisions.
- The obligation of natural gas producers to sell at the price of 150 RON/MWh the necessary quantities to the suppliers of domestic customers/heat energy producers changed starting 1 April 2024, meaning the sale price of natural gas decreased from 150 RON/MWh to 120 RON/MWh.

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

SOCIETATEA ENERGETICA ELECTRICA S.A.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

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

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

Law no. 316/2024 was published in the Official Gazette on 23 December 2024, which approved GEO no. 32/2024 and introduced a settlement procedure for the volumes of electricity/natural gas for which payment was requested, applicable until 31 March 2026. The settlement of the amounts paid from the State budget to the electricity and natural gas suppliers, after submission to ANRE, for each month of the period and for each category of customers benefitting from the capped final price, of information related to energy quantities invoiced for the months of consumption within the applicable period, following certain changes of the amounts already paid from the State budget.

The categories of customers to whom the electricity price capped applies to the first semester of 2025:

- household customers (tranche <100 KWh/month - maximum price 0.68 RON/KWh, tranche 100-300 KWh/month - with the distinct estimate of the volume exceeding 255 KWh/month - respectively the price level capped at 0.800 RON/KWh and with a maximum price of 1.3 RON/KWh);
- non-household customers - divided separately into the category of customers benefitting from capping for 85% of consumption with a price capped at 1.0 RON/KWh, category of customers benefitting from capping for 100% of consumption, price capped at 1.0 RON/KWh and the rest of the companies at a maximum price of 1.3 RON/KWh.

The categories of customers to whom the natural gas price capped applies to 2025:

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

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

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

According to the provisions of GEO no.27/2022, as subsequently amended and supplemented, the duration of the support scheme through price capping is until 31 March 2025. A new capping scheme was approved by GEO no. 6/2025, published

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

in the Official Bulletin on 28 February 2025, on the measures applicable to end users of the electricity market for the period 1 April 2025 - 30 June 2025, and to end users of the natural gas market for the period 1 April 2025 - 31 March 2026, respectively. Therefore, this GEO provides for:

- I. The period for application of the supporting scheme (cap) is 3 months for electricity, from 1 April 2025 to 30 June 2025 and 1 year for natural gas, from 1 April 2025 to 31 March 2026.
- II. For electricity, the invoiced final price is:
- maximum 0.68 RON/kWh, VAT included, for the consumption of the following categories of customers:
 - a) households with a monthly consumption between 0 and 100 kWh, inclusively;
 - b) households hosting persons who use medical devices, appliances and equipment connected to the power network, required for medical treatment, based on a specialist doctor confirmation and on a request submitted to the supplier;
 - c) households which have at least 3 dependend children up to 18 years old, based on a request and a statement; the age limit is extended to 26 years in case the adult child attends a form of education;
 - d) households that are mono-parental families, which have at least one child up to 18 years old, basde on a request and a statement; the age limit is extended to 26 years in case the adult child attends a form of education;
 - maximum 0.80 RON/kWh, VAT included, for the consumption of households with a monthly consumption of between 100.01 and 255 kWh (the electricity consumption of between 255 and 300 kWh/monthly is invoiced at the maximum price of 1.3 RON/kWh, VAT included, and in case consumption exceeds 300 kWh/month the entire consumption is invoiced at the maximum price of 1.3 RON/kWh);
 - maximum 1 RON/kWh, VAT included, for 85% of the monthly consumption at the consumption place for certain categories of consumers (the difference of monthly electricity consumption is invoiced at the maximum price of 1.3 RON/kWh, VAT include, based on the statement of the legal representative);
 - maximum 1 RON/kWh, VAT included, for the entire consumption of public and private hospitals, public and private educational units and nurseries, and public and private social services suppliers;
 - maximum 1 RON/kWh, VAT included, for 85% of the monthly consumption at the consumption place, for public institutions, other than those described at d) above, and for those of certain religions officially recognised in Romania (the difference of monthly electricity consumption is invoiced at a maximum price of 1.3 RON/kWh, VAT included);
 - maximum 1.3 RON/kWh, VAT included, for households and non- households which are not included above;
- III. For natural gas, the invoiced final price is:
- maximum 0.31 RON/kWh, VAT included, in case of households;
 - maximum 0.37 RON/kWh, VAT included, in case of non-households with an annual consumption of natural gas in the previous year is 50,000 MWh or less, as well as in case of thermal energy producers and non-household customers included in the industrial parks regulated by Law no. 186/2013 on establishment and operation of industrial parks, subsequently modified and complemented, and of those included in the closed distribution systems definite according to Law no. 123/2012, subsequently modified and complemented.
- IV. The price from the bids prepared and published by electricity/natural gas suppliers may not exceed the invoiced capped final price; the bids for the period 1 July 2025 – 30 June 2026 may be prepared and published only in case there is a purchase that is 50% completed in the bidding period, with an obligation to distinctly state the supply component;
- V. The statements of the end users on final capped price submitted to suppliers based in GEO no. 27/2022 provisions remain in force;

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

- VI. The contribution related to contracts for difference (CfD) was included in the final capped price;
- VII. The application of minimum of contractual price, capped price and the price resulting from the GEO remains in force;
- VIII. In relation with electricity acquisition: the quota for imbalancing recognition increased from 5% to 10% in terms of value/cost and without limitation for FUI; the limit of the recognized price of 700 RON/MWh remains in force; the directly negotiated bilateral contracts are reported to ANRE within 2 working days from the date of conclusion;
- IX. The payment requests are submitted before uploading the data on the ANRE portal for price capping; a quota of 40% of the amount of payment requests is paid within 10 days from the transfer of cash by the Ministry of Finance to ME and ANPIS (the payment date is not under the control of the supplier);
- X. The supplier shall notify the customers in its own portfolio on changes resulting from the application of the provisions of the GEO with the first invoice issued after enactment;
- XI. Non-compliance of the operators with the deadlines provided by the GEO, i.e. the deadline allowed for correcting the uploaded data on the IT platform and re-submitting the payment requests /or the statements, constitutes a violation and is sanctioned with a fine of between 25,000 RON and 50,000 RON;
- XII. GEO no. 27 (in force) changes as follows: for the period April-August 2022, the final deadline to input data needed for cash payment from the State budget or settlement of the amounts paid from the State budget, if applicable, is 30 April 2025; for the September 2022-August 2023, the final deadline to input data needed for cash payment from the State budget or settlement of the amounts paid from the State budget, if applicable, is 30 April 2025;
- XIII. Law of electricity and natural gas no. 123/2012 changes as follows: the producers have the obligation to trade at least 50% of the annual electricity production via contacts on the electricity markets, other than PZU, PI and PE. There is an exception from this provision for the producers that have a portfolio including only wind, solar, micro-hydropower plants, which are beneficiaries of a green certificates supporting scheme, and also electricity production capacities in co-generation. OPCOM has the obligation to publish reference prices, closing prices and traded volumes on a daily basis.

On 31 March 2025, Government Emergency Ordinance (GEO) No. 20/2025 was published in Official Gazette No. 282, regarding the establishment of a state aid scheme for exempting certain categories of end consumers from the application of Law No. 220/2008 on the support system for promoting energy production from renewable sources.

- Approval is granted for the establishment of a state aid scheme aimed at exempting a percentage of the electricity delivered to energy-intensive industrial consumers from the obligation to purchase green certificates (GC), in accordance with Law No. 220/2008 on the support system for promoting energy production from renewable sources, while ensuring compliance with European Union legislation in this field.
- The authority responsible for administering the state aid scheme is the Ministry of Energy. The scheme will apply until 31 December 2031, with a total budget equivalent to EUR 578.4 million, and the annual value of state aid granted shall not exceed EUR 150 million per year.
- Beneficiaries of the state aid must notify the annual exemption agreement issued by the Ministry of Energy to ANRE and to electricity suppliers with whom they have concluded electricity sale-purchase contracts, within 5 working days from receipt of the agreement. Based on the annual exemption agreement received from its client, the supplier is exempted from the obligation to purchase the number of green certificates corresponding to the quantity of electricity delivered to that client, starting from the month immediately following the month in which the notification was sent.

On 30 June 2025, Order of the Minister of Energy No. 686/2025 was published in Official Gazette No. 610, approving the Methodological Rules for the recovery of state aid granted under Government Emergency Ordinance No. 20/2025, regarding the establishment of a state aid scheme for exempting certain categories of end consumers from the application of Law No. 220/2008 on the support system for promoting energy production from renewable sources.

- A set of methodological rules is approved, aimed at stopping or recovering state aid granted under GEO No. 20/2025. The Ministry of Energy shall take the necessary measures to recover any unduly granted state aid, namely the value corresponding to the number of green certificates from which the beneficiary was exempted,

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

plus the related interest. This amount must be reimbursed before 1 July of the year following the year in which the aid was granted.

On 30 June 2025, Government Emergency Ordinance No. 35/2025 was published in Official Gazette No. 612, introducing a support mechanism for household electricity consumers in energy poverty.

- Social protection measures for household electricity consumers apply from 1 July 2025 to 31 March 2026. These measures consist of granting financial support in the form of an electronic voucher worth 50 lei, which can be used exclusively to pay electricity bills.
- The support may only be used for payments related to electricity consumption at the consumption point for which the aid is granted, and only for one consumption point per beneficiary.
- Eligibility criteria for energy poverty: a single person with a monthly income of up to 1,940 lei, or families with a monthly income per member of up to 1,784 lei.
- Electricity suppliers are required to include, starting July 2025, a barcode with the POD (Point of Delivery) for each consumption point on electricity bills.

ANRE Order No. 58/2025, published in Official Gazette No. 704 on 29 July 2025 – Order amending, supplementing, and repealing certain ANRE orders regarding the electricity market, enters into force on 29 July 2025:

- The general rules for organized forward electricity markets are amended by introducing provisions requiring electricity buyers to pay an advance or provide a minimum guarantee upon signing contracts, as follows:
 - a) 5% of the contract value for deliveries longer than 6 months
 - b) 10% of the contract value for deliveries up to 6 months
 - c) The payment deadline for the advance/guarantee is 15 days from contract signing. The buyer chooses the method of securing contract performance, either advance payment or guarantee.
- For trading under EFET-type contracts, the eligibility list must include a minimum of 4 eligible partners with a non-zero credit limit, reducing the previous requirement from 8 to 4 for the continuous double-auction market.
- It is specified that transaction prices include network injection tariffs and do not change when these tariffs are updated.
- Market operators must update operational procedures/contracts/agreements necessary to implement these provisions within 30 days from the date of publication of the order.

On 7 November 2025, Government Emergency Ordinance No. 59/2025 was published in Official Gazette No. 1035, amending and supplementing certain legislative acts in the field of energy.

- The ordinance transposes RED III (the third RES Directive) into national law and contains provisions on guarantees of origin (GO), energy communities, etc.
- Guarantees of Origin (GO) will be treated differently depending on the production capacities to which they correspond: capacities benefiting from CV, capacities benefiting from other support schemes (e.g., CfD), or capacities not benefiting from any support scheme. The new regulations for GO for electricity will be approved by ANRE by 30 September 2026. A provision has been included regarding ANRE's recognition of GO issued in other member states.
- Energy communities (from renewable sources, respectively citizens) must be registered in the Energy Communities Register, must have SMIs installed, and can trade surplus energy on the wholesale and retail markets in accordance with ANRE regulations. For trading energy within and outside the community, it may hold a supply license (with a few exceptions) or an aggregation license, or it may delegate the supply activity to a third-party supplier or aggregator, with their consent and that of the community members.

On 23 October, ANRE Order No. 65/2025 was published in the Official Gazette No. 977, amending and supplementing Order No. 105/2018 of the President of the National Energy Regulatory Authority approving the General Rules on Centralized Natural Gas Markets:

- The definitions of market segments are clarified and expanded, and derivatives are also included in the Annex;
- The virtual trading point (VTP) is clarified as the place of transfer of ownership;

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

- Market making activity is explicitly introduced, by designating one or more interested participants;
- A separate annex is introduced for the list of main tradable products;
- Effective as of October 23, 2025.

In 2025, wholesale electricity trading was carried out transparently on centralized markets administered by OPCOM and BRM, based on directly negotiated bilateral contracts. For spot markets, the transition to BRM took place in February.

Electricity generation

Green certificates

Producers of electricity from renewable energy sources (RES) have the right, according to Law no. 220/2008, to receive a certain number of green certificates, depending on the technology used (for example: hydraulic, wind, solar, geothermal, biomass, bioliquids, biogas), for each MWh produced and delivered to the network and for a certain period of time, depending on the degree of novelty of the group/power plant.

Starting from February 2013, the Stanesti photovoltaic park has the right to receive (the month from which it started injecting electricity into the network), for a period of 15 (fifteen) years, 6 (six) green certificates for each MWh of electricity produced and delivered to the grid, out of which, for the period 1 July 2013 – 31 December 2020, according to Law 23/2014 and Law 184/2018, 2 (two) green certificates were postponed from trading. Those two GC postponed from trading are to be recovered in equal monthly tranches starting from 1 January 2021 until 31 December 2030.

The green certificates issued by Transelectrica for the production made by the Stanesti photovoltaic park, during the validity period of the accreditation decision issued by ANRE, can be traded, according to GEO 24/2017, until 31 March 2032, respectively including the period after the expiration of the validity period of the accreditation decision (31 January 2028 in the case of the Stanesti photovoltaic park).

The sale of green certificates can be made on OPCOM markets (spot and combined market). The selling price has to be within the minimum and maximum values provided by Law 220/2008 (para. 11) on establishing the system to promote the production of energy from renewable energy sources, republished and subsequently amended.

For 2026, OPCOM set the minimum value of a green certificate to 148.2201 RON (approximately 29.4 euro), while for 2025 the minimum value was 146.2532 RON.

Increase in electricity price impact

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

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

This change in energy sector has generated last year a new reporting requirement for an accounting treatment in place to cover own technological consumption and it was updated in the OMFP 2844/2016 i.e. it now allows the capitalization of such additional costs related to own technological consumption („CPT”) as intangible asset which has to be depreciated linearly over next 5 years (please see Notes 7 and 25).

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

According to OUG 119/2022 and ANRE regulations, the capitalised costs of intangible non-current assets are recorded in the accounting records and therefore on the annual financial statements according to OMFP 2844/2016 with the instructions developed by the Ministry of Finance. ANRE will determine the recognized annual amounts of the capitalized costs based on the quantities and prices recognized for NL, and by 15 March of the year immediately following the year of capitalization of the additional costs, ANRE will transmit to the distribution operators the recognized annual amounts of the capitalized costs for the previous year. The computation of the capitalized amounts is carried out in compliance with the legislation specific to the entities that are the subject of GEO 119/2022, with subsequent additions and changes.

By GEO no. 21/2025 on modification and complementation of title X of Law no. 227/2015 on Tax Code, and by modification and complementation of certain legislation, a tax on special buildings was instated ("tax on poles"). The annual tax on special buildings is applicable starting with 04 April 2025 and it is computed by applying a 0.5% quota to the net carrying amount of constructions, except for those that are subject to the tax on buildings under title IX, existing as at 31 December of the preceding year or on the last day of the modified tax year preceding the tax year for which this tax is owed. The Group recorded an expense related to the tax due for 2025 amounting to RON 31,167 thousand.

For **the supply segment**, in the first semester of 2025, the effect of retail electricity prices was covered by subsidies received from the state authorities, as a result of the price ceiling mechanism for electricity and natural gas to final customers, following the application of GEO 27/2022, with subsequent amendments and additions. The implementation of these schemes and the mechanism for *ex post* payment from the State budget to the electricity suppliers of the amounts granted as a support for customers have raised cash flow constraints, as well as uncertainties related to the full recovery of the related amounts by the suppliers. Under such circumstances, EFSA has adapted to these changes in order to mitigate their impact on the company's operations in a responsible and sustainable manner, given multiple, successive and highly significant updates to the regulatory framework.

Starting in July, the cap was removed in accordance with GEO 27/2022, supplemented by GEO 6/2025, with the expiration of the state aid scheme for electricity on 30 June 2025. In the second half of 2025, the final price billed to customers was aligned with contractual prices in the competitive market, and public support was redirected towards vulnerable consumers, while the cap on natural gas will remain in force until 31 March 2026. Currently, the Romanian Government has adopted a new Government Emergency Ordinance (GEO) extending the natural gas price cap until 31 March 2027.

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

2 Basis of accounting

These annual consolidated financial statements have been prepared in accordance with OMFP no. 2844/2016. The consolidated financial statements were authorized for issue on 25 March 2026 and will be submitted for shareholders' approval in the meeting scheduled on 29 April 2026.

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

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

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

The Group has consistently applied the accounting policies to all periods presented in these consolidated financial statements. Details of the Group's accounting policies are included in Note 7.

3 Functional and presentation currency

These consolidated financial statements are presented in Romanian Lei (RON), which is the functional currency of all Group companies. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

4 Use of judgements and estimates

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions 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 recognised prospectively.

(a) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included below.

Revenue recognition

The Group assesses its revenue arrangements based on specific criteria to determine if it is acting as a principal or an agent. The Group has identified that it acts in the capacity of an agent in case of transactions as Balancing Responsible Party ("BRP") and thus recognises revenue as the net amount of the commission earned by the Group. The Group concluded that it is acting as a principal in all other revenue arrangements.

Service Concession Arrangements

The distribution subsidiaries (as operators) that merged into one single distribution operator as of 31 December 2020 concluded concession contracts with the Ministry of Economy (as grantor) in 2005, updated by subsequent addendums. These contracts concern the operation of electricity distribution service in the established territory (Transilvania Nord, Transilvania Sud, Muntenia Nord), on the risk and responsibility of the operators and taking into account the regulations applicable to the operation, modernization, rehabilitation and development of energy distribution networks specified in the Electricity Law, the terms and conditions of the licenses for electricity distribution and the regulations issued by ANRE. The distribution operator resulting from the merger of the three distribution operators within the Group, Distribuție Energie Electrica Romania concluded addendums to the concession agreements signed with the Ministry of Economy for the operation of electricity distribution service in all three areas.

IFRIC 12 "Service Concession Arrangements" deals with public-to-private service concession arrangements. IFRIC 12 applies to public-to-private service concession arrangements if:

- (a) the grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price; and
- (b) the grantor controls - through ownership, beneficial entitlement or otherwise - any significant residual interest in the infrastructure at the end of the term of the arrangement.

The control or regulation referred to in condition (a) could be by contract or otherwise (such as through a regulator). The activities of the electricity distribution operators, including distribution tariffs, are regulated by ANRE.

The concession contracts are concluded for a period of 49 years and may be extended for a period equal to no more than half of that period. As a price for the concession, the operators pay an annual royalty fee recognized in the distribution tariff of 1/1000 of the revenues from electricity distribution. According to the concession contracts, the operators use the assets representing the distribution network owned by them located in the above-mentioned territory for electricity distribution. According to the concession contracts, the grantor will buy at the end of the term of concession contract the ownership right of the "relevant assets", that are mainly the electricity distribution networks, at a price equal to the value

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

of the regulated assets base at the end of the concession.

Within the arrangements, the Group incurs significant expenditure in relation to the development and maintenance of the infrastructure. The construction works are either outsourced by the Group to sub-contractors, or performed internally. Significant management judgment is involved in accounting for the concession arrangements, including those in respect of the recognition of revenue based on the separation of construction or upgrade services from operation services.

The concessionaires act as service suppliers (they build, modernize and maintain the distribution network). This results in revenues and expenditures being recognized in the profit and loss account (related to the construction and modernization of infrastructure), as well as of a margin resulting from rendering the construction services established by the Group. Starting with 31 December 2024, the Group reassessed the margin applied and a margin of 7.26% is applied for period 01 January 2024 – 31 December 2025, based on the Group's experience in working with external contractors.

(b) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that may result in a material adjustment in the subsequent twelve-month period is included in the following notes:

- Note 7 d) – assumptions regarding recognition of revenue from supply and distribution of electricity to consumers based on estimates for electricity delivered and for which no reading was performed yet;
- Notes 20 and 33 – assumptions and estimates about measurement of the allowance for trade receivables at the level of expected credit losses (ECL), respectively in determining the loss rates;
- Note 24 - assumptions regarding the revalued value of tangible assets;
- Notes 29 and 36 – recognition and measurement of provisions and contingencies;
- Note 20 – assumptions and estimates of amounts to be received from the state following the application of the compensation and capping scheme.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses market observable 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, which the Group can access;
- 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 might be categorised in 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 recognises 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 following notes:

- Note 33 – Financial instruments;
- Note 24 – Property, plant and equipment.

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

5 Restatements

During the reporting period, when the support scheme ended and was reanalyzed the Group identified an error from past periods which it corrected in the current set of financial statements. For 2023 certain balances previously presented within accrued trade receivables have been reclassified to subsidies under the energy support mechanism, without any impact on profit or loss or total equity. The restatement is a reclassification between current assets lines (trade receivables and subsidies) that was identified at the time of the adjustment of the support scheme. For 2024 the effect of this matter had an impact of RON 80,000 thousand in profit and loss with corresponding effects on revenue, other income and income tax expense, as shown in the table below. Starting with 1 November 2021, in the context of the increase in prices for the electricity and natural gas markets at international and national level, a series of support measures for electricity and natural gas customers have been applied, by establishing compensation and capping schemes between 1 November 2021 and 30 June 2025 for electricity, and for 1 November 2021 and 31 March 2026 for natural gas. OUG 32/2024 introduced the regulation of the support scheme for the entire period of application (i.e., retroactively, starting with April 2022), therefore in 2025 when the Group finalized submitting all the subsidies for the entire scheme period for electricity, some adjustments were recorded as follows:

Consolidated statement of financial position

	31 December 2024 as previously reported	31 December 2024 adjustments	31 December 2024 as restated	31 December 2023 as previously reported	31 December 2023 adjustments	31 December 2023 as restated
Trade receivables	3,675,688	(613,155)	3,062,533	2,540,442	(580,732)	1,959,710
Subsidies receivable	1,976,697	595,456	2,572,153	2,614,535	490,971	3,105,506
Total assets	14,694,750	(17,699)	14,677,051	13,542,830	(89,761)	13,453,070
Retained earnings	2,195,784	80,684	2,276,468	1,906,981	-	1,906,981
Total equity	6,335,446	80,684	6,416,130	6,007,549	-	6,007,549
Other payables	1,585,864	(98,383)	1,487,481	1,035,084	(89,761)	945,323
Total liabilities	8,359,304	(98,383)	8,260,921	7,535,281	(89,761)	7,445,520

Consolidated statement of profit or loss

	31 December 2024 as previously reported	31 December 2024 adjustments	31 December 2024 as restated
Revenue	8,995,202	(15,763)	8,979,439
Other income	1,688,891	104,485	1,793,376
Income tax expense	(94,727)	(8,038)	(102,765)
Profit for the year	376,451	80,684	457,135
Basic earnings per share (Lei)	1.11	0.24	1.35

Consolidated statement of cash flows

	31 December 2024 as previously reported	31 December 2024 adjustments	31 December 2024 as restated
Cash flows from operating activities			
Profit for the year	376,451	80,684	457,135
Adjustments for:			
Income tax expense	94,727	8,038	102,765
Changes in :			
Trade receivables	(1,561,766)	32,423	(1,529,343)
Subsidies receivable	637,838	(104,485)	533,353
Other payables	628,975	(16,660)	612,315

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

6 Basis of measurement

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

7 Accounting policies

(a) Going concern

The consolidated financial statements have been prepared on the going concern basis. In making this judgement management considers current trading performance and access to finance resources.

At the date of issuance of these consolidated financial statements the regulatory position may be further amended and there may be further laws enacted which could adversely impact the Groups operating cash flows during the forecast period. Given the current market uncertainties, the Group is closely monitoring the market context and is continuously analysing the opportunities for optimisation of debt and increase of bank overdrafts and long-term loans. In light of the importance of the Group as the supplier and distributed of electricity on the Romanian market, having 39.5 % (according to the latest ANRE report 2024 for the distribution segment) as market share on the electricity distribution and 14.73 % (according to the latest ANRE report November 2025 for the supply segment) as market share on the electricity supply market and having as main shareholder of Electrica SA the Romanian State, the management believes sufficient financing will be made available to cover any financing requirements arising from market uncertainty and Group will be able to meet its obligations as they fall due.

Based upon the above mentions and other information, given the measures already implemented and the strategies to reduce the risks which may occur due to the instability of the economic environment, the Board of Directors has, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

(b) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are included in the consolidation perimeter from the date that control commences until the date on which control ceases.

(ii) Loss of control

On the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently that retained interest is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(iii) Non-controlling interests

The Group measures any non-controlling interests in the subsidiary at their proportionate share of the subsidiary's identifiable net assets.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary.

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

(c) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

(d) Revenue

Revenue is recognized when or as the customer acquires control over the goods or services rendered, at the amount which reflects the price at which the Group is expected to be entitled to receive in exchange of those goods or services. Revenue is recognized at the fair value of the services rendered or goods delivered, net of VAT, excises or other taxes related to the sale.

Supply and distribution of electricity

The revenue from supply and distribution of electricity to consumers is recognized when electricity is delivered to consumers (consumed by consumers), based on meter readings and based on estimates for electricity delivered and for which no reading was performed yet. The invoicing of electricity sales is performed on a monthly basis. Monthly electricity invoices are based on meter readings or on estimated consumptions based on the historical data of each consumer. Electricity supplied to consumers which is not yet billed as at the reporting date is accrued on the basis of recent average consumption or based on subsequent meter readings. Differences between estimated and actual amounts are recorded in subsequent periods.

Revenues from electricity distribution and supply also include the cost of green certificates recharged by the Group to final consumers (see paragraph (k)).

The Group acts in the capacity of an agent in case of transactions as Balancing Responsible Party ("BRP"). Thus, in its quality as an agent, the Group recognizes revenue for the commission earned in exchange for facilitating the transfer of goods or services. Any holder of a production/supply/distribution license must be established as a Balancing Responsible Party or must delegate this responsibility to a Balancing Responsible Party. By delegating this responsibility to a BRP, there is the benefit of imbalance aggregation in the meaning of Balancing Market cost reduction by comparison with the case where the producer/supplier/distributor would act itself as a Balancing Responsible Party.

Electrica Furnizare S.A. acts as BRP for a large number of participants, electricity producers as well as electricity suppliers and distribution operators. For the settlement of imbalances, BRP Electrica is using the "method of internal redistribution of payments", ensuring benefits of imbalance aggregation for all the participants included in the BRP. BRP Electrica provides the transmission of physical notifications to CNTEE Transelectrica SA and its role is to balance the differences between the electricity contracted and the electricity measured at the level of the entire BRP.

Generation and sale of electricity

The electricity produced by the Group is mainly sold on the Day Ahead Market and the revenue is recognized when the electricity is injected into the network and is being sold on the market.

Sale of green certificates

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

Electricity suppliers have a legal obligation to purchase green certificates from producers of electricity from renewable sources, based on annual targets or quotas set by law, which are applied to the quantity of electricity purchased and supplied to final customers. Cost of green certificates is invoiced to final customers separately from the tariffs for electricity.

Electricity producers are entitled by the law in force to receive a certain number of green certificates for each MWH of electricity produced from renewable sources and injected into the network. The green certificates can be sold on the spot market, term market or a combination of both. The selling price must fall between the minimum and maximum values set by Law no. 220/2008 for establishing the system for promoting the production of electricity from renewable energy sources, republished, with subsequent amendments. Revenue from green certificates is recognized in the profit or loss statement when the green certificates are sold on the trading market.

Service concession arrangement

Revenue related to construction or upgrade services under service concession arrangement is recognised based on the stage of completion of the work performed, consistent with the accounting policy on recognising revenue on construction contracts, as follows:

- Revenue in respect of variations to contracts and incentive payments is recognised when there is an enforceable right to payment and it is highly probable it will be agreed by the customer. Variable consideration is assessed on a contract by contract basis according to the facts, circumstances and terms of each project and only recognised to the extent that it is highly probable not to significantly reverse in the future. Revenue in respect of claims is recognised only if it is highly probable not to reverse in future periods.
- If the outcome of a construction contract can be estimated reliably, then contract revenue is recognised in profit or loss in proportion to the stage of completion of the contract. The stage of completion is assessed with reference to surveys of work performed. Otherwise, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable.
- Contract expenses are recognized as incurred unless they create an asset related to future contract activity. An expected loss on a contract is recognised immediately as expense.

(e) Other income

Revenues from the subsidies

Revenues from subsidies are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate, as a result of the application of the electricity price cap. These subsidies are recoverable from the National Agency for Payments and Social Inspection for household consumers and from the Ministry of Energy for non-household consumers, as a result of the application of the electricity ceiling mechanism and are applicable for period 1 November 2021 – 30 June 2025 and for gas the ceiling mechanism and are applicable for period 1 November 2021 – 31 March 2026, subsequently extended until 31 March 2027. Starting with April 2022, the revenues from subsidies are recorded as the difference between the income calculated at the contract price and the income invoiced to the customer at the capped price.

(f) Repairs and maintenance

Repair and maintenance expense is recorded as the operating expense base on an accrual basis.

(g) Finance income and finance costs

The Group's finance income and finance costs include:

- interest income;
- interest expense;
- foreign currency gains or losses on financial assets and financial liabilities;
- impairment losses recognised on financial assets (other than trade receivables).

Interest income or expense is recognised using the effective interest method.

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

(h) Employee benefits

(i) Short-term employee benefits

Short-term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognised immediately in other comprehensive income. The Group determines the net interest expense/(income) on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re-measurements are recognised in profit or loss in the period in which they arise.

(iv) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

(i) Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

(ii) Pillar 2 analysis – effective tax rate "ETR"

Law 431/2023 on ensuring a global minimum level of taxation for multinational and large domestic groups of companies transposes into national law the provisions of Directive 2523/2022 on ensuring a minimum level of taxation, which includes the guidelines of the second pillar of the "Global Model Rules to combat tax base erosion" ("GloBE rules"/"Pillar 2 rules") issued by the OECD/G20 Inclusive Framework on BEPS. Also, according to Article 5 of Law 431/2023, the explanations and examples in the Administrative Guidelines issued by the Organization for Economic Cooperation and Development ("OECD")

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

are used for the application of this law.

The GloBE rules are applicable to large groups of companies, both national and multinational, namely those which have a consolidated turnover (at the level of the whole group) of at least 750 million Euro in at least two of the four years preceding the reference year.

Under GloBE rules, the effective tax rate ("ETR") is calculated annually at jurisdiction level. The ETR is computed as the ratio of the Adjusted Covered Taxes of the Constituent Entities ("CE") - the numerator and the Qualifying Net Profits of the Constituent Entities - the denominator. Both the numerator and the denominator represent the aggregate amounts of all ECs located in a jurisdiction.

The transitional Country-by-Country Reporting ("CbCR") protection regime identifies "low-risk" jurisdictions by applying three quantitative tests, leveraging existing data from the CbCR report and from the multinational group's accounting. In the case of large domestic groups, as they are not required to prepare and file CbC reports, the data required for the tests under the protection regimes will be extracted from the qualified financial statements (as per art. 36, paragraph 7 of Law 431/2023). The three quantitative tests are:

- The De Minimis Test - is considered fulfilled if the total income from the CbCR report, i.e. from the qualified financial statements, does not exceed 10 million Euro and the pre-tax profit does not exceed 1 million Euro.
- Simplified ETR Simplified test - this considers the simplified covered taxes in the qualified financial statements as reported in the profit before tax in the CbCR report and in the qualified financial statements. The test is met when the percentage so calculated is higher than the applicable minimum rate. The minimum rate for purposes of this test is 15% for the fiscal year beginning in 2024, increasing to 16% and 17% for the fiscal years beginning in 2025 and 2026, respectively.
- The Routine Profits Test - applies to jurisdictions where the Substance-Based Profits Exclusion from Economic Substance ("SBIE") equals or exceeds the pre-tax profit in the CbCR report, i.e., the qualified financial statements. SBIE is an indicator that is calculated based on the group's fixed assets and payroll costs in that jurisdiction.

Entities that are part of a multinational or domestic group in a jurisdiction need to meet only one of the three tests in order to qualify for the CbCR transitional regime.

(iii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if certain criteria are met.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

probable that the future taxable profits will be available against which they can be used.

In such a circumstance, the Group shall recognize and measure its current or deferred tax asset or liability based on taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined applying this interpretation.

The Group assesses whether it is probable (more than 50% chances) that a tax authority will accept an uncertain tax treatment.

Thus, the Group shall reflect the effect of uncertainty for each uncertain tax treatment by using either of the following methods, depending on which method the entity expects to better predict the resolution of the uncertainty:

(a) the most likely amount - the single most likely amount in a range of possible outcomes. The most likely amount may better predict the resolution of the uncertainty if the possible outcomes are binary or are concentrated on one value.

(b) the expected value - the sum of the probability-weighted amounts in a range of possible outcomes. The expected value may better predict the resolution of the uncertainty if there is a range of possible outcomes that are neither binary nor concentrated on one value.

(j) Green certificates

Electricity supply

Electricity suppliers have a legal obligation to purchase green certificates from producers of electricity from renewable sources, based on annual targets or quotas set by law, which are applied to the quantity of electricity purchased and supplied to final customers.

The cost of green certificates is accrued in the profit or loss based on the quantitative quota determined by the regulator representing the quantity of the green certificates that the Group has to purchase for the year and based on the price of green certificates acquired on the centralized market. The obligation for covering the annual acquisition quota is accrued in profit or loss.

Electricity generation

Electricity producers are entitled by the law in force to receive a certain number of green certificates for each MWH of electricity produced from renewable sources and injected into the network.

Green certificates are recognized as inventories when the producer has the right to receive as a result of energy produced and delivered into the network, at nil nominal value. Recognition in the profit and loss account is done at the time of their sale.

(k) Inventories

Inventories consist mainly of spare parts that do not meet the recognition criteria for property, plant and equipment, consumables, goods for resale, other inventories and the natural gas storage.

Inventories are measured at the lower of cost and net realizable value.

The cost of inventories is based on the weighted average cost method. The cost of inventories includes all the acquisition costs and other expenses related to bringing the inventories to their current place and condition.

Consumables used for the repairs and maintenance of the electricity network are included in profit and loss when consumed and presented in "*Repairs, maintenance and materials*".

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

(l) Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment are stated initially at cost, which includes purchase price and other costs directly attributable to acquisition and bringing the asset to the location and condition necessary for their intended use.

After initial recognition, land and buildings are measured at revalued amounts less any accumulated depreciation and any accumulated impairment losses since the most recent valuation. The other items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses. Revaluations of land and buildings are made with sufficient regularity to ensure that the carrying amount does not differ materially from the one that would be determined using the fair value at the end of the reporting period. When a building is revalued, the accumulated depreciation is eliminated against the gross carrying amount of that item, and the net amount is restated to the revalued amount of the asset.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, determined on the same basis as other property assets, commences when the assets are ready for their intended use.

Spare parts, stand-by and servicing equipment are classified as property, plant and equipment if they are expected to be used during more than one period or can be used only in connection with an item of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iii) Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is recognised in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land and construction in progress are not depreciated.

The estimated useful lives of property, plant and equipment are as follows:

Category	Useful lives (years)
Buildings	45-70
Equipment	3-25
Motor vehicles and office equipment	3-10

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(m) Connection fees

According to art. 25 paragraph (1) of Law no. 123/2012 on electricity and natural gas, as subsequently amended and supplemented, access to power grids of public interest is a mandatory service provided under regulatory conditions, which

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

the transmission and system operator as well as the distribution operators must ensure.

At the request of a new or pre-existing customer, the distribution operators are obliged to communicate the technical and economic conditions for the connection network and to cooperate with the applicant to choose the most advantageous technical and economic solution. Afterwards, a connection contract is concluded between the distribution operator and the customer at a regulated tariff. The actual construction of the connection installation is carried out by a construction supplier certified by ANRE.

The Group collects cash from customers, which is used only to pay for the construction of the connection station, and the Group must then use this asset to connect customers to the network. According to ANRE Order no. 59/2013, with subsequent amendments, these assets remain in the ownership of the network operator.

The Group recognizes the assets at nil value, net of the amount of the deferred income representing the contributions from customers. The assets financed from connection fees received from the new users of the distribution network are not included in the RAB. At the end of the concession contract, the assets built from the connection tariff will be transferred to the concessionaire free of charge together with the assets part of RAB.

In the case of non-household customers, the value of the connection works, including those for the design/construction of the connection/connection, is entirely borne by the customers. Assets resulting from connection work:

- In the period from 1 January 2022 to 24 July 2022, they enter the distribution operator's assets from the time of commissioning, on the basis of GEO no. 143/2021, without being recognised by ANRE as part of the regulated asset base;
- From 25 July 2022 they do not become part of the distribution operator's assets, on the basis of Law no. 248/2022 and ANRE Order no. 133/2022, they are only transferred to the distribution operator for operation.

Starting with 2021, according to ANRE Order no. 160/2020 amending ANRE Order no.59/2013, the connection installations that are financed by the customers will remain in their ownership and are being exploited by the network operator. However, according to ANRE Order no. 17/2021 for the connection installations of all household consumers and of the non-household with lengths less than 2.5 km, the distribution operator has the obligation to finance them and these will remain in the ownership of the network operator.

(n) Intangible asset in a service concession arrangement

(i) Recognition and measurement

The Group recognises an intangible asset arising from a service concession arrangement when it has a right to charge for use of the concession infrastructure. An intangible asset received as consideration for providing construction or upgrade services in a service concession arrangement is measured at fair value on initial recognition with reference to the fair value of the services provided. Subsequent to initial recognition, the intangible asset is measured at cost, less accumulated amortization and accumulated impairment losses.

(ii) Amortization

The amortization method used is selected on the basis of the expected pattern of consumption of the expected future economic benefits embodied in the asset, and is applied consistently from period to period, unless there is a change in the expected pattern of consumption of those future economic benefits. The Group determined that the amortization method that reflects appropriately the expected pattern of consumption of the expected future economic benefits is correlated with the amortisation of the regulated asset base "RAB".

(o) Intangible assets related to the capitalization of own technological consumption (NL)

The difference between the purchase price of electricity for own technological consumption versus the ex-ante purchase

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

price recognized by ANRE in the related regulated tariffs 2022 related to the purchase of electricity and natural gas, made between 1 January 2022 and 31 August 2023, in order to cover the own technological consumption (NL) for economic operators for energy transport and distribution services are capitalised.

According to ANRE regulations, the capitalised costs of intangible assets are recorded in the accounting records and therefore on the annual financial statements according to the instructions developed by the Ministry of Finance. ANRE will determine the recognized annual amounts of the capitalized costs based on the quantities and prices recognized for NL.

(i) Recognition and measurement

The computation of the capitalized amounts is carried out in compliance with the legislation specific to the entities that are the subject of GEO 119/2022, with subsequent additions and changes.

According to the legislation in force, the following intangible assets will be created for the NL difference (in correspondence with "Capitalised costs of intangible non-current assets":

- The first intangible asset - for the NL cost difference recorded between January 2022 and September 2022 will be recorded on 30 September 2022;
- The second intangible asset - for the NL cost difference recorded between October 2022 and December 2022 will be recorded on 31 December 2022;
- The third intangible asset - for the NL cost difference recorded between January 2023 and March 2023 will be recorded on 31 March 2023;
- The fourth intangible asset - for the NL cost difference recorded between April 2023 and June 2023 will be recorded on 30 June 2023;
- The fifth intangible asset - for the NL cost difference recorded between July 2023 and August 2023 will be recorded on 31 August 2023.
- The sixth intangible assets - for the NL cost difference recorded between September 2023 and December 2023 will be recorded on 31 December 2023.
- Quarterly, on the last day of each quarter, for the corresponding amounts, between 1 January 2024 and 31 March 2025.

Currently, in the financial statements are recognized only the intangible assets mentioned above.

(ii) Amortization

The capitalized costs are amortized through the straight-line method over a period of 5 years from the date of capitalization.

(p) Other intangible assets

(i) Recognition and measurement

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(iii) Amortization

Amortization is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss.

The estimated useful lives of software and licenses are 3-5 years.

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(q) Goodwill

Goodwill is measured as the value of the consideration transferred (fair value) plus the amount of any non-controlling interest (NCI) plus the fair value of previous equity interests minus the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

(r) Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(i) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial assets are initially measured at fair value and subsequently at amortized cost, as they are held in a business model to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal reimbursements, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

Loans and receivables

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Loans and receivables comprise trade receivables, cash and cash equivalents and deposits.

Trade receivables

Trade receivables include mainly unsettled invoices issued until reporting date for supply and distribution of electricity and services, late payment penalties and accrued revenue for electricity delivered and services rendered until the end of the

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

year but invoiced after the end of the year.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and deposits with maturities of three months or less from the set-up date that are subject to an insignificant risk of changes in their fair value and are used by the Group in the management of its short-term commitments.

Deposits, treasury bills and government bonds

These assets are initially recognised at fair value plus any directly attributable transaction costs. Deposits with maturities greater than three months are presented separated from cash and cash equivalents. The deposits, treasury bills and government bonds represent a contractual right to receive cash. They are held to maturity to generate interest income based on a fixed interest rate and measured at amortized cost.

(ii) Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at fair value through profit or loss.

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) valued as at fair value, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Other financial liabilities include green bonds, bank borrowings, bank overdrafts, financing for network construction related to concession agreements and trade payables.

(iii) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a deduction from equity.

Repurchase and reissue of ordinary shares (treasury shares)

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve.

When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

(iv) Impairment

Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost or at fair value through other comprehensive income. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

The Group always recognizes lifetime expected credit losses for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition.

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(ii) Write-off policy

The Group writes off a financial asset after the finalization of the bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(iii) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(s) Revaluation reserve

The difference between the revalued amount and the net carrying amount of property, plant and equipment is recognised as revaluation reserve included in equity.

If an asset's carrying amount is increased as a result of a revaluation, the increase is recognised and accumulated in equity under the heading of revaluation reserve. However, the increase is recognised in profit and loss to the extent that it reverses a revaluation decrease of the same amount of the asset previously recognised in profit and loss.

If an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in profit or loss. However, the decrease is recognized in equity in revaluation reserves if there is any credit balance existing in the revaluation reserve in respect of that asset.

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

The revaluation reserve is transferred to retained earnings in an amount corresponding to the use of the asset (as the asset is depreciated) and upon disposal of the asset.

(t) Dividends

Dividends are recognized as a deduction from equity in the period in which their distribution is approved and recognised as a liability to the extent it is unpaid at the reporting date. Dividends are disclosed in the notes to financial statements when their distribution is proposed after the reporting date and before the date of the issuance of the financial statements.

(u) Pre-paid capital contributions in kind from shareholders

These contributions from a shareholder represent pre-paid contributions of land for which the Company obtained title deeds in respect of future issuance of shares. The amounts recorded are based on the fair value of the land.

(v) Provisions

A provision is recognised if, as a result of a past event, the Group has a present, legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

(w) Contingent assets and liabilities

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events that is not recognised because:

- i. it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- ii. the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognized in the Group's financial statements, but disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

A contingent asset is not recognized in the Group's financial statements, but disclosed when an inflow of economic benefits is probable.

(x) Leases

(i) The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (with a lease term of 12 months or less) and leases of low value assets (of less than USD 5,000). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the default rate in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

(ii) Rental income

Rental income from property, plant and equipment other than investment property is recognised as *Other income*. Rental income is recognised on a straight-line basis over the term of the lease.

(y) Investment in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale.

Under the equity method, an investment in an associate is recognised initially in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate.

When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate.

(z) Government grants

The Group recognizes a government grant only when there is reasonable assurance that the entity will comply with the conditions attached to the grant and it will be received. Grants are recognized in profit or loss over the periods necessary to match them with the related costs.

If the grant is provided to reimburse costs incurred or to be incurred at the present time or in the future, then the grant is recognized in profit or loss in the periods when the costs are incurred. The grant will be presented as a separate line item as "Other income".

(aa) Segment reporting

Segment results that are reported to the Company's Board of Directors (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

(bb) Subsequent events

Events occurring after the reporting date 31 December 2025, which provide additional information about conditions prevailing at the reporting date (adjusting events) are reflected in the consolidated financial statements. Events occurring after the reporting date that provide information on events that occurred after the reporting date (non-adjusting events), when material, are disclosed in the notes to the consolidated financial statements. When the going concern assumption is no longer appropriate at or after the reporting period, the financial statements are not prepared on a going concern basis.

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

8 Disclosure for the additional set of the consolidated financial statements

The Company also issues a set of consolidated financial statements prepared in accordance with IFRS-EU.

Until 31 December 2021, the consolidated financial statements prepared in accordance with OMFP no. 2844/2016 were equivalent to IFRS-EU. Starting with 31 December 2022, according to Order of Ministry of Public Finances (OMFP) no. 3900/2022 that has included a new clause related to the regulatory accounts to cover for own technological consumption network additional expenses for actual energy costs as compared with the ex-ante ANRE prices recognised in distribution tariffs. On the additional set of the consolidated financial statement in accordance with IFRS-EU, these expenses have a different accounting treatment (please see the voluntary set of financial statements in accordance with IFRS-EU).

9 Operating segments

(a) Basis for segmentation

The following summary describes the operations of each reportable segment:

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

The Board of Directors of the Company reviews management reports of each segment. Segment Adjusted EBITDA (see definition below) is used to measure performance because management believes that such information is one of the most relevant in evaluating the results of the segments.

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

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

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

(b) Information about reportable segments

Year Ended 31 December 2025	Electricity and natural gas supply	Electricity distribution	Electricity production	Electricity network mainten- ance	Total for reportable segments	Headquarter	Consolidation eliminations and adjustments	Consolidated total
External revenues	7,878,686	2,948,164	16,664	66,641	10,910,155	99	-	10,910,254
Inter-segment revenue	65,903	2,261,539	-	6,769	2,334,211	-	(2,334,211)	-
Segment revenue	7,944,589	5,209,703	16,664	73,410	13,244,366	99	(2,334,211)	10,910,254
Other income	1,130,961	190,147	-	20,732	1,341,840	12,827	(99,617)	1,255,050
Capitalised costs of intangible non-current assets	-	38,808	-	-	38,808	-	267	39,075
Segment profit/(loss) before tax	313,255	917,642	10,963	(18,222)	1,223,638	105,162	(100,000)	1,228,800
Net finance income/(cost)	(233,592)	(209,025)	(298)	3,390	(439,525)	192,240	(100,000)	(347,285)
Depreciation and amortization	(25,585)	(789,537)	(3,290)	(23,925)	(842,337)	(3,986)	-	(846,323)
Reversal of impairment of property, plant and equipment and intangible assets, net	-	-	-	-	-	-	-	-
(Impairment)/ Reversal of impairment of trade and other receivables, net	(30,946)	(7,431)	-	(5,085)	(43,462)	-	-	(43,462)
Adjusted EBITDA*	572,432	1,916,204	14,551	2,313	2,505,500	(83,092)	-	2,422,408
Segment net profit/ (loss)	277,482	792,340	10,688	(16,717)	1,063,793	101,666	(120,000)	1,045,459
Employee benefits	(151,518)	(966,152)	(83)	(50,889)	(1,168,642)	(39,872)	-	(1,208,514)
Capital expenditure	28,003	965,926	48,799	9,561	1,052,289	5,574	-	1,057,863
-Segment assets	7,256,300	11,521,157	383,148	442,139	19,602,744	2,451,646	(3,059,421)	18,994,969
Trade and other receivables	3,505,775	1,135,930	39,425	79,338	4,760,468	49,557	(1,334,648)	3,475,377
Cash and cash equivalents	120,004	1,878,672	7,943	8,099	2,014,718	18,154	-	2,032,872
Trade and other payables and short-term employee benefits	2,845,864	1,225,779	30,703	52,482	4,154,828	41,217	(1,310,561)	2,885,484
Overdrafts and short-term loans	1,896,616	-	-	-	1,896,616	455,840	-	2,352,456
Lease liability	5,172	16,114	11,835	2,483	35,604	17,508	-	53,112
Bank borrowings	-	3,192,178	-	-	3,192,178	4,856	-	3,197,034
Deposits, treasury bills and government bonds	-	-	-	-	-	2,164,833	-	2,164,833
Green bonds	-	-	-	-	-	2,570,950	-	2,570,950

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

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

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

Year Ended 31 December 2024 (Restated)	Electricity and natural gas supply	Electricity distribution	Electricity production	Electricity network maintenance	Total for reportable segments	Headquarter	Consolidation eliminations and adjustments	Consolidated total
External revenues	6,281,325	2,639,999	6,711	51,321	8,979,356	83	-	8,979,439
Inter-segment revenue	28,469	2,069,619	5,696	927	2,104,711	-	(2,104,711)	-
Segment revenue	6,309,794	4,709,618	12,407	52,248	11,084,067	83	(2,104,711)	8,979,439
Other income	1,671,418	180,771	-	22,228	1,874,417	1,117	(82,158)	1,793,376
Capitalised costs of intangible non-current assets	-	190,073	-	-	190,073	-	-	190,073
Segment profit/(loss) before tax	(300,632)	856,106	4,976	(14,623)	545,827	71,137	(57,064)	559,900
Net finance income/(cost)	(200,630)	(146,009)	-	3,663	(342,976)	127,879	(62,125)	(277,222)
Depreciation and amortization	(21,917)	(767,455)	(2,412)	(9,956)	(801,740)	(2,082)	-	(803,822)
Reversal of impairment of property, plant and equipment and intangible assets, net	-	-	-	-	-	1,901	-	1,901
(Impairment)/ Reversal of impairment of trade and other receivables, net	(87,962)	(13,844)	-	(158)	(101,964)	-	-	(101,964)
Adjusted EBITDA*	(78,085)	1,769,570	7,388	(8,330)	1,690,543	(56,561)	5,061	1,639,043
Segment net profit/ (loss)	(257,378)	710,662	4,976	(13,219)	445,041	69,158	(57,064)	457,135
Employee benefits	(124,187)	(882,445)	(41)	(35,649)	(1,042,322)	(35,240)	-	(1,077,562)
Capital expenditure	23,448	998,689	130,391	4,418	1,156,946	7,225	-	1,164,171
-Segment assets	6,652,301	10,808,092	344,111	443,305	18,247,809	137,088	(3,707,846)	14,677,051
Trade and other receivables	3,332,485	1,733,709	2,703	73,994	5,142,891	6,680	(2,012,325)	3,137,246
Cash and cash equivalents	159,017	278,666	1,104	7,667	446,454	8,001	-	454,455
Trade and other payables and short-term employee benefits	3,563,416	1,076,451	24,868	40,427	4,705,162	187,130	(2,061,843)	2,830,449
Overdrafts and short-term loans	2,007,818	164,580	-	-	2,172,398	318,211	-	2,490,609
Lease liability	6,290	7,355	25,923	557	40,125	1,665	-	41,790
Bank borrowings	49,537	2,104,762	-	-	2,154,299	236,042	-	2,390,341
Deposits, treasury bills and government bonds	-	-	-	-	-	-	-	-
Green bonds	-	-	-	-	-	-	-	-

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

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

Year Ended 31 December 2023 (Restated)	Electricity and natural gas supply	Electricity distributio n	Electricity production	Electricity network maintenance	Total for reportable segments	Headquarter	Consolidation eliminations and adjustments	Consolidated total
External revenues	7,226,692	2,542,950	7,903	38,826	9,816,371	222	-	9,816,593
Inter-segment revenue	53,558	1,868,513	6,176	66,182	1,994,429	-	(1,994,429)	-
Segment revenue	7,280,250	4,411,463	14,079	105,008	11,810,800	222	(1,994,429)	9,816,593
Other income	3,391,201	154,982	-	22,210	3,568,393	1,220	(71,060)	3,498,553
Capitalised costs of intangible non-current assets	-	18,617	-	-	18,617	-	-	18,617
Segment profit/(loss) before tax	129,728	548,922	3,335	3,479	685,464	18,109	13,721	717,294
Net finance income/(cost)	(160,229)	(209,786)	(4,232)	12,554	(361,693)	67,898	-	(293,795)
Depreciation and amortization	(15,555)	(695,956)	(2,341)	(8,421)	(722,273)	(1,448)	-	(723,721)
Reversal of impairment of property, plant and equipment and intangible assets, net	41	-	159	1,027	1,227	854	-	2,081
(Impairment)/ Reversal of impairment of trade and other receivables, net	(67,338)	(9,212)	-	161	(76,389)	569	-	(75,820)
Adjusted EBITDA*	305,471	1,454,664	9,749	(1,682)	1,768,202	(49,195)	13,721	1,732,728
Segment net profit	98,403	486,036	2,151	826	587,416	23,995	8,969	620,380
Employee benefits	(104,688)	(794,524)	(264)	(32,301)	(931,777)	(30,288)	-	(962,065)
Capital expenditure	9,681	726,485	10,000	1,981	748,147	2,846	-	750,993
-Segment assets	5,613,292	10,389,940	187,691	481,669	16,672,592	125,943	(3,345,465)	13,453,070
Trade and other receivables	2,082,144	1,784,184	8,999	109,668	3,984,995	3,055	(1,934,507)	2,053,543
Cash and cash equivalents	184,140	166,103	19,299	3,898	373,440	3,775	-	377,215
Trade and other payables and short-term employee benefits	3,039,725	1,520,819	12,388	52,979	4,625,911	61,885	(1,913,286)	2,774,510
Overdrafts and short-term loans	1,869,706	774,529	-	-	2,644,235	206,986	-	2,851,221
Lease liability	6,813	21,180	12,068	994	41,055	2,140	-	43,195
Bank borrowings	200,000	900,874	-	-	1,100,874	216,768	-	1,317,642
Deposits, treasury bills and government bonds	-	-	-	-	-	-	-	-
Green bonds	-	-	-	-	-	-	-	-

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

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

10 Revenue

	2025	2024 (Restated)
Electricity distribution and supply, net	9,099,284	7,208,369
Green certificates sold	532,492	546,634
Supply of natural gas	195,950	155,188
Construction revenue related to concession agreements (Note 25)	962,569	998,686
Repairs, maintenance and other services rendered	95,274	64,851
Sales of merchandise	13,333	3,159
Re-connection fees	11,352	2,552
Total	10,910,254	8,979,439

In respect to the timing of the revenue recognition, most of the Group's services provided are transferred to the customer over time, only a small part amounting to RON 3,632 thousand (2024: RON 2,477 thousand) being transferred at a point in time (e.g. metering services provided by the distribution companies, providing periodic data analysis to the customer for certain taxes collected on behalf of them).

11 Electricity, natural gas and merchandise purchased

	2025	2024 (Restated)
Electricity purchased	6,327,602	5,897,289
Green certificates purchased	524,416	541,653
Cost of merchandise	10,648	2,801
Natural gas purchased	186,227	147,084
Total	7,048,893	6,588,827

The cost of electricity and natural gas purchased includes the cost of the green certificates purchased by the supply subsidiary which has a legal obligation to purchase green certificates from producers of electricity from renewable sources, based on annual targets or quotas set by law, which are applied to the quantity of electricity purchased and supplied to final customers. The cost of green certificates is then invoiced to final customers separately from electricity tariffs.

12 Other income and expenses

(a) Other income

	2025	2024 (Restated)
Subsidies related to electricity supply and natural gas (Note 20)	1,081,798	1,636,678
Rental income	62,931	91,569
Late payment penalties from customers	36,419	28,948
Other	73,902	36,181
Total	1,255,050	1,793,376

Rental income refers mainly to the subsidies, following by rental of the electricity poles by the distribution subsidiary to telecom operators. During 2025, the Group recognized subsidies on the supply segment recognized subsidies of RON 1,081,798 thousand (2024 restated: RON 1,636,678 thousand), following the application of the electricity and natural gas price capping and compensation mechanism, approved by Order no.118/2021 with subsequent amendments and GEO no.27/2022, the latter being amended by GEO no.119/2022.

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

(b) Other operating expenses

	2025	2024 (Restated)
Other taxes and duties	81,355	51,430
IT services	76,000	69,815
Meters reading expenses	47,188	31,719
Printing and distribution of invoices services	44,932	52,470
Security services	32,111	28,303
Postage and telecommunication services	24,771	16,491
Bank fees	19,338	31,438
Cash collection services	15,891	13,534
Call centre services	13,551	12,660
Cleaning	11,384	9,339
Penalties to State budgets	10,913	26,265
Third party services in relation to maintenance works performed	9,281	10,387
Advertising and publicity expenses	7,009	7,092
Supply customers notifications	6,584	4,163
Fines and penalties	-	28,758
Other	64,359	61,393
Change in provisions, net	(47,276)	34,722
Total	417,391	489,979

13 Net finance result

	2025	2024 (Restated)
Interest income	100,724	12,112
Other finance income	522	510
Total finance income	101,246	12,622
Interest expense	(332,598)	(277,533)
Interest expense - green bonds	(52,095)	-
Interest cost for employee benefits (Note 16)	(12,168)	(9,470)
Foreign exchange losses, net	(48,903)	(2,841)
Transactions costs - green bonds	(2,767)	-
Total finance costs	(448,531)	(289,844)
Net finance result	(347,285)	(277,222)

14 Earnings per share

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

Profit attributable to shareholders

	2025	2024 (Restated)
Profit for the year attributable to the owners of the Company	1,045,459	457,168
Profit attributable to shareholders of the Company	1,045,459	457,168

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

Number of ordinary shares (in number of shares)

	2025	2024 (Restated)
Number of ordinary shares at 31 December	339,553,004	339,553,004

Earnings per share

Basic and diluted earnings per share (RON)

2025	2024 (Restated)
3.08	1.35

15 Short-term employee benefits

	31 December 2025	31 December 2024 (Restated)	31 December 2023 (Restated)
Personnel payables	104,188	72,966	70,598
Current portion of defined benefit liability and other employee benefits	16,745	21,443	13,404
Social security charges	62,169	47,159	30,659
Tax on salaries	11,391	9,295	5,887
Total	194,493	150,863	120,548

For details of the related employee benefit expenses, see Note 17.

In Romania, all employers and employees, as well as other persons, are contributors to the State social security system. The social security system covers pensions, child benefit, temporary inability to work situations, risks of work accidents and professional diseases and other social assistance services, redundancy payments and incentives granted to employers for creating new jobs.

16 Post-employment and other long-term employee benefits

The Group provides cash benefits to employees depending on seniority in the form of jubilee bonuses and depending on the years of service at retirement in the form of retirement bonuses. The post-employment and other long-term employee benefits are stipulated in the Collective Labour Contracts.

In 2025 and 2024, employee benefit obligations were computed by an independent actuary using the projected unit credit method with benefits calculated proportionally to the period of service.

	31 December 2025	31 December 2024 (Restated)	31 December 2023 (Restated)
Defined benefit liability	61,857	60,102	55,839
Other long-term employee benefits	130,276	124,038	108,923
Total	192,133	184,140	164,762
- Current portion*	16,745	21,443	13,404
- Non-current portion	175,388	162,697	151,358

** included in Personnel payables in Note 15*

(i) Movement in the defined benefit liability and other long-term employee benefits

The following tables shows a reconciliation from the opening balances to the closing balances for the defined benefit liability and other long-term employee benefits and its components. There are no plan assets.

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

Defined benefit liability	2025	2024 (Restated)
Balance at 1 January	60,102	55,839
Included in profit or loss		
Current service cost	5,573	6,373
Past service cost		
Interest cost	4,056	3,238
Included in other comprehensive income		
<i>Remeasurements loss</i>		
- Actuarial loss	4,003	1,460
Other		
Benefits paid	(11,877)	(6,808)
Balance at 31 December	61,857	60,102

Other long-term employee benefits	2025	2024 (Restated)
Balance at 1 January	124,038	108,924
Included in profit or loss		
Current service cost	7,940	8,948
Past service cost	-	51
Actuarial loss	8,680	10,973
Interest cost	8,113	6,233
Other		
Benefits paid	(18,495)	(11,090)
Balance at 31 December	130,276	124,038

Defined benefits refer to the retirement bonuses granted according to the seniority within the Group and other long-term benefits refer to the jubilee bonuses granted for seniority.

(ii) Actuarial assumptions

The following were the main actuarial assumptions at each reporting date:

(a) *Macroeconomic assumptions:*

- inflation. The actuary used information from the *National Commission for Strategy and Prognosis*:

Year	Valuation date 31 December 2025	Valuation date 31 December 2024 (Restated)
2023	11.2%	-
2024	4.9%	4.9%
2025	7.1%	3.8%
2026	5.8%	2.9%
2027	3.2%	2.7%
2028	3.0%	2.5%
2029	2.8%	2.5%
2030+	2.5%	2.5%

- the discount rate used is based on the yield of the Romanian Government bonds at the reporting date, therefore the weighted average discount rate is 6.4% for the year 2025 (2024: 7.1%);
- taxes and social charges are those in force as at the reporting date.

b) *Group specific assumptions:*

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

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

- For the year 2025 the salaries' growth rates budgeted by the Group have been considered. Starting from 2026, salaries are projected to increase in line with the inflation rate;
- Employees' turnover: based on historical data;
- Jubilee and retirement bonuses granted based on seniority as per the collective labour contracts, as follows:

Jubilee bonus based on years of service in the Group

Seniority

20 years
25 years
30 years
35 years
40 years
45 years

No of gross monthly base salaries	
31 December 2025	31 December 2024 (Restated)
1	1
1	1
2	2
3	3
4	4
5	5

Retirement bonus based on years of service in the Group

Seniority

Between 8 and 10 years
Between 10 and 25 years
More than 25 years

No of gross monthly base salaries	
31 December 2025	31 December 2024 (restated)
2	2
3	3
4	4

Termination benefits

(a) Termination benefits for individual lay-offs at the Group's initiative

In accordance with the Collective Labour Contracts concluded between the Group and the Unions, when individual labour contract are terminated at the Group's initiative, the Group pays termination benefits to the employees depending on their period of service, as follows:

Period of service	No of gross monthly base salaries	No of gross monthly base salaries
	31 December 2025	31 December 2024 (Restated)
1 – 2 years	2	2
2 – 5 years	3	3
5 – 10 years	4	4
10 – 20 years	5	5
More than 20 years	8	8

(b) Termination benefits for collective lay-offs at the Group's initiative

For collective lay-offs, according to the Collective Labour Contracts, the Group pays termination benefits to the employees depending on their period of service, as follows:

Period of service	No of gross monthly base salaries	
	31 December 2025	31 December 2024 (Restated)
1 – 3 years	3	3
3 – 5 years	6	6
5 – 10 years	7	7
10 – 20 years	11	11

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

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

More than 20 years

16

16

The above mentioned stipulations do not apply to employees with individual labour contract concluded for a determined period. The above stipulations do not apply to employees that obtained other higher cumulative salary compensation rights, provided by legal regulations regarding the Group's reorganization and restructuring. Employees who are re-employed within the Group after lay-off are not entitled to the above-mentioned benefits.

Sensitivity analysis

Significant actuarial assumptions for the determination of the benefit obligation are the discount rate, expected salary increase and retirement age. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

	Increase by 1%		Decrease by 1%	
	2025	2024 (Restated)	2025	2024 (Restated)
Discount rate	(13,262)	(11,979)	14,873	13,384
Salary growth	15,607	14,000	(14,097)	(12,700)

	Increase by 1 year		Decrease by 1 year	
	2025	2024 (Restated)	2025	2024 (Restated)
Retirement age	1,368	1,239	(1,368)	(1,239)

The sensitivity analysis presented above may not be representative of the actual change in the benefit obligation as it is unlikely that the changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated. In presenting the above sensitivity analysis, the present value of the benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the benefit obligation liability recognized in the statement of financial position.

17 Employee benefit expenses

	2025	2024 (Restated)
Average number of employees	7,547	7,673
Number of employees at 31 December	7,484	7,794

	2025	2024 (Restated)
Wages and salaries*	1,168,175	1,054,848
Social security contributions	60,694	51,813
Meal tickets	63,805	57,864
Termination benefits	15,474	326
Total employee benefits for the year	1,308,148	1,164,851
Capitalised employee benefit expenses	(99,634)	(87,289)
Total employee benefits in the statement of profit or loss	1,208,514	1,077,562

* Wages and salaries include also current service cost, defined benefits and other long-term employee benefits.

Management remuneration is disclosed in Note 35 b) Related parties.

18 Income taxes

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. 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 taxes due are adequate 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 existing tax liabilities; such changes to tax liabilities will impact tax expense in the period when such a determination is made.

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

(i) Amounts recognised in profit or loss

	2025	2024 (Restated)
Current tax expense	185,487	145,644
Deferred tax expense/(benefit)	(2,146)	(42,879)
Total expense related to income tax	183,341	102,765

(ii) Amounts recognised in other comprehensive income

	2025			2024 (Restated)		
	Before tax	Tax benefit	Net of tax	Before tax	Tax benefit	Net of tax
Remeasurement of defined benefit liability	(4,003)	640	(3,363)	(1,460)	233	(1,227)
Total	(4,003)	640	(3,363)	(1,460)	233	(1,227)

(iii) Reconciliation of effective tax rate

	2025		2024 (Restated)	
Profit before tax		1,228,800		559,900
Tax using Company's domestic tax rate	16%	196,609	16%	83,426
Non-deductible expenses	1%	7,282	3%	16,579
Non-taxable income	-1%	(7,102)	-2%	(10,638)
Deduction of legal reserves	0%	(4,610)	-1%	(6,635)
Other tax effects	0%	-	5%	23,464
Current-year losses for which no deferred tax asset is recognised	-1%	(8,838)	-1%	(3,432)
Income tax expense	15%	183,341	20%	102,765

(iv) Movement in deferred tax balances

	Balance at 31 December 2025					
2025	Net balance at 1 January 2025 (Restated)	Recognised in profit or loss	Recognised in other comprehensive income & other movements	Net	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	51,407	4,309	-	55,716	-	55,716
Intangible assets related to concession agreements	242,651	21,785	211	264,647	-	264,647
Employee benefits	(30,438)	(1,923)	(640)	(33,001)	(33,001)	-
Impairment of trade receivables	(30,050)	(9,204)	-	(39,254)	(39,254)	-
Tax loss carried forward	(19,213)	(62,236)	-	(81,449)	(81,449)	-
Other items	(49,963)	45,122	-	(4,842)	(4,842)	-
Tax liabilities/(assets) before set-off	164,394	(2,146)	(429)	161,818	(158,545)	320,363
Set off of tax	-	-	-	-	48,134	(48,134)
Net tax liabilities/(assets)	164,394	(2,146)	(429)	161,818	(110,411)	272,229

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

2024 (Restated)	Balance at 31 December 2024 (Restated)					
	Net balance at 1 January 2024 (Restated)	Recognised in profit or loss	Recognised in other comprehensive income & other movements	Net	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	59,516	(3,012)	(5,097)	51,407	-	51,407
Intangible assets related to concession agreements	229,694	12,957	-	242,651	-	242,651
Employee benefits	(27,244)	(2,961)	(233)	(30,438)	(30,438)	-
Impairment of trade receivables	(25,560)	(4,490)	-	(30,050)	(30,050)	-
Tax loss carried forward	(4,356)	(15,197)	340	(19,213)	(19,213)	-
Other items	(19,786)	(30,177)	-	(49,963)	(49,963)	-
Tax liabilities/(assets) before set-off	212,264	(42,880)	(4,990)	164,394	(129,664)	294,058
Set off of tax	-	-	-	-	45,037	(45,037)
Net tax liabilities/(assets)	212,264	(42,880)	(4,990)	164,394	(84,627)	249,021

2023 (Restated)	Balance at 31 December 2023 (Restated)					
	Net balance at 1 January 2023	Recognised in profit or loss	Recognised in other comprehensive income & other movements	Net	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	36,980	8,837	13,699	59,516	-	59,516
Intangible assets related to concession agreements	208,015	21,679	-	229,694	-	229,694
Employee benefits	(21,101)	(4,236)	(1,907)	(27,244)	(27,244)	-
Impairment of trade receivables	(30,930)	5,370	-	(25,560)	(25,560)	-
Tax loss carried forward	(6,068)	1,712	-	(4,356)	(4,356)	-
Other items	(4,521)	(15,266)	-	(19,787)	(19,787)	-
Tax liabilities/(assets) before set-off	182,375	18,095	11,792	212,262	(76,948)	289,210
Set off of tax	-	-	-	-	44,544	(44,544)
Net tax liabilities/(assets)	182,375	18,095	11,792	212,262	(32,404)	244,666

(v) Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the certain tax losses generated by the Company, because it is not probable that future taxable profit will be available against which the entity generating it can use the benefits therefrom.

	2025	2024 (Restated)
Tax losses	237,231	292,998

(vi) Pillar 2 assessment

Taking into account the mandatory calculations prepared at jurisdictional level, Electrica SA together with the other constituent entities, part of the Group, has carried out the analysis of the protection regimes for the financial year 2025 based on the indicators included in the consolidated financial statements (these are qualified financial statements from the perspective of Pillar 2 rules). The Group doesn't qualify for the application of the transitional CbCR protection regime due to the fact that none of the safe harbors are met. Therefore, the Group computed the top up tax calculation based on GloBE income/loss and Adjusted covered taxes and booked an additional provision of RON 20,000 thousand.

19 Deposits, treasury bills and government bonds

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

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

	31 December 2025		31 December 2024 (restated)		31 December 2023 (restated)	
	Current	Non-current	Current	Non-current	Current	Non-current
Government bonds	12,032	1,019,700	-	-	-	-
Deposits with a maturity of more than 3 months and less than 24 months years held for investment purposes	880,884	252,217	-	-	-	-
Total	892,916	1,271,917	-	-	-	-

Bank deposits in RON and EUR, with maturities between 4 months and 24 months, established starting from August 2025, are held for investment purposes and not for covering short-term payment commitments. The average interest rate on term deposits was 7.18% per year for deposits in RON and 2.45% per year for deposits in foreign currency (EUR) during 2025 (2024: not applicable).

In August 2025, Electrica purchased government bonds denominated in EUR, with a maturity of 2 years and an interest rate of 2.95%.

Current bank deposits include deposits with maturities between 4 months and 12 months from the date of establishment, while long-term deposits represent deposits with maturities between 18 and 24 months from the date of establishment (i.e. February 2027, August 2027).

20 Trade receivables

	31 December 2025	31 December 2024 (Restated)	31 December 2023 (Restated)
Trade receivables, gross	4,037,625	3,799,775	2,599,928
-out of which accrued trade receivables	2,208,032	2,428,781	803,887
Bad debt allowance	(778,703)	(737,242)	(640,218)
Total trade receivables, net	3,258,922	3,062,533	1,959,710

Trade receivables from related parties are presented in Note 35.

Trade receivables, gross, comprise:

	31 December 2025	31 December 2024 (Restated)	31 December 2023 (Restated)
Electricity distribution and supply	3,231,896	3,097,872	2,022,506
Late payment penalties receivable	96,334	90,066	89,346
Customers with judicial execution titles	411,443	362,814	333,682
Repairs, maintenance and other services	23,077	15,308	20,904
Other	274,875	233,715	133,490
Total trade receivables, gross	4,037,625	3,799,775	2,599,928

Following the adoption of the Order no. 118/2021 with subsequent amendments and GEO no. 27/2022, the latter one being amended by GEO no. 119/2022, concerning the capping and compensation mechanism, part of the receivables due to the subsidiary Electrica Furnizare S.A. for the sale of electricity and gas to final consumers will be recovered from the Romanian State through National Agency for Payments (domestic consumers) and Social Inspection and Ministry of Energy (non-household consumers). The receivables are booked under the caption "Subsidies receivable".

Electricity distribution and supply

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

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

As at 31 December 2025, the amounts estimated to be received from the Ministry of Energy for non-household consumers are RON 10,039 thousand (31 December 2024: RON 10,130 thousand) and from the National Agency for Payments and Social Inspection for household consumers are RON 414 thousand (31 December 2024: RON 11,672 thousand). The receivables are booked under the caption "Electricity distribution and supply".

Subsidies receivable

As at 31 December 2025, the estimated amount for subsidies to be received from the Ministry of Energy/ National Agency for Payments and Social Inspection is RON 2,495,739 thousand (31 December 2024: RON 2,552,351 thousand) and from County Agency for Payments and Social Inspection is RON 22,540 thousand (31 December 2024: RON 19,802 thousand). From the total amount of subsidies to be received, RON 2,442,758 thousand (31 December 2024: RON 1,900,349 thousand) represent uncollected claims submitted to the state authorities and RON 52,981 thousand (31 December 2024: RON 652,002 thousand) claims not yet submitted to the state authorities as at 31 December 2025 and 31 December 2024, respectively.

Subsidies from the Ministry of Energy and the National Agency for Payments and Social Inspection are recovered at a rate of 40% within 10 days of submitting the settlement request, with the difference to be received within 10 days of ANRE validating the settlement request. Payments are subject to the availability of financial resources in the Energy Transition Fund.

The reconciliation between the opening balances and the closing balances of the impairment for trade receivables in the form of lifetime expected credit losses is as follows:

Lifetime expected credit losses	2025	2024 (Restated)
Balance as at 1 January	737,242	640,218
Loss allowance recognized	216,951	196,905
Decrease in loss allowance	(173,489)	(94,533)
Amounts written off	(2,001)	(5,348)
Balance as at 31 December	778,703	737,242

The aging of trade receivables is presented in Note 33.

Loss allowances are determined based on "expected credit loss" model. The Group has identified 5 clusters of customers based on shared risk characteristics: 3 separate clusters for the distribution subsidiaries and 2 clusters (households and non-households) for the supply subsidiary.

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

As of 31 December 2025, the Group has considered all the information available without undue costs (including forward looking information) that may affect the credit risk of its receivables since original recognition, thus recording a bad debt allowance in amount of RON 216,951 thousand (31 December 2024: RON 196,905 thousand).

21 Other receivables

	31 December 2025	31 December 2024 (Restated)	31 December 2023 (Restated)
VAT receivable	25,770	6,965	12,762
Receivables from EU funds	-	1,486	45,194
Guarantees	67,878	14,440	21,070
Other receivables	67,507	32,846	35,033
Lifetime expected credit losses	(19,819)	(19,819)	(20,227)
Heating aid and supplement	75,119	38,795	-
Total other receivables, net	216,455	74,713	93,832

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

The reconciliation between the opening balances and the closing balances of the impairment for other receivables is as follows:

Loss allowance	2025	2024 (Restated)
Balance as at 1 January	19,819	20,227
Loss allowance recognized	-	119
Decrease in loss allowance	-	(527)
Balance as at 31 December	19,819	19,819

22 Cash and cash equivalents

	31 December 2025	31 December 2024 (Restated)	31 December 2023 (Restated)
Bank current accounts	270,304	330,064	223,213
Call deposits	1,761,463	123,865	153,997
Cash in hand	1,105	526	5
Total cash	2,032,872	454,455	377,215

In the context of the consolidated statement of cash flows, non-cash activity includes the netting of trade receivables and trade payables in the amount of RON 202,474 thousand in 2025 (2024: RON 325,838 thousand).

23 Inventories

As at 31 December 2025 and 31 December 2024, inventories are as follows:

	31 December 2025	31 December 2024 (Restated)	31 December 2023 (Restated)
Spare parts	18,060	28,162	35,057
Consumables and other materials	42,896	47,801	50,060
Natural gas	28,060	22,971	25,536
Other inventories	12,737	21,426	13,693
Allowance for impairment of inventories	(10,071)	(8,464)	(8,686)
Total inventories	91,682	111,896	115,660

Inventories include mainly spare parts, consumables and the natural gas storage (applicable only for the supply subsidiary) that was set up according to ANRE's regulations. Spare parts refer mainly to items such as conductors, sockets, switches which are used for the distribution network. Consumables and other materials refer mainly to items such as conductors, sockets, switches which are used for the distribution network. Spare parts refer to pillars, modems, separators, cells, auto parts, dischargers and batteries.

As at 31 December 2025, the remaining quantity of natural gas stored is of MWh 176,670 (31 December 2024: MWh 147,900), amounting to RON 28,060 thousand (31 December 2024: RON 22,971 thousand).

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

24 Property, plant and equipment

The movements in property, plant and equipment in 2025 and 2024 are as follows:

	Land and land improvements	Buildings	Equipment	Vehicles, furniture and office equipment	Construction in progress	Total
Gross carrying amount						
Balance at 1 January 2024 (restated)	301,483	221,995	82,558	104,984	55,352	766,372
Additions	1,588	594	412	527	146,045	149,166
Transfer from construction in progress	-	627	4,365	95	(5,087)	-
Disposals	-	(1,904)	(55)	(158)	-	(2,117)
Acquisition of subsidiaries (Note 34)	-	-	-	-	10,872	10,872
Balance at 31 December 2024 (restated)	303,071	221,312	87,280	105,448	207,182	924,293
Additions	-	2,035	3,152	8,141	51,767	65,095
Transfer from construction in progress	-	13,394	21,464	3,507	(38,364)	-
Transfer to intangibles	-	-	-	-	(30,152)	(30,152)
Disposals	-	(66)	(1,823)	(6,279)	-	(8,168)
Balance at 31 December 2025	303,071	236,675	110,073	110,817	190,433	951,069
Accumulated depreciation and impairment losses						
Balance at 1 January 2024 (restated)	-	5,529	51,312	95,903	18,634	171,378
Depreciation	-	7,377	6,749	3,987	-	18,113
Accumulated depreciation of disposals	-	-	(116)	(102)	-	(218)
Impairment loss	-	(1,901)	-	-	-	(1,901)
Balance at 31 December 2024 (restated)	-	11,005	57,945	99,788	18,634	187,372
Depreciation	-	7,555	5,984	6,092	-	19,631
Accumulated depreciation of disposals	-	(29)	(1,797)	(4,775)	-	(6,601)
Balance at 31 December 2025	-	18,531	62,132	101,105	18,634	200,402
Net carrying amounts						
At 1 January 2024 (restated)	301,483	216,466	31,246	9,081	36,718	594,994
At 31 December 2024 (restated)	303,071	210,307	29,335	5,660	188,548	736,921
At 31 December 2025	303,071	218,144	47,941	9,712	171,799	750,667

Tangible assets include mainly land, buildings and equipment. Additions to construction in progress mainly include investments in renewable power generation of RON 170,782 thousand.

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

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

Measurement of fair value

The Group's land, land improvements and buildings are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value measurements of the Group's land, land improvements and buildings as at 31 December 2023 were performed by Darian DRS S.A., an independent valuer not related to the Group. Darian DRS S.A. is member of the National Association of Authorised Romanian Valuers and has appropriate qualifications and recent experience in the fair value measurement of properties in the relevant locations. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties, whenever possible and discounted cash-flows method.

There were no significant changes to the valuation technique in the period between the current revaluation performed on 31 December 2023 and the previous one performed on 31 December 2020.

The following table shows the valuation techniques used in measuring fair values (Level 3), as well as the significant unobservable inputs used.

Category	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Land and land improvements	<u>Market approach</u> The fair value is estimated based on selling price per square meter of land of similar characteristics (i.e. ownership, legal limitations, financing and selling conditions, location, physical and economical properties and best use). The market price is mainly based on recent transactions.	Adjustment for liquidity, location, size.	The estimated fair value would increase/(decrease) if: Adjustment for liquidity, location or size would be lower/(higher)
Buildings	Buildings were evaluated using the following methods, depending on the best use and the availability and credibility of available market information:		
	<u>The income approach</u> The income approach is based on the determination of the reproducible annual flow, derived from the rental of the property and a determination of the capitalization rate and implicitly the multiplier factor.	Adjustment for liquidity, location, size.	The estimated fair value would increase/(decrease) if: Adjustment for liquidity, location or size would be lower/(higher)
	<u>Market approach</u> The market approach is based on the selling price per square meter for buildings with similar characteristics (i.e. ownership, legal limitations, financing and selling conditions, location, physical and economical properties, and best use), adjusted for liquidity, location, size etc.	<u>Office space rent</u> - Occupancy rates (between 85% and 90%) - Capitalisation rates (between 7% and 8%) - Annual rent per sqm (between 15 and 20 EUR/sqm), depending on location;	- Occupancy rates were higher/(lower) - Yield rates were lower/(higher) - Annual rent per sqm was higher/(lower)
	<u>The cost approach</u> It was applied for fixed assets where it was not possible to apply	<u>Commercial space rent</u> Occupancy rates (between 80% and 90%)	

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

Category	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
	the market or income approach, as is the case with rural housing. The cost approach assumes that the maximum value of a good for an informed buyer is the amount needed to buy or build a new good with equivalent utility. When the good is not new, all the forms of depreciation that can be attributed to the good must be deducted (deducted) from the current new cost, until the evaluation date.	- Capitalisation rates (between 7% and 8%) - Annual rent per sqm (between 10 and 60 EUR/sqm), depending on location;	

25 Intangible assets

Intangible assets include mainly intangible assets related to distribution service concession agreements recorded in accordance with IFRIC 12 "Service Concession Arrangements", as well as licenses and costs of SAP ERP implementation, customer management and billing system and other software, as follows:

	Intangible assets related to concession agreements	Intangible assets from capitalization of NL	Software and licenses	Intangible assets in progress	Total
Gross book value					
Balance at 1 January 2024 (restated)	11,762,553	1,007,908	210,424	2,361	12,983,246
Additions	998,489	189,618	13,998	2,518	1,204,623
Transfers from intangible assets in progress	-	-	3,512	(3,512)	-
Balance at 31 December 2024 (restated)	12,761,042	1,197,526	227,934	1,367	14,187,869
Additions	965,926	39,103	7,747	19,094	1,031,869
Transfers from intangible assets in progress	-	-	36,498	(36,498)	-
Transfers from tangibles	-	-	-	30,152	30,152
Disposals	-	-	(98,377)	-	(98,377)
Balance at 31 December 2025	13,726,968	1,236,629	173,802	14,115	15,151,513
Accumulated amortization and impairment losses					
Balance at 1 January 2024 (restated)	5,542,023	236,974	184,963	-	5,963,960
Amortization	540,812	205,203	13,046	-	759,061
Balance at 31 December 2024 (restated)	6,082,835	442,177	198,008	-	6,723,020
Amortization	538,683	245,540	18,500	-	802,723
Accumulated amortization of disposals	-	-	(90,672)	-	(90,672)
Balance at 31 December 2025	6,621,518	687,717	125,837	-	7,435,072
Net carrying amounts					
At 1 January 2024 (restated)	6,220,530	770,934	25,461	2,361	7,019,286
At 31 December 2024 (restated)	6,678,207	755,349	29,926	1,367	7,464,849
At 31 December 2025	7,105,450	548,911	47,965	14,115	7,716,441

The Group applies IFRIC 12 for the accounting of the transactions under these concession contracts (see further details in Notes 4 – Service Concession Agreements)

For the year ended 31 December 2025, the Group has recognized construction revenue related to the concession agreements of RON 965,926 thousand (2024: RON 998,489 thousand).

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

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

In 2025 the Group capitalised borrowing costs related to BEI loans (see Note 30 (r), (i), (h) and (o)) in connection with construction of networks, in amount of RON 15,041 thousand (2024: RON 34,015 thousand), computed using a capitalisation rate of 3.63%.

The main information related to the current concession contracts agreements and the intangible assets amounts recognized for each network distribution area is summarized below:

Network distribution areas	Contract date	Concession period (years)	Contract expiry date	Concession period remaining (years)	Renewal option	Net carrying amount at 31 December 2025	Net carrying amount at 31 December 2024 (restated)	Net carrying amount at 31 December 2023 (restated)
Muntenia Nord area	2005	49	2054	29	Yes	2,463,722	2,345,122	2,197,712
Transilvania Nord area	2005	49	2054	29	Yes	2,312,054	2,140,782	2,007,855
Transilvania Sud area	2005	49	2054	29	Yes	2,329,673	2,192,303	2,014,963
Total						7,105,450	6,678,207	6,220,530

The concession contracts can be prolonged for a period up to half of the initial established period of 49 years.

The investments in relation to the development and modernization of the infrastructure incurred in 2025 refers mainly to:

- Modernization of the current transformer points and stations, current underground and overhead power lines in amount of RON 396,770 thousand (2024: RON 426,340 thousand);
- Investments related to improvements for electricity distribution network in amount of RON 55,210 thousand (2024: RON 66,240 thousand).
- Significant construction works of new transformer stations, new underground and overhead power lines, smart metering systems, etc., in amount of 2025: RON 97,240 thousand (2024: RON 189,060 thousand);
- Modernization and inclusion in SCADA (which is an automatic control system which monitors the equipment) of transformers points and stations, in amount of RON 68,580 thousand (2024: RON 99,530 thousand).

Starting 2022, the additional expenses for actual energy costs as compared with the ex-ante ANRE prices recognised in distribution tariffs are capitalised as intangible assets. These costs will be recuperated in tariffs in 5 years.

The capitalised costs with own technological consumption are recognized for each network distribution area.

During 2024, capitalized costs with own technological consumption were RON 189,618 thousand, as shown in the table below:

Network distribution areas	Net carrying amount at 31 December 2023 (restated)	Intangible asset 01 Jan-31 Dec 2024 (gross value)	Amortisation during 2024	Net carrying amount at 31 December 2024 (restated)
Muntenia Nord area	315,185	93,194	85,302	323,077
Transilvania Nord area	263,972	52,395	69,614	246,753
Transilvania Sud area	191,777	44,029	50,287	185,519
Total	770,934	189,618	205,203	755,349

During 2025, capitalized costs with own technological consumption were RON 39,102 thousand, as shown in the table below:

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

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

Network distribution areas	Net carrying amount at 31 December 2024 (restated)	Intangible asset 01 Jan-31 Dec 2025 (gross value)	Amortisation during 2025	Net carrying amount at 31 December 2025
Muntenia Nord area	323,077	39,102	106,522	255,658
Transilvania Nord area	246,753	-	79,795	166,958
Transilvania Sud area	185,519	-	59,224	126,295
Total	755,348	39,102	245,541	548,911

26 Capital and reserves

(a) Share capital and share premium

The issued share capital in nominal terms consists of 339,553,004 ordinary shares as at 31 December 2025 (31 December 2024: 339,553,004) with a nominal value of RON 10 per share. Starting with 4 July 2014, after the Initial Public Offering ("IPO"), the Company's shares are listed on the Bucharest Stock Exchange and the Global Depositary Receipts are listed on the London Stock Exchange.

On 11 July 2024, Bucharest Trade Register Office approved the reduction of share capital of SE Electrica S.A., according to AGEA no. 1/25.04.2024. The share capital of SE Electrica SA reduced from RON 3,464,435,970 to RON 3,395,530,040, and the number of shares reduced from 346,443,597 to 339,553,004.

The shares owned by the Company's shareholders that are traded on the London Stock Exchange are the global depositary receipts (GDRs). A global depositary receipt represents four shares. The Bank of New York Mellon is the depositary bank for these securities.

The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share in the shareholders' meetings of the Company. All shares rank equally and confer equal rights to the net assets of the Company's.

The Company recognizes changes in share capital only after their approval in the General Shareholders Meeting and their registration by the Trade Register. The contributions made by the shareholders which are not yet registered with the Trade Register at year end are recognized as pre-paid capital contributions from shareholders.

The share premium resulted at IPO was RON 171,128 thousand. The transaction costs of RON 68,079 thousand were deducted from the share premium.

Following the SPO that took place in November 2019, the share capital of Electrica SA was increased by in kind and in cash contribution, with the amount of RON 5,037 thousand, from the amount of RON 3,459,399 thousand to the amount of RON 3,464,436 thousand, by issuing a number of 503,668 new nominative and dematerialized shares with a nominal value of 10 RON/share.

The costs generated by the secondary public offering were in amount of RON 964 thousand. Also, the Company recorded gains referring to share issue of RON 2,186 thousand, resulting from the difference between the contribution value of the plots of land and their value recorded as pre-paid capital contributions in kind from shareholders.

(b) Treasury shares reserve

In July 2014, the Company purchased 5,206,593 ordinary shares and 421,000 Global Depositary Receipts, equivalent to 1,684,000 shares (totalling 6,890,593 shares). The total amount paid for acquiring the shares and Global Depositary Receipts was RON 75,372 thousand.

On 19 July 2024, the Financial Supervisory Authority (ASF) issued the Certificate of Registration of Financial Instruments (CIIF) no. AC-4023-3 / 19.07.2024, reflecting the share capital reduction corresponding to the value of the treasury shares held since 2014.

(c) Revaluation reserve

The reconciliation between opening and closing balance of revaluation reserve is as follows:

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

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

	2025	2024 (restated)
Balance at 1 January	150,268	159,536
Release of revaluation reserve to retained earnings corresponding to depreciation and disposals of property, plant and equipment	(5,729)	(9,268)
Balance as at 31 December	144,539	150,268

As at 31 December 2023, the Group has revalued its land, land improvements and buildings to fair value.

(d) Legal reserves

Legal reserves are set up as 5% of the gross profit for the year in the statutory individual financial statements of the companies within the Group, until the total legal reserves reach 20% of the paid-up nominal share capital of each company, according to the legislation. These reserves are deductible for income tax purposes and are not distributable.

	Legal reserves
Balance at 1 January 2024 (Restated)	449,363
Set-up of legal reserves	41,470
Balance at 31 December 2024 (Restated)	490,833
Set-up of legal reserves	37,976
Balance at 31 December 2025	528,809

(e) Dividends

Romanian companies may distribute dividends from statutory profits, according to the separate financial statements prepared in accordance with Romanian accounting regulations.

The dividends declared by the Company in 2025 and 2024 (from the statutory profits of previous years) are as follows:

	Distribution of dividends	
	2025	2024 (restated)
To the owners of the Company	59,999	39,999
Total	59,999	39,999

On 29 April 2025 the General Shareholders Meeting of the Company approved dividend distribution of RON 59,999 thousand (2024: RON 39,999 thousand). The dividend per share distributed is RON 0.1767 per share (2024: RON 0.1178 per share).

Out of the dividends declared by the Company of RON 59,999 thousand (2024: RON 39,999 thousand), the dividends paid were RON 59,851 thousand (2024: RON 39,889 thousand). The remaining difference up to the amount paid, as presented in the Statement of Cash Flows, represents dividends granted to shareholders relating to prior periods.

27. Trade payables

	31 December 2025	31 December 2024 (Restated)	31 December 2023 (Restated)
Electricity suppliers	588,713	582,431	1,005,761
Capital expenditure suppliers	453,679	380,680	453,014
Other suppliers	198,734	183,302	212,703
Total	1,241,126	1,146,413	1,671,478

Electricity suppliers are mainly state-owned electricity producers, as detailed in Note 36, but also other participants to the electricity market.

Other suppliers include suppliers of services, materials, consumables, etc.

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

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

28. Other payables

	31 December 2025		31 December 2024 (Restated)		31 December 2023 (Restated)	
	Current	Non-current	Current	Non-current	Current	Non-current
VAT payable	466,527	-	500,325	-	491,006	-
Liabilities towards the State	17,388	-	17,154	-	41,419	-
Sundry creditors	220,841	-	321,052	-	102,344	-
Energy prosumers	238,829	-	223,379	-	95,615	-
Liabilities related to Green Certificates	145,620	-	212,533	-	-	-
Other liabilities	328,878	31,782	213,038	45,692	214,939	37,161
Total	1,418,083	31,782	1,487,481	45,692	945,323	37,161

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

29. Provisions

	Tax related	Other	Total
Balance at 1 January 2024 (Restated)	1,084	40,083	41,167
Provisions recognized	-	44,816	44,816
Provisions utilised	-	-	-
Provisions reversed	-	(10,078)	(10,078)
Balance at 1 January 2025 (Restated)	1,084	74,821	75,905
Provisions recognized	-	19,060	19,060
Provisions utilised	-	(47,363)	(47,363)
Provisions reversed	-	(18,963)	(18,963)
Balance at 31 December 2025	1,084	27,553	28,639

As at 31 December 2025, provisions refer mainly to benefits upon the termination of executive directors' mandate contracts in the form of a non-compete clause amounting to RON 3,411 thousand (31 December 2024: RON 1,477 thousand), customers compensation claims thousand 6,376 RON (31 December 2024: RON 19,472 thousand), a dispute with ANCOM in amount of RON 0 thousand (31 December 2024: RON 13,069 thousand) and for various claims and litigations involving the Group companies in amount of RON 18,853 thousand (31 December 2024: RON 41,887 thousand).

There are no significant provisions recognized during the year at the Group level. The main provision used during 2025 is for the distribution segment in amount of RON 24,345 thousand for a dispute with ANCOM, following the final settlement in court of the appeal filed against the ANCOM decision. For the supply segment, during 2025 provisions in amount of RON 6,100 thousand were recognized and in amount of RON 8,105 thousand were reversed for compensations calculated daily or weekly and paid to the customers related to the Performance Standard 82/2021 and, also, provisions in amount of RON 12,931 thousand were utilized for the adjustment component under Law 206/2023.

30. Long-term bank borrowings

Drawings and repayments of borrowings during the year ended 31 December 2025 and 31 December 2024 were as follows:

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

	Amount (RON thousand) 2025	Amount (RON thousand) 2024
Balance at 1 January	2,390,341*	1,317,642*
Drawings of borrowings during the period, out of which:		
CEC Bank (l)	175,536	174,464
BEI Instalment 3 (r)	995,440	-
BEI Instalment 2 (i)	-	447,669
BEI Instalment 1 (h)	-	596,892
BEI Instalment 4 (o)	74,660	-
Syndicated loan – Facility D1 (s)	296,000	-
Syndicated loan – Facility B (s)	4,842	-
ERSTE Group Bank and Raiffeisen Bank (m)	-	13,768
Unicredit Bank (n)	-	24,881
BERD (k)	-	42,857
Vista Bank (j)	-	84,950
Exim Bank Romania	-	250,000
Total drawings	1,546,477	1,635,481
Transfers from overdraft		
BCR (p)	-	220,000
Raiffeisen Bank (q)	-	220,000
Total transfers from overdraft	-	440,000
Accumulated interest	35,921	27,252
Foreign exchange differences, balance	52,202	-
Payment of interest	(27,252)	(11,125)
Reimbursements during the period, out of which:		
BRD (c)	20,800	20,800
BRD (d)	14,286	14,286
BRD (e)	11,429	11,429
Banca Transilvania (a)	17,857	17,857
Unicredit Bank (b)	9,600	9,600
BCR (f)	18,950	18,950
BERD (k)	68,571	-
BERD (g)	22,957	23,574
BCR (p)	51,765	38,824
Raiffeisen Bank (q)	67,692	16,923
CEC Bank (l)	200,000	350,000
Unicredit Bank (n)	24,881	-
ERSTE Group Bank and Raiffeisen Bank (m)	104,918	-
Vista Bank (j)	129,950	80,000
Syndicated loan – Facility D1 (s)	37,000	-
Exim Bank Romania	-	250,000
Exim Bank Romania	-	166,667
Total reimbursements	800,655	1,018,910
Balance at 31 December	3,197,034	2,390,341*

*Restated amounts

As at 31 December 2025, 31 December 2024 respectively 31 December 2023, the bank borrowings is as follows:

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

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

Lender	Borrower	31 December 2025	31 December 2024 (Restated)	31 December 2023 (Restated)
BEI Instalment 3 (r)	Distributie Energie Electrica Romania	1,029,317	-	-
BEI Instalment 1 (h)	Distributie Energie Electrica Romania	619,941	604,814	-
BEI Instalment 2 (i)	Distributie Energie Electrica Romania	464,955	453,611	-
Syndicated loan – Facility D1 (s)	Distributie Energie Electrica Romania	259,816	-	-
BERD (k)	Distributie Energie Electrica Romania	156,669	225,985	182,773
BERD (g)	Distributie Energie Electrica Romania	142,616	165,745	189,971
Raiffeisen Bank (q)	Distributie Energie Electrica Romania	136,890	205,041	-
BCR (p)	Distributie Energie Electrica Romania	130,437	182,364	-
BEI Instalment 4 (o)	Distributie Energie Electrica Romania	77,443	-	-
BCR (f)	Distributie Energie Electrica Romania	52,454	71,475	90,542
BRD (d)	Distributie Energie Electrica Romania	35,744	50,037	64,286
Banca Transilvania (a)	Distributie Energie Electrica Romania	26,789	44,649	62,508
BRD (e)	Distributie Energie Electrica Romania	28,593	40,030	51,467
BRD (c)	Distributie Energie Electrica Romania	20,800	41,600	62,400
UniCredit Bank (b)	Distributie Energie Electrica Romania	9,714	19,409	29,103
Syndicated loan – Facility B (s)	Societatea Energetica Electrica S.A.	4,856	-	-
Vista Bank (j)	Societatea Energetica Electrica S.A.	-	130,840	125,000
ERSTE Group Bank and Raiffeisen Bank (m)	Societatea Energetica Electrica S.A.	-	105,203	91,767
Unicredit Bank (n)	Electrica Furnizare S.A.	-	25,074	-
CEC Bank (l)	Electrica Furnizare S.A.	-	24,464	200,000
Exim Bank Romania	Distributie Energie Electrica Romania	-	-	167,825
Total		3,197,034	2,390,341	1,317,642
Less: current portion of the long-term bank borrowings		(377,906)	(538,583)	(512,169)
Less: accumulated interest		(35,921)	(27,252)	(11,125)
Total long-term borrowings, net of current portion		2,783,207	1,824,506	794,348

Bank borrowings description

a) Investment loan granted by Banca Transilvania

On 18 July 2019, Societatea de Distributie a Energiei Electrice Transilvania Sud S.A., currently Distributie Energie Electrica Romania S.A., as a borrower, concluded with Banca Transilvania an investment credit agreement with the purpose of financing investments in the electricity distribution network, according to the investment plan. Main provisions are: Maximum loan amount: RON 125,000 thousand; Interest rate: fixed, 4.59% per annum; Reimbursements: quarterly instalments until 17.07.2027; Grace period: 12 months.

As at 31 December 2025, the outstanding balance is of RON 26,789 thousand, of which RON 26,786 thousand principal and RON 3 thousand accrued interest. (Outstanding balance as at 31 December 2024: RON 44,649 thousand)

b) Investment loan granted by Unicredit Bank

On 13 November 2019, Societatea de Distributie a Energiei Electrice Transilvania Nord S.A., currently Distributie Energie Electrica Romania S.A., as borrower, concluded with Unicredit Bank an investment credit agreement with the purpose of financing investments in the electricity distribution network, according to the investment plan. Main provisions are: Maximum loan amount: RON 60,000 thousand; Interest rate: fixed, 3.85% per annum; Reimbursements: quarterly instalments until 13.11.2026; Grace period: 12 months.

As at 31 December 2025, the outstanding balance is of RON 9,714 thousand, of which RON 9,600 thousand principal and RON 114 thousand accrued interest. (Outstanding balance as at 31 December 2024: RON 19,409 thousand).

c) Investment loan granted by BRD – Groupe Societe Generale

On 29 October 2019, Societatea de Distributie a Energiei Electrice Muntenia Nord S.A., currently Distributie Energie Electrica Romania S.A., as borrower, concluded with BRD – Groupe Societe Generale an investment credit agreement with the purpose of financing investments in the electricity distribution network, according to the investment plan. Main

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

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

provisions are: Maximum loan amount: RON 130,000 thousand; Interest rate: fixed, 3.99% per annum; Reimbursements: quarterly instalments until 28.10.2026; Grace period: 12 months.

As at 31 December 2025, the outstanding balance is of RON 20,800 thousand, representing principal. (Outstanding balance as at 31 December 2024: RON 41,600 thousand).

d) Investment loan granted by BRD – Groupe Societe Generale

On 25 June 2020, Societatea de Distributie a Energiei Electrice Transilvania Nord S.A., currently Distributie Energie Electrica Romania S.A., as a borrower, concluded with BRD – Groupe Societe Generale an investment credit agreement with the purpose of financing investments in the electricity distribution network, according to the approved investment plan. Main provisions are: Maximum loan amount: RON 100,000 thousand; Interest rate: fixed, 3.85% per annum; Reimbursements: quarterly instalments until 25.06.2028; Grace period: 12 months.

As at 31 December 2025, the outstanding balance is of RON 35,744 thousand, of which RON 35,714 thousand principal and RON 30 thousand accrued interest. (Outstanding balance as at 31 December 2024: RON 50,037 thousand).

e) Investment loan granted by BRD – Groupe Societe Generale

On 25 June 2020, Societatea de Distributie a Energiei Electrice Transilvania Sud S.A., currently Distributie Energie Electrica Romania S.A. as a borrower, concluded with BRD – Groupe Societe Generale an investment credit agreement with the purpose of financing investments in the electricity distribution network, according to the approved investment plan for 2020. Main provisions are: Maximum loan amount: RON 80,000 thousand; Interest rate: fixed, 3.85% per annum; Reimbursements: quarterly instalments until 25.06.2028; Grace period: 12 months.

As at 31 December 2025, the outstanding balance is RON 28,593 thousand, of which RON 28,572 thousand principal and RON 21 thousand accrued interest. (Outstanding balance as at 31 December 2024: RON 40,030 thousand).

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

On 17 September 2020, Societatea de Distributie a Energiei Electrica Muntenia Nord S.A., currently Distributie Energie Electrica Romania S.A., as a borrower and Electrica SA as a guarantor, concluded with Banca Comerciala Romana S.A. an investment credit agreement with the purpose of financing investments in the electricity distribution network, according to the approved investment plan for 2020. Main provisions are: Maximum loan amount: RON 155,000 thousand; Interest rate: ROBOR 3M+1% per annum; Reimbursements: quarterly instalments until 14.09.2028; Grace period: 12 months.

As at 31 December 2025, the outstanding balance is RON 52,454 thousand, of which RON 52,112 thousand principal and RON 342 thousand accrued interest. (Outstanding balance as at 31 December 2024: RON 71,475 thousand).

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

On 2 July 2021, Societatea de Distributie Energie Electrica Romania SA, as a borrower, concluded with the European Bank for Reconstruction and Development a credit agreement for investments in order to finance investments in the electricity distribution network according to the 2021-2023 investment plan. The main provisions are: The maximum value of the loan RON 195,136 thousand; Interest rate: ROBOR 6M + spread 0.30% + margin 1.15%; Repayments: 17 semi-annual instalments until 31.07.2031; Grace period: 24 months. The loan agreement is guaranteed by Electrica SA.

As at 31 December 2025, the outstanding balance is RON 142,616 thousand, of which RON 137,743 thousand principal and RON 4,873 thousand accrued interest. (Outstanding balance as at 31 December 2024: RON 165,745 thousand).

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

On 14 July 2021, Societatea de Distributie Energie Electrica Romania SA, as a borrower, concluded with the European Investment Bank an investment credit contract, representing the first part of the Approved Credit in the amount of EUR 210,000 thousand for the purpose of financing investments in the electricity distribution network according to the 2021-2023 investment plan. The main provisions are: Maximum value of the loan: EUR 120,000 thousand; Interest rate: 3.73%; Repayments: 24 semi-annual instalments until 26.02.2039; Grace period: 36 months. The loan agreement is guaranteed by Electrica SA.

As at 31 December 2025, the outstanding balance is RON 619,941 thousand, of which RON 611,820 thousand principal and RON 8,121 thousand accrued interest (31 December 2024: RON 604,814 thousand).

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

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

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

On 7 December 2021, Societatea de Distributie Energie Electrica Romania SA, as a borrower, concluded with the European Investment Bank an investment credit contract, representing the second part of the Approved Credit in the amount of EUR 210,000 thousand for the purpose of financing investments in the electricity distribution network according to the 2021-2023 investment plan. The main provisions are: Maximum value of the loan: EUR 90,000 thousand; Interest rate: 3.73%; Repayments: 24 semi-annual instalments until 26.02.2039; Grace period: 36 months. The loan agreement is guaranteed by Electrica SA.

As at 31 December 2025, the outstanding balance is RON 464,955 thousand, of which RON 458,865 thousand principal and RON 6,090 thousand accrued interest (31 December 2024: RON 453,611 thousand).

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

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

On 31 December 2025, the balance of the loan is 0 thousand RON, as a result of the refinancing through the syndicated credit facility (Outstanding balance as at 31 December 2024: RON 130,840 thousand).

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

On 17 March 2023, Societatea de Distributie Energie Electrica Romania SA, as a borrower, concluded with the European Bank for Reconstruction and Development a credit agreement for working capital. The main provisions are: The maximum value of the loan RON 180,000 thousand; Interest rate: ROBOR 3M + spread % + margin 2.10%; Repayments: 14 quarterly instalments until 31.01.2028; Grace period: 18 months. On 19 December 2023, the value of the loan increased by RON 60,000 thousand, to RON 240,000 thousand. The loan agreement is guaranteed by Electrica SA.

As at 31 December 2025, the outstanding balance is RON 156,669 thousand, of which RON 154,286 thousand principal and RON 2,383 thousand accrued interest (31 December 2024: RON 225,985 thousand).

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

On 4 August 2023, Electrica Furnizare S.A., as the borrower, concluded a Facility Agreement Multicredit. The main provisions are: The maximum value of the loan RON 150,000 thousand; Interest rate: ROBOR 3M + 2.85%; full repayment at maturity; Maturity date: 03 August 2026. On 18 December 2023 the amount of the loan was increased by RON 50,000 thousand to RON 200,000 thousand. The loan agreement is guaranteed by Electrica SA.

As at 31 December 2025, the outstanding balance is RON 0 thousand, as a result of the refinancing through the syndicated credit facility from July 2025 (31 December 2024: RON 24,464 thousand).

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

On 2 November 2021, Electrica S.A., as borrower, entered into a syndicated credit facility with Erste Group Bank AG and Raiffeisen Bank SA. The main provisions are: Maximum loan amount RON 750,000 thousand; Interest rate: ROBOR 3M + 1.16%; full repayment at maturity. On 3 November 2023 the loan was extended for a period of one year and the maximum loan amount was reduced to RON 450,000 thousand. The maturity was subsequently extended until 31 July 2025. On 20 August 2024 the bank issued two comfort letters in total amount of RON 345,020 thousand, as follows: New Trend Energy SRL, RON 92,020 thousand and Foton Power Energy SRL, RON 253,000 thousand.

As at 31 December 2025 the balance of the loan is RON 0 thousand, as a result of the refinancing through the syndicated credit facility from July 2025 (31 December 2024: RON 105,203 thousand).

n) Investment loan granted by Unicredit Bank

On 26 April 2024, Electrica Furnizare S.A. signed the credit contract no. GRIM/8714 with UniCredit Bank SA, with SE Electrica SA as a guarantor, for an investment loan in amount of RON 24,881 thousand, due until 26.04.2029. Interest rate: ROBOR 3M + 3.15%. Repayments: 17 quarterly instalments until 26.04.2029; Grace period: 12 months.

As at 31 December 2025 the balance of the loan is RON 0 thousand, following the full repayment of the facility (31 December 2024: RON 25,074 thousand).

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

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

o) Investment loan granted by the European Investment Bank ("EIB")

On 8 May 2024, DEER concluded with the European Investment Bank the investment credit contract no. FI N°.98.007, with SE Electrica SA as a guarantor, for an investment credit in the amount of EUR 15,000 thousand, due until 26.02.2040. Interest rate: 3.497%.

As at 31 December 2025 the balance of the loan is RON 77,443 thousand, of which principal RON 76,478 thousand and accrued interest RON 965 thousand. (31 December 2024: 0).

p) Loan for financing the own technological consumption expenses granted by BCR – Banca Comerciala Romana ("BCR")

On 25 January 2022, DEER signed the credit contract no. 2022012502 with BCR in the amount of RON 220,000 thousand. On 26 June 2024, the loan amount was increased by RON 150,000 thousand to the amount of RON 370,000 thousand, and the overdraft facility of RON 220,000 thousand was transformed into a long-term borrowing to cover the own technological consumption. The availability of the facility was extended to 30.04.2028; interest rate: ROBOR 3M + 1.3%; Repayments: 17 quarterly instalments until 30.04.2028.

As at 31 December 2025 the balance of the loan is RON 130,437 thousand, of which principal RON 129,412 thousand and accrued interest RON 1,025 thousand. (31 December 2024: RON 182,364 thousand).

q) Loan for financing the own technological consumption expenses granted by Raiffeisen Bank SA

On 26 May 2022, DEER signed the credit contract no. 20/2022 with Raiffeisen in the amount of RON 220,000 thousand. On 26 June 2024, the amount of the loan was increased by RON 100,000 thousand to the amount of RON 320,000 thousand, and the overdraft facility of RON 220,000 thousand was transformed into a long-term borrowing to cover the own technological consumption. The availability of the facility was extended to 31.12.2027; interest rate: ROBOR 3M + 1.3%; Repayments: 13 quarterly instalments until 31.12.2027.

As at 31 December 2025 the balance of the loan is RON 136,890 thousand, of which principal RON 135,385 thousand and accrued interest RON 1,505 thousand. (31 December 2024: RON 205,041 thousand).

r) Investment loan granted by the European Investment Bank ("EIB")

On 16 December 2024, DEER concluded with the European Investment Bank the investment credit contract no. FI N°.97.868, with SE Electrica SA as a guarantor, for an investment credit in the amount of EUR 200,000 thousand, due until 26.02.2039. Interest rate: 3.6% (fixed) or EURIBOR 6M + 1.5%.

As at 31 December 2025 the balance of the loan is RON 1,029,317 thousand, of which principal RON 1,019,698 thousand and accrued interest RON 9,619 thousand. (31 December 2024: 0).

s) Syndicated loan for financing working capital, refinancing bilateral loans, CAPEX, and investments in green energy projects

On 30 April 2025, a syndicated loan agreement was signed for a total amount of RON 3,100,000 thousand, used for financing current operations, refinancing bank loans, and investments. The syndicated loan is composed of: Banca Comerciala Romana, Banca Transilvania, Raiffeisen Bank, ING Bank, CEC Bank, BRD – Groupe Société Générale, and Banca Comerciala Intesa Sanpaolo Romania SA.

The syndicated loan consists of several facilities, namely:

Facility A in amount of RON 130,000 thousand, granted to Societatea Energetica Electrica, revolving facility, with the purpose of refinancing the bilateral loan/financing commissions/financing general corporate purposes and working capital, valid until 30 April 2026 and an interest rate of ROBOR 3M + 1.50%. (facility accessed, refer to Note 32).

Facility B

In December 2025, Societatea Energetica Electrica partially accessed Facility B in order to finance capital expenditures for the development and implementation of an Eligible Green Project at the ready-to-build stage. The main provisions of Facility B are: Amount: RON 500,000 thousand Interest rate: ROBOR 3M+ 1.55%, repayments: in 28 equal quarterly instalments and a final bullet payment representing 30% of the amount used, starting on 19.06.2028, until 30.04.2035. The loan is guaranteed by Electrica SA.

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

As at 31 December 2025, the outstanding balance of the loan under Facility B is RON 4,856 thousand, of which RON 4,842 thousand represents principal and RON 14 thousand represents accrued interest. (31 December 2024: 0).

Facility C in amount of RON 1,674,000 thousand, granted to Electrica Furnizare, revolving facility, with the purpose of refinancing the bilateral loan/financing commissions/financing general corporate purposes, valid until 30 April 2026 and an interest rate of ROBOR 3M + 1.55%. (facility accessed, refer to Note 32).

Facility D1

In July 2025, Distribuție Energie Electrica Romania S.A. accessed Facility D1 to finance short-term bilateral loans. The main provisions are: maximum amount: RON 296,000 thousand, interest rate: ROBOR 3M + 1.35%, repayments: 16 quarterly installments until 30 April 2029. The loan is guaranteed by Electrica SA.

As at 31 December 2025, the outstanding balance of the loan under Facility D1 is RON 259,816 thousand, of which RON 259,000 thousand represents principal and RON 816 thousand represents accrued interest. (31 December 2024: 0).

Facility D2 in the amount of RON 500,000 thousand granted to Distribuție Energie Electrica Romania S.A., a long-term non-revolving facility intended to finance or refinance any capital expenditures (capex) provided for in the capital expenditure plans, valid until 31 December 2032, and an interest rate of ROBOR 3M + 1.35%. Repayments: equal quarterly instalments, starting with the first interest payment date of the calendar year following the year in which the Loan was drawn, over a period of 5 (five) years, provided that the last instalment is paid no later than 31 December 2032. (facility not accessed).

31. Green bonds

In July 2025, the Company issued green bonds denominated in EUR in the amount of EUR 500 million, maturing on July 14, 2030. At maturity, the bonds will be redeemed at their nominal value. The coupon rate is 4.375%, and the coupon is payable annually.

The net proceeds obtained are intended to be used to finance and/or refinance Eligible Green Projects, in whole or in part in accordance with the Electrica's Green Finance Framework. Such financing or refinancing may be of new and/or existing Eligible Green Projects. The fully allocation of the proceeds by Eligible Green Projects will be done within 36 months of the issue of the Bonds.

Given the estimated timeline and projections related to Green Eligible Projects, the funds obtained from the green bonds were invested in government bonds and term deposits in order to maximize financial returns and, implicitly, partially covering the interest expenses due on the green bonds. This decision is fully in line with the principles of fund management by the Electrica Treasury and the Green Financing Framework in place.

The green bonds are unsecured, have no associated financial covenants, and may be redeemed early only at the issuer's request in the event of unfavourable changes in legislative regulations, including tax regulations.

The bonds are listed on the Bucharest Stock Exchange and the Luxembourg Stock Exchange.

	31 December 2025	31 December 2024 (restated)	31 December 2023 (restated)
Proceeds from the issuance of green bonds	2,519,236	-	-
Transaction costs	(12,053)	-	-
Net proceeds from the issuance of green bonds	2,507,183	-	-

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

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

	31 December 2025	31 December 2024 (restated)	31 December 2023 (restated)
Balance as at 1 January	-	-	-
Net proceeds from the issuance of green bonds	2,507,183	-	-
Interest expenses	52,095	-	-
Other financial expenses	11,672	-	-
Balance as at 31 December	2,570,950	-	-

32. Overdrafts and short-term loans

Until the authorization for issue of these Consolidated Financial Statements by the Board of Directors, the Group has overdrafts and short-term loans from various banks (ING Bank N.V., Raiffeisen Bank, Banca Comerciala Romana, Banca Transilvania, BNP Paribas, Intesa Sanpaolo Bank, BRD – Groupe Societe Generale S.A., CEC and UniCredit) with a total overdraft limit of up to RON 3,095,739 thousand (total overdraft limit as at 31 December 2024: RON 3,219,057 thousand). As mentioned at point 31 (s) above, the syndicated loan is composed of: Banca Comerciala Romana, Banca Transilvania, Raiffeisen Bank, ING Bank, CEC Bank, BRD – Groupe Société Générale, and Banca Comerciala Intesa Sanpaolo Romania SA.

The overdraft facilities and short-term loans are used for financing activities. The outstanding balance of the overdraft facilities and short-term loans as at 31 December 2025 is of RON 2,352,456 thousand (31 December 2024: RON 2,490,609 thousand).

Lender	Borrower	31 December 2025	31 December 2024 (restated)	31 December 2023 (restated)
Syndicated loan - Facility C (a)	Electrica Furnizare S.A.	1,679,399	-	-
ING Bank N.V (b)	Societatea Energetica Electrica S.A.	182,415	168,704	206,986
BRD (c)	Societatea Energetica Electrica S.A.	143,036	149,508	-
ING Bank N.V (d)	Electrica Furnizare S.A.	137,113	169,589	170,602
Syndicated loan - Facility A (e)	Societatea Energetica Electrica S.A.	130,389	-	-
UniCredit Bank (f)	Electrica Furnizare S.A.	79,861	-	-
UniCredit Bank (g)	Electrica Furnizare S.A.	243	301,599	302,399
Alpha Bank	Electrica Furnizare S.A.	-	394,552	213,702
Raiffeisen Bank	Electrica Furnizare S.A.	-	380,829	369,274
BCR	Electrica Furnizare S.A.	-	325,016	378,887
BRD	Electrica Furnizare S.A.	-	212,082	218,817
Banca Transilvania	Electrica Furnizare S.A.	-	182,233	187,194
Intesa Sanpaolo	Distributie Energie Electrica Romania S.A	-	135,655	135,815
Raiffeisen Bank	Distributie Energie Electrica Romania S.A	-	28,923	218,895
BNP Paribas	Electrica Furnizare S.A.	-	24,919	28,830
Vista Bank	Electrica Furnizare S.A.	-	17,000	-
BCR	Distributie Energie Electrica Romania S.A	-	-	210,593
Banca Transilvania	Distributie Energie Electrica Romania S.A	-	-	159,544
ING Bank N.V	Distributie Energie Electrica Romania S.A	-	-	49,682
Total		2,352,456	2,490,609	2,851,221

Overdrafts and short-term loans description

a) Syndicated loan – Facility C

As at 31 December 2025, the balance of Facility C under the syndicated loan is RON 1,679,399 thousand, of which RON 1,674,000 thousand is principal and RON 5,399 thousand is accrued interest.

b) Working capital loan granted by ING Bank N.V.

In January 2020, Energetica Electrica signed a short-term revolving credit facility agreement – overdraft type, aimed at financing working capital in the context of cash pooling operations within the group. The main provisions are: Maximum

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

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

facility amount: RON 210,000 thousand; Interest rate: ROBOR 1M +2.25%; Valid until 27 January 2026, with automatic annual renewal.

As at 31 December 2025, the balance of the facility is RON 182,415 thousand, of which RON 181,218 thousand is principal and RON 1,197 thousand is accrued interest.

c) Credit for financing the payment needs of the Participating Companies and the Borrower under the scheme identified in the Cash Pooling Agreements, granted by BRD

In January 2024, Energetica Electrica signed a credit agreement, a short-term revolving facility – overdraft type, with the purpose of financing the payment needs of the Participating Companies and the Borrower within the scheme identified in the Cash Pooling Agreements. The main provisions are: Maximum facility amount: RON 150,000 thousand; Interest rate: ROBOR 1M +1.35%; Validity: 30 April 2026.

As at 31 December 2025, the balance of the facility is RON 143,036 thousand, of which RON 143,036 thousand is principal and RON 0 thousand is accrued interest.

d) Working capital loan granted by ING Bank

In February 2022, Electrica Furnizare S.A. signed a credit agreement with ING Bank N.V. to access a credit facility worth RON 170,000 thousand, a short-term revolving facility – overdraft type, with the initial purpose of financing working capital and issuing guarantee instruments. In August 2022, the issuance of guarantee instruments was removed from the purpose of the facility, and in October 2022, the facility was converted into EUR, with a maximum value of EUR 34,300 thousand. Interest rate: EURIBOR 1 M +2.75%; Validity is 13 February 2026.

As at 31 December 2025, the balance of the facility is RON 137,113 thousand, of which RON 136,417 thousand is principal and RON 696 thousand is accrued interest.

e) Syndicated loan - Facility A

As at 31 December 2025, the balance of Facility A under the syndicated loan is RON 130,389 thousand, of which RON 130,000 thousand is principal and RON 389 thousand is accrued interest.

f) Overdraft facility for working capital financing granted by Unicredit Bank

In May 2025, Electrica Furnizare S.A. signed a credit agreement with Unicredit Bank for access to an overdraft facility for working capital financing, with the possibility of using RON and EUR. The main provisions are: Maximum facility amount EUR 19,000 thousand; Interest rate: EURIBOR 1M+2.1% p.a., respectively ROBOR 1M +2.1% p.a.; Validity until 30 May 2026. The facility is guaranteed by Societatea Energetica Electrica through a letter of guarantee in the amount of EUR 19,000 thousand, valid until 30 June 2026.

As of 31 December 2025, the balance of the facility is RON 79,861 thousand, of which RON 79,539 thousand is principal and RON 322 thousand is accrued interest.

g) Credit for working capital financing and issuance of guarantee instruments granted by Unicredit Bank

Electrica Furnizare S.A. signed in May 2022 a credit agreement for access to a credit facility in the amount of RON 220,000 thousand, which includes an overdraft facility for working capital financing and issuance of guarantee instruments. Through successive addenda, the facility was converted into EUR, reaching the amount of EUR 60,800 thousand, with the possibility of use in both EUR and RON. Interest rate: EURIBOR 1M +2%, respectively ROBOR 1M +2%. Validity: July 1, 2026.

As of 31 December 2025, the balance of the cash facility is RON 243 thousand, of which RON 243 thousand was principal and RON 0 thousand was accrued interest, and the balance of the non-cash facility is 0.

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

Financial Covenants

The financial covenants specified in the agreements with BRD – Groupe Societe Generale, Unicredit Bank, Banca Comerciala Romana (BCR), European Bank for Reconstruction and Development, European Investment Bank. ING Bank N.V and the syndicated loan have been fulfilled as at 31 December 2025.

Pledged Assets

As at 31 December 2025, the Group has no pledges (guarantees) for trade receivables (31 December 2024: RON 423,114 thousand), as specified on contracts.

Bank Guarantees

The maximum limit of the facility for issuing bank guarantees (credit facility for issuing guarantee instruments and multi-product lines) RON 1,859,988 thousand, of which non-cash uses RON 1,172,124 thousand (31 December 2024: RON 1,009,655 thousand).

33. Financial instruments - fair values and risk management

(a) Accounting classifications and fair values

Financial assets are measured at amortised cost as they are held within a business model to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.

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

(b) Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk;
- market risk.

These risks are further explained and detailed.

(i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, cash and cash equivalents, restricted cash and bank deposits.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. In the past, the Group had a high credit risk mainly from State-owned companies.

Cash and bank deposits are placed in financial institutions which are considered to have low risk of default.

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

Trade receivables

The Group's credit risk in respect of receivables was concentrated in the past around state-controlled companies and in the recent years refers to clients that are facing financial difficulties in their industries due to specific changes in circumstances in their industry sector. The Group has implemented a policy on credit risk management and is also considering securing trade receivables. Also, the electricity supply contracts include termination clauses in certain circumstances.

The Group establishes an allowance for impairment that represents the amount of expected credit losses, calculated based on the expected loss rates.

Impairment

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

The following table provides information about the exposure to credit risk and expected credit losses for trade receivables for customers as at 31 December 2025:

31 December 2025					
	Expected credit loss rates ("ECL")	Gross value	Lifetime ECL	Net trade receivables	Credit impaired
Neither past due nor impaired	0.98%	2,702,331	(26,500)	2,675,831	No
Past due 1-30 days	1.81%	346,547	(6,262)	340,285	No
Past due 31-60 days	22.46%	91,589	(20,572)	71,017	No
Past due 61-90 days	27.94%	58,964	(16,475)	42,489	No
Past due more than 90 days	84.57%	838,194	(708,894)	129,300	Yes
Total		4,037,625	(778,703)	3,258,922	-

The Group performed a sensitivity analysis and a 5% increase in the expected credit loss rates would not lead a material impact on the results of the Group.

The following table provides information about the exposure to credit risk and expected credit losses for trade receivables for customers as at 31 December 2024:

31 December 2024 (restated)					
	Expected credit loss rates ("ECL")	Gross value	Lifetime ECL	Net trade receivables	Credit impaired
Neither past due nor impaired	3.87%	2,812,857	(108,808)	2,704,049	No
Past due 1-30 days	9.65%	136,458	(13,170)	123,288	No
Past due 31-60 days	19.16%	89,057	(17,063)	71,994	No
Past due 61-90 days	41.56%	24,235	(10,072)	14,163	No
Past due more than 90 days	79.78%	737,168	(588,129)	149,039	Yes
Total		3,799,775	(737,242)	3,062,533	-

The following table provides information about the exposure to credit risk and expected credit losses for trade receivables for customers as at 31 December 2023:

31 December 2023 (restated)					
	Expected credit loss rates ("ECL")	Gross value	Lifetime ECL	Net trade receivables	Credit impaired
Neither past due nor impaired	2.14%	1,648,607	(35,330)	1,613,277	No
Past due 1-30 days	6.62%	255,100	(16,875)	238,225	No
Past due 31-60 days	14.00%	47,635	(6,670)	40,965	No
Past due 61-90 days	37.18%	25,927	(9,640)	16,287	No
Past due more than 90 days	91.82%	622,659	(571,703)	50,956	Yes
Total		2,599,928	(640,218)	1,959,710	-

Details of the main movements in the allowances for doubtful debts are disclosed in Note 20.

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses.

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

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

The Group aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities. The Group also monitors the level of expected cash inflows on trade receivables together with expected cash outflows on trade and other payables. In addition, the Group relies on overdrafts and short term loans for working capital needs (refer to Note 32).

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

Financial liabilities	Carrying amount	Contractual cash flows				
		Total	less than 1 year	1-2 years	2-5 years	More than 5 years
31 December 2025						
Overdrafts and short-term loans	2,352,456	2,352,456	2,352,456	-	-	-
Lease liability	53,112	53,111	11,067	7,484	4,823	29,737
Long-term bank borrowings	3,197,034	3,197,034	413,827	383,192	781,083	1,618,933
Green bonds	2,570,950	(*) 2,601,501	52,251	-	2,549,250	-
Trade payables	1,241,126	1,241,126	1,241,126	-	-	-
Other payables	1,449,865	1,449,865	1,418,083	31,782	-	-
Total	10,864,543	10,895,093	5,488,810	422,458	3,335,156	1,648,670
<i>(*) The amount of RON 2,601,501 thousand represents the gross value of the green bonds, while the difference of RON 30,551 thousand up to the amount of RON 2,570,950 thousand represents the issuance premiums and the expenses recorded for obtaining the bonds</i>						
31 December 2024 (restated)						
Overdrafts and short-term loans	2,490,609	2,490,609	2,490,609	-	-	-
Lease liability	41,790	41,790	7,411	3,543	3,396	27,440
Long-term bank borrowings	2,390,341	2,390,341	565,835	332,954	618,694	872,858
Trade payables	1,146,413	1,146,413	1,146,413	-	-	-
Other payables	1,533,173	1,533,173	1,487,481	45,692	-	-
Total	7,602,326	7,602,326	5,697,749	382,189	622,090	900,298
31 December 2023 (restated)						
Overdrafts and short-term loans	2,851,221	2,851,221	2,851,221	-	-	-
Lease liability	43,195	43,195	14,052	9,920	3,980	15,243
Long-term bank borrowings	1,317,642	1,317,642	523,294	258,923	475,905	59,520
Trade payables	1,671,478	1,671,478	1,671,478	-	-	-
Other payables	982,484	982,484	945,323	37,161	-	-
Total	6,866,020	6,866,020	6,005,368	306,004	479,885	74,763

(iii) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Group's income or the value of its financial instruments held. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the functional currency of the Group. The functional currency of all entities belonging to the Group is the Romanian Leu (RON).

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

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

The currency in which these transactions are primarily denominated is RON. Certain liabilities are denominated in foreign currency (EUR). The Group also has deposits, treasury bills, government bonds and bank accounts denominated in foreign currency (EUR). The Group's policy is to use the local currency in its transactions as far as practically possible. The Group does not use derivative or hedging instruments.

Exposure to currency risk

The summary of quantitative data about the Group's exposure to currency risk is as follows:

	31 December 2025	31 December 2024 (restated)	31 December 2023 (restated)
in thousands of RON	denominated in EUR	denominated in EUR	denominated in EUR
Cash and cash equivalents	99,133	1,763	347
Deposits, treasury bills and government bonds	1,141,071	-	-
Overdrafts and short-term loans	(216,975)	(399,795)	(306,417)
Lease liability	(49,861)	(40,167)	(42,231)
Long-term bank borrowings	(2,191,657)	(1,058,425)	-
Green bonds	(2,601,501)	-	-
Net statement of financial position exposure	(3,819,789)	(1,496,624)	(348,301)

The following significant exchange rates have been applied during the year:

	Average rate		Year-end spot rate	
	2025	2024	2025	2024
RON				
EUR	5.0415	4.9752	5.0985	4.9741

Sensitivity analysis

A reasonably possible strengthening (weakening) of the EUR against RON at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and profit before tax by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit before tax	
	Strengthening	Weakening
Effect		
31 December 2025		
EUR (5% movement)	190,989	(190,989)
31 December 2024 (restated)		
EUR (5% movement)	74,831	(74,831)

Interest rate risk

For financing purposes, the Group uses medium, long-term bank loans and short-term loans (including overdraft facilities (please see Note 30,31,32).

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings (please see Note 30), as the long-term borrowings are contracted mainly at fixed rates, while the overdraft facilities bear variable rates. The Group does not have in place hedging contracts for interest rate.

The Groups exposures to interest rates on financial assets and financial liabilities are detailed below. The Group is exposed to the interest rate benchmark ROBOR/EURIBOR.

Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments is as follows:

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

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

	31 December 2025	31 December 2024 (restated)	31 December 2023 (restated)
Fixed-rate instruments			
Financial assets			
Call deposits	1,761,463	123,865	153,997
Deposits, treasury bills and government bonds	2,164,833	-	-
Financial liabilities			
Long-term bank borrowings	(2,313,297)	(1,267,256)	(1,068,912)
Green bonds liabilities	(2,570,950)	-	-
Lease liability	(47,646)	(32,312)	(32,312)
	(1,005,597)	(1,175,703)	(947,227)
	31 December 2025	31 December 2024 (restated)	31 December 2023 (restated)
Variable-rate instruments			
Financial liabilities			
Lease liability	(5,466)	(9,478)	(10,883)
Long-term bank borrowings	(883,737)	(1,123,085)	(248,730)
Bank overdrafts and short term loans	(2,352,456)	(2,490,609)	(2,851,221)
	(3,241,659)	(3,623,172)	(3,110,834)

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) profit before tax by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit before tax	
	50 bp increase	50 bp decrease
31 December 2025		
Variable-rate instruments	(16,208)	16,208
31 December 2024 (restated)		
Variable-rate instruments	(18,116)	18,116

34. Acquisition of subsidiary

As at 31 December 2023 the Group held 40% of Crucea Power Park S.R.L., based on SPA signed in 28 July 2021. The entity was accounted for using the equity method as at 31 December 2023 in these consolidated financial statements as provided in the Group's accounting policies in Note 7.

On 15 October 2024, the Group acquired an additional 20% of the shares and voting interests in Crucea Power Park S.R.L., owning 60% of the shares and voting interests. Therefore, the Group obtained control over the investee starting 15 October 2024.

Taking control of Crucea Power Park S.R.L. will enable the Group to develop its portfolio of renewable power generation capacities.

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

A. Consideration transferred

The consideration transferred for the shares acquired was as follows:

Cash	8,451
Consideration transferred	8,451

B. Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:

Property, plant and equipment	10,872
Trade and other receivables	1,282
Cash and cash equivalents	8
Total assets	12,162
Trade and other payables	(58)
Other non-current liabilities	(12,167)
Total liabilities	(12,225)
Net liabilities	(63)

C. Goodwill

Goodwill arising from the acquisition has been recognised as follows:

Consideration transferred	8,451
NCI, based on their proportionate interest in the recognised amounts of the assets and liabilities	(25)
Fair value of pre-existing interest in Crucea Power Park S.R.L.	16,615
Fair value of identifiable net liabilities	63
Goodwill	25,104

The goodwill is attributable mainly to the know-how of the projects and the synergies expected to be achieved from integrating the companies into the Group's existing business. The management has concluded by assessing internal and external sources, that there is no indication that the goodwill may be impaired. None of the goodwill recognized is expected to be deductible for tax purposes.

The Group completed the full acquisition of Crucea Power Park S.R.L. on 10 February 2025, with a payment of RON 386 thousand.

35. Related parties

(a) Main shareholders

As at 31 December 2025 and 31 December 2024, the major shareholder of Societatea Energetica Electrica S.A. is the Romanian State, represented by the Ministry of Energy with a share of ownership of 49.785% from the share capital.

(b) Management and administrators' compensation

	2025	2024 (restated)
Executive Management compensation	39,116	36,257

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

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

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

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

	2025	2024 (restated)
Members of Board of Directors	4,238	4,223

Electrica SA's Board of Directors comprises 7 members. According to the remuneration policy approved by the General Meeting of Shareholders that took place on 20 April 2022, the annual number of paid sessions is limited to twelve for Board of Directors meetings and to six for each of the committees. Additional committee meetings can be organized only in exceptional situations, upon the Chairs' committee decision, who are responsible to efficiently organize the agenda and activity. However, only one such additional meeting shall be remunerated, for each committee.

No loans were granted to directors or administrators in 2025 and 2024.

(c) Transactions with companies in which the state has control or significant influence

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

Supplier	Purchases (without VAT)		Balance (including VAT)	
	2025	2024 (restated)	31 December 2025	31 December 2024 (restated)
OPCOM	382,320	3,259,654	325	120,209
Transelectrica	771,894	1,283,721	123,765	226,413
Nuclearelectrica	984,914	246,348	84,184	34,552
Hidroelectrica	376,515	163,921	25,813	5,925
Complexul Energetic Oltenia	135,526	35,243	15,633	-
SNGN Romgaz SA	92,172	42,121	16,961	5,086
Electrocentrale Bucuresti	54,205	21,075	-	-
ANRE	12,593	14,170	-	-
Transgaz	12,620	10,077	1,185	1,856
Others	46,841	1,122	9,171	2,504
Total	2,869,600	5,077,452	277,037	396,545

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

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

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

	Sales (excluding VAT)	Balance, gross (including VAT)	Allowance (including VAT)	Balance, net
Client	2025	31 decembrie 2025		
OPCOM	5,989	4	-	4
Transelectrica	276,752	109,527	-	109,527
Hidroelectrica	435,653	44,938	5	44,933
CN Romarm	26,184	380	-	380
SNGN Romgaz SA	109,589	664	1	663
CFR Electrificare	15,878	1,204	-	1,204
TETAROM SA	10,504	910	-	910
C.N.C.F CFR S.A.	44,787	2,997	9	2,988
CN Remin SA	856	71,622	71,209	413
Oltchim	-	115,426	115,426	-
C.N.C.A.F. MINVEST S.A.	-	26,802	26,802	-
Ministry of National Defence	48,480	243	227	16
County Agency for Payments and Social Inspection	35,746	22,954	-	22,954
Ministry of Energy/ National Agency for Payments and Social Inspection(*)	1,046,052	2,505,877	-	2,505,877
PLOIESTI INDUSTRIAL PARC SA	9,517	1,642	-	1,642
Others	96,617	33,393	5,440	27,953
Total	2,162,604	2,938,583	219,119	2,719,464

(*) In the year ended 31 December 2025, Electrica Furnizare S.A. recognised subsidies amounting to RON 1,081,798 thousand (2024: RON 1,636,679 thousand), to be received from the Ministry of Energy/National Agency for Payments and Social Inspection/ County Agency for Payments and Social Inspection, as a result of the application of the price cap mechanism for electricity and natural gas according to the legislation in force.

	Sales (excluding VAT)	Balance, gross (including VAT)	Allowance (including VAT)	Balance, net
Client	2024 (restated)	31 December 2024 (restated)		
OPCOM	41,543	3,571	-	3,571
Transelectrica	304,153	45,048	-	45,048
CNAIR	25,612	8,555	-	8,555
C.N.C.F CFR S.A.	74,650	3,586	68	3,518
Hidroelectrica	266,237	65,447	-	65,447
CFR Telecomunicatii	2,694	47	-	47
CFR Electrificare	15,967	1,475	-	1,475
Complexul Energetic Oltenia	628	89	21	68
CN Remin SA	238	71,242	71,209	33
C.N.C.A.F MINVEST SA	-	26,802	26,802	-
Oltchim	-	115,426	115,426	-
CET Braila	-	3,379	3,379	-
Termoelectrica	-	1,206	1,206	-
County Agency for Payments and Social Inspection	20,048	19,802	-	19,802
Ministry of Energy/ National Agency for Payments and Social Inspection(*)	1,616,631	2,574,153	-	2,574,154
Others	131,564	15,897	511	15,385
Total	2,499,965	2,955,725	218,622	2,737,103

36. Contingencies

Contingent liabilities

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

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

Fiscal environment

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

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

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

Other litigations and claims

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

On 21 August 2025, ANAF finalized the control performed at Group level in connection to VAT covering the period 1 January 2017 – 31 December 2020 and income tax for the period 1 January 2017 – 31 December 2020. As a result of the fiscal control, additional liabilities of RON 25,231 thousand were imposed, out of which additional VAT liabilities amounting to RON 21,919 thousand (adjusted for customers in bankruptcy) and additional income tax liabilities amounting RON 3,312 thousand. During 2025, the Group paid the additional tax obligations, which were recorded under other receivables, as the Group considers that the additional VAT liabilities are unfounded. These were challenged on 6 October 2025, when Administrative Appeal No. 4869 was filed. The current resolution from the DGSC within the Ministry of Finance, issued on 10 December 2025, was favorable for the Group (final decision), therefore the amounts will be recovered from ANAF.

As summarised in Note 29, the Group set-up provisions for the litigations or claims for which the management assessed as probable the outflow of resources embodying economic benefits due to low chances of favourable outcomes of those litigations or disputes. The Group does not present information in the financial statements and did not set-up provisions for items for which the management assessed as remote the possibility of outflow of economic benefits.

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

37. Commitments

(a) Contractual commitments

Contractual commitments as at 31 December 2025 and 31 December 2024 are as follows:

	31 December 2025	31 December 2024 (Restated)
Purchase of electricity	3,091,375	3,114,043
Purchase of green certificates	269,704	172,555
Purchase of property, plant and equipment and intangible assets	546,213	744,969
Purchase of investments	9,293	14,998
Other acquisitions	96,185	-
Total	4,030,770	4,046,565

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

(b) Investment program

The investment program at Group level approved for the year 2026 is as follows:

	2026
Distribution activity	995,000
Supply activity	46,700
Maintenance activity	10,800
Production activity	790,700
Other	72,000
Total	1,915,200

The capital expenditures actually incurred may differ from the ones planned.

(c) Guarantees and pledges

At 31 December 2025, the Group has guarantees on its bank accounts opened at ING Bank N.V., Raiffeisen Bank, Banca Comerciala Romana, Unicredit Bank, Banca Transilvania, BRD – Group Societe Generale and CEC Bank for the overdrafts and short term loans contracted (please see Note 32), and also on its bank accounts opened at BRD – Group Societe Generale, Unicredit Bank, Banca Transilvania, Banca Comerciala Romana, CEC Bank, ING Bank and Raiffeisen Bank for the long-term borrowings contracted (please see Note 30).

At 31 December 2025, the Group has outstanding bank letters of guarantee of RON 1,172,124 thousand (31 December 2024: RON 1,009,655 thousand) issued in favour of its suppliers.

(d) Audit fees

The audit fees for the consolidated financial statements were in amount of 1,731 thousand RON, and during the year 2025, non-audit services fees were in amount of 890 thousand RON (limited review of the interim consolidated financial statements as well as for the analysis and verification of financial information presented in the process of issuing Green Bonds) and 763 thousand RON were the audited sustainability statement. The audit fees for the individual financial statements are mentioned in the annual individual financial statements of Electrica S.A.

38. Subsequent events

Change in management

On 26th February 2026, the mandate of the Chief Financial Officer of Societatea Energetica Electrica S.A., Stefan Alexandru Frangulea, ended.

Fitch rating

On 3rd March 2026, Fitch Ratings Reaffirms "BBB-" Rating with "Stable" Outlook for Electrica Group.

Chief Executive Officer

Alexandru – Aurelian Chirita

25 March 2026

f. Chief Financial Officer

Ioana-Andreea Lambru

Independent Auditor's Report on the 2025 Consolidated Financial Statements (OMFP 2844/2016)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders,
SOCIETATEA ENERGETICA ELECTRICA S.A.

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the consolidated financial statements of SOCIETATEA ENERGETICA ELECTRICA S.A. and its subsidiaries (the Group), with registered office in Bucharest, District 1, Street Grigore Alexandrescu, No. 9, identified by unique tax registration code 13267221, which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.
2. The consolidated financial statements as at December 31, 2025 are identified as follows:
 - Net assets / Equity RON 7,398,227 thousand
 - Net profit for the financial year RON 1,045,459 thousand
3. In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Ministry of Public Finance Order no. 2844/2016 with subsequent amendments.

Basis for Opinion

4. We conducted our audit in accordance with International Standards on Auditing (ISAs), Regulation (EU) No. 537/2014 of the European Parliament and the Council (herein after referred to as "the Regulation") and Law 162/2017 on the statutory audit of annual financial statements and annual consolidated financial statements and on amending other pronouncements (herein after referred to as "the Law 162/2017"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), in accordance with ethical requirements relevant for the audit of the financial statements in Romania including the Regulation and the Law 162/2017 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

5. We draw attention to Note 7 of the consolidated financial statements, which describes that the Group prepares two sets of consolidated financial statements, one under statutory regulations, namely Ministry of Public Finance Order no. 2844/2016 with subsequent amendments, and one under IFRS Accounting Standards. These consolidated financial statements are prepared under Ministry of Public Finance Order no. 2844/2016 with subsequent amendments, which differs from IFRS Accounting Standards as summarized in Note 7. Consequently, these consolidated financial statements do not comply with IFRS Accounting Standards. Our audit report is not modified in respect of this matter.

Key Audit Matters

6. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the "Basis for Opinion" section we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit matter
<i>Trade receivables accruals</i> As at December 31, 2024 our audit report on the consolidated financial statements included a qualification with respect to the fact that for part of the trade receivables accruals we were not able to obtain sufficient and appropriate audit evidence. As presented in Note 5 the comparative consolidated financial statements have been restated during 2025. The key judgement leading to this conclusion are set out in that note. In particular during 2025 the Group reassessed, based on existent laws and regulations in force, the entire capping scheme mechanism and performed a regularization of the electricity capping support scheme. The Group appointed an independent consultant to provide support in assessing its position regarding trade receivables accruals and subsidies receivable from the Romanian State. As a result, it has identified an error pertaining to the previous periods, that it corrected in the current financial statements, by restating the comparatives. Following the regularization of the capping mechanism, the Group also assessed its position regarding trade receivables accruals as at December 31, 2025 using the same methodology as the one used in reassessing the prior periods. In view of the importance of this aspect, the complexity of the calculations and related disclosures we considered this matter a Key Audit Matter.	We have performed the following procedures: • We have obtained the report issued by the independent third party appointed by the Group to assess the trade receivables accruals and subsidies to be received from the Romanian state as at December 31, 2023, 2024 and 2025; • We have tested based on a sample selection the information included in the independent third party report; • We obtained the reimbursement requests submitted by the Group to the Romanian Energy Regulatory Authority for the period of application of the capping mechanism; • We tested on a sample basis the payments that the Group received, related to the reimbursement requests performed; • We considered whether at the date of this report additional information exist from the Romanian authorities with respect to the capping mechanism; • We assessed the adequacy of the disclosure related to the restatement performed in the consolidated financial statements;
<i>Valuation of Retail accrued revenue, related to electricity supplied to households</i> The Group recognizes at the end of each reporting period accrued revenue from the energy supply activity, related to the household population. If the actual meter readings are not available at the end of the reporting period, energy supplied to households is estimated based on internal information related to historical patterns of consumption. The degree of estimation uncertainty reduces from one period to another, however judgement is inherent in the valuation of the accrued revenue related to the household population.	The group has a number of IT systems across the businesses and we were not able to rely on the effectiveness of IT controls within the revenue cycle. The audit procedures adopted were substantive in nature and included the following: • Obtaining an understanding of the accounting policies used in the preparation of the consolidated financial statements, with respect to revenue recognition; • Testing the reconciliation made by the Group between the quantity of electricity purchased for supply purposes and the quantity of electricity delivered from the supply activity;

Key audit matters	How our audit addressed the key audit matter
Because of the significance of the estimations around the accrued revenue related to the households and the inability of relying on the effectiveness of the controls, we consider the valuation of retail accrued revenue, related to households a key audit matter.	• Testing the acquired electricity for supply purposes through a combination of direct confirmations received from the electricity producers and other supporting documents; • Testing the revenues related to electricity supplied to final customers through a combination of direct confirmations and other supporting documents; • Performing analytical procedures on all electricity sales.

Other Information

7. The administrators are responsible for the preparation and presentation of the other information. The other information comprises the Administrators' consolidated report and the Remuneration report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, unless otherwise explicitly mentioned in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements for the year ended 31 December 2025, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Other reporting responsibilities with respect to other information – Administrators' consolidated report

With respect to the Administrators' consolidated report, we read it and report if this has been prepared, in all material respects, in accordance with the provisions of Ministry of Public Finance Order no. 2844/2016 with subsequent amendments.

On the sole basis of the procedures performed within the audit of the consolidated financial statements, in our opinion:

- the information included in the Administrators' consolidated report for the financial year for which the consolidated financial statements have been prepared, is consistent, in all material respects, with the consolidated financial statements;
- the Administrators' consolidated report has been prepared, in all material respects, in accordance with the provisions of Ministry of Public Finance Order no. 2844/2016 with subsequent amendments.

Moreover, based on our knowledge and understanding concerning the Group and its environment gained during the audit on the financial statements prepared at 31 December 2025, we are required to report if we have identified a material misstatement of this Administrators' consolidated report. Except for the possible effects of the matter presented in the "*Basis for Opinion*" section of our report, we do not have anything else to report.

Other reporting responsibilities with respect to other information – Remuneration report

With respect to the Remuneration report, we read it to determine if it presents, in all material respects, the information required by article 107, paragraphs (1) and (2) of Law 24/2017 regarding the issuers of financial instruments and market operations, republished. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

8. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Ministry of Public Finance Order no. 2844/2016 with subsequent amendments and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

9. In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
10. Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
12. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.
13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

16. We have been appointed by the General Assembly of Shareholders April 27, 2023 to audit the consolidated financial statements of Societatea Energetica Electrica S.A. for the financial year ended December 31, 2025. The uninterrupted total duration of our commitment is 8 years, covering the financial years ended December 31, 2018 to December 31, 2025.

We confirm that:

- Our audit opinion is consistent with the additional report submitted to the Audit Committee of the Company that we issued the same date we issued and this report. Also, in conducting our audit, we have retained our independence from the audited entity.
- No non-audit services referred to in Article 5 (1) of EU Regulation No. 537/2014 were provided.

Report on Other Legal and Regulatory Requirements – Report on the Information Regarding Income Tax

17. For the financial year preceding the financial year for which the financial statements were prepared, the Group was not required under Ministry of Public Finance Order no. 2844/2016 with subsequent amendments, articles 60² - 60⁶, to publish a report on income tax information.

The engagement partner on the audit resulting in this independent auditor's report is Răzvan Ungureanu.

Răzvan Ungureanu, Audit Partner

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

*Registered in the Electronic Public Register of Financial
Auditors and Audit Firms under AF 4866*

On behalf of:

DELOITTE AUDIT SRL

*Registered in the Electronic Public Register of Financial
Auditors and Audit Firms under FA 25*

The Mark Building, 84-98 and 100-102 Calea Griviței, 9th Floor, District 1
Bucharest, Romania
25 March 2026

2025 Consolidated Financial Statements (IFRS-EU)



SOCIETATEA ENERGETICA ELECTRICA S.A.

Consolidated Financial Statements

as at and for the year ended

31 December 2025

prepared in accordance with

IFRS Accounting Standards as adopted by the European Union

SOCIETATEA ENERGETICA ELECTRICA S.A.
CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY THE
EUROPEAN UNION

Contents

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

Notes to the consolidated financial statements

Basis of preparation

1. Reporting entity and general information	9
2. Basis of accounting	19
3. Functional and presentation currency	20
4. Use of judgments and estimates	20

Accounting policies

5. Restatements	22
6. Basis of measurement	23
7. Changes in significant accounting policies	23
8. Accounting policies	23
9. Adoption of new and revised standards	38

Performance for the year

10. Operating segments	39
11. Revenue	44
12. Electricity, natural gas and merchandise purchased	44
13. Other operating income and expenses	44
14. Net finance result	45
15. Earnings per share	45

Employee benefits

16. Short-term employee benefits	46
17. Post-employment and other long-term employee benefits	46
18. Employee benefit expenses	49

Income taxes

19. Income taxes	49

SOCIETATEA ENERGETICA ELECTRICA S.A.
CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
 PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY THE
 EUROPEAN UNION

Assets

20. Deposits, treasury bills and government bonds	52
21. Trade receivables	52
22. Other receivables	54
23. Cash and cash equivalents	54
24. Inventories	55
25. Property, plant and equipment	56
26. Intangible assets	58

Equity and liabilities

27. Capital and reserves	59
28. Trade payables	61
29. Other payables	61
30. Provisions	61
31. Long-term bank borrowings	62
32. Green bonds	68
33. Overdrafts and short-term loans	68

Financial instruments

34. Financial instruments - Fair values and risk management	70

Other information

35. Acquisition of subsidiary	75
36. Related parties	76
37. Contingencies	78
38. Commitments	79
39. Subsequent events	80

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

AS AT 31 DECEMBER 2025

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

	Note	31 December 2025	31 December 2024 (Restated)	31 December 2023 (Restated)
ASSETS				
Non-current assets				
Intangible assets related to concession agreements	26	7,105,450	6,678,207	6,220,530
Other Intangible assets	26	62,080	31,293	27,822
Goodwill		49,767	49,767	24,663
Property, plant and equipment	25	750,667	736,921	594,994
Investments in associates		23	23	16,638
Other investments		8,651	7,000	7,000
Deferred tax assets	19	110,411	84,627	32,404
Other non-current assets		6,264	4,391	51,954
Deposits, treasury bills and government bonds - non current	20	1,271,917	-	-
Right of use asset		48,818	39,435	40,993
Total non-current assets		9,414,048	7,631,664	7,016,998
Current assets				
Trade receivables	21	3,258,922	3,062,533	1,959,710
Subsidies receivable	21	2,518,279	2,572,153	3,105,506
Other receivables	22	216,455	74,713	93,832
Cash and cash equivalents	23	2,032,872	454,455	377,215
Deposits, treasury bills and government bonds	20	892,916	-	-
Inventories	24	91,682	111,896	115,660
Prepayments		15,874	5,059	12,935
Current income tax receivable		4,730	8,949	-
Assets held for sale		280	280	280
Total current assets		9,032,010	6,290,038	5,665,138
Total assets		18,446,058	13,921,702	12,682,136
EQUITY AND LIABILITIES				
Equity				
Share capital	27	3,395,530	3,395,530	3,464,436
Share premium	27	103,049	103,049	103,049
Treasury share reserve	27	-	-	(75,372)
Pre-paid capital contribution in kind from shareholders	27	7	7	7
Revaluation reserves	27	144,539	150,268	159,536
Legal reserves	27	528,809	490,833	449,363
Retained earnings		2,765,209	1,641,975	1,259,396
Total equity attributable to the owners of the Company		6,937,143	5,781,662	5,360,415
Non-controlling interests		-	(25)	(451)
Total equity		6,937,143	5,781,637	5,359,964

(continued on page 2)

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

AS AT 31 DECEMBER 2025

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

Liabilities	Note	31 December 2025	31 December 2024 (Restated)	31 December 2023 (Restated)
Non-current liabilities				
Long-term bank borrowings	31	2,783,207	1,824,506	794,348
Long-term green bonds liabilities	32	2,525,365	-	-
Finance lease liability – long term		42,044	34,379	29,143
Deferred tax liabilities	19	184,403	128,165	121,318
Employee benefits	17	175,388	162,697	151,358
Other payables	29	31,782	45,692	37,161
Total non-current liabilities		5,742,189	2,195,439	1,133,328
Current liabilities				
Current portion of the long-term bank borrowings	31	413,827	565,835	523,294
Current portion of long-term green bonds liabilities	32	45,585	-	-
Finance lease liability – short term		11,068	7,411	14,052
Overdrafts and short-term loans	33	2,352,456	2,490,609	2,851,221
Trade payables	28	1,241,126	1,146,413	1,671,478
Other payables	29	1,418,083	1,487,481	945,323
Deferred revenue		2,547	6,626	7,837
Employee benefits	16,17	194,493	150,863	120,548
Provisions	30	28,639	75,905	41,167
Current tax liabilities		58,902	13,483	13,924
Total current liabilities		5,766,726	5,944,626	6,188,844
Total liabilities		11,508,915	8,140,065	7,322,172
Total equity and liabilities		18,446,058	13,921,702	12,682,136

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

Chief Executive Officer
Alexandru - Aurelian Chirita

f. Chief Financial Officer
Ioana-Andreea Lambru

25 March 2026

SOCIETATEA ENERGETICA ELECTRICA S.A.
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, except per share data)

	Note	2025	2024 (Restated)
Revenue	11	10,910,254	8,979,439
Other income	13	1,255,050	1,793,376
Electricity, natural gas and merchandise purchased	12	(7,048,893)	(6,588,827)
Construction costs related to concession agreements	25	(897,417)	(932,651)
Employee benefits	18	(1,208,514)	(1,077,562)
Repairs, maintenance and materials		(166,294)	(130,953)
Depreciation and amortization	25,26	(600,809)	(598,162)
Impairment for trade and other receivables, net	21,22	(43,462)	(101,964)
Other operating expenses	13	(417,391)	(489,979)
Operating profit		1,782,524	852,717
Finance income	14	101,246	12,622
Finance costs	14	(448,531)	(289,844)
Net finance cost		(347,285)	(277,222)
Share of results of associates		-	(10)
Profit before tax		1,435,239	575,485
Income tax expense	19	(216,371)	(105,258)
Profit for the year		1,218,868	470,227
Profit for the year attributable to: owners of the Company		1,218,868	470,260
non-controlling interests		-	(33)
Profit for the year		1,218,868	470,227
Earnings per share			
Basic and diluted earnings per share (RON)	15	3.59	1.38

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

Chief Executive Officer
Alexandru - Aurelian Chirita

f. Chief Financial Officer
Ioana-Andreea Lambru

25 March 2026

SOCIETATEA ENERGETICA ELECTRICA SA
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

	Note	2025	2024 (Restated)
Profit for the year		1,218,868	470,227
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurements of the defined benefit liability	17	(4,003)	(1,460)
Tax related to re-measurements of the defined benefit liability	19	640	233
Other comprehensive income, net of tax		(3,363)	(1,227)
Total comprehensive income		1,215,505	469,000
Total comprehensive income attributable to:			
owners of the Company		1,215,505	469,033
non-controlling interests		-	(33)
Total comprehensive income		1,215,505	469,000

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

Chief Executive Officer

Alexandru - Aurelian Chirita

f. Chief Financial Officer

Ioana-Andreea Lambru

25 March 2026

SOCIETATEA ENERGETICA ELECTRICA S.A.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

Note	Share capital	Share premium	Treasury share reserve	Pre-paid capital contributions in kind from shareholders	Revaluation reserves	Legal reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2025 (restated)	3,395,530	103,049	-	7	150,268	490,833	1,641,975	5,781,662	(25)	5,781,637
Comprehensive income										
Profit for the year	-	-	-	-	-	-	1,218,868	1,218,868	-	1,218,868
Other comprehensive income	-	-	-	-	-	-	(3,363)	(3,363)	-	(3,363)
Total comprehensive profit	-	-	-	-	-	-	1,215,505	1,215,505	-	1,215,505
Transactions with owners of the Company										
Contributions and distributions										
Reduction of ordinary shares	27	-	-	-	-	-	-	-	-	-
Dividends to the owners of the Company	27	-	-	-	-	-	(59,999)	(59,999)	-	(59,999)
Total contributions and distributions		-	-	-	-	-	(59,999)	(59,999)	-	(59,999)
Changes in ownership interests										
Acquisition of non-controlling interest without a change in control		-	-	-	-	-	-	-	-	-
Acquisition of subsidiary with non-controlling interests	35	-	-	-	-	-	-	-	-	-
Total changes in ownership interests		-	-	-	-	-	-	-	-	-
Total transactions with owners of the Company		-	-	-	-	-	(59,999)	(59,999)	-	(59,999)
Other changes in equity										
Disposal of non-controlling interest		-	-	-	-	-	(25)	(25)	25	-
Set up of legal reserves	27	-	-	-	-	37,976	(37,976)	-	-	-
Transfer of revaluation reserve to retained earnings due to depreciation and disposals of property, plant and equipment	27	-	-	-	(5,729)	-	5,729	-	-	-
Balance at 31 December 2025	3,395,530	103,049	-	7	144,539	528,809	2,765,209	6,937,143	-	6,937,143

(continued on page 6)

SOCIETATEA ENERGETICA ELECTRICA S.A.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

Note	Share capital	Share premium	Treasury share reserve	Pre-paid capital contributions in kind from shareholders	Revaluation reserves	Legal reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2024 (restated)	3,464,436	103,049	(75,372)	7	159,536	449,363	1,259,396	5,360,415	(451)	5,359,964
Comprehensive income										
Profit for the year (restated)	-	-	-	-	-	-	470,260	470,260	(33)	470,227
Other comprehensive income	-	-	-	-	-	-	(1,227)	(1,227)	-	(1,227)
Total comprehensive profit	-	-	-	-	-	-	469,033	469,033	(33)	469,000
Transactions with owners of the Company										
Contributions and distributions										
Reduction of ordinary shares	27 (68,906)	-	75,372	-	-	-	(6,466)	-	-	-
Dividends to the owners of the Company	27 -	-	-	-	-	-	(39,999)	(39,999)	-	(39,999)
Total contributions and distributions	(68,906)	-	75,372	-	-	-	(46,465)	(39,999)	-	(39,999)
Changes in ownership interests										
Acquisition of non-controlling interest without a change in control	-	-	-	-	-	-	(7,850)	(7,850)	484	(7,366)
Acquisition of subsidiary with non-controlling interests	35 -	-	-	-	-	-	63	63	(25)	38
Total changes in ownership interests	-	-	-	-	-	-	(7,787)	(7,787)	459	(7,328)
Total transactions with owners of the Company	(68,906)	-	75,372	-	-	-	(54,252)	(47,786)	459	(47,327)
Other changes in equity										
Set up of legal reserves	27 -	-	-	-	-	41,470	(41,470)	-	-	-
Transfer of revaluation reserve to retained earnings due to depreciation and disposals of property, plant and equipment	27 -	-	-	-	(9,268)	-	9,268	-	-	-
Balance at 31 December 2024 (restated)	3,395,530	103,049	-	7	150,268	490,833	1,641,975	5,781,662	(25)	5,781,637

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

Chief Executive Officer
Alexandru - Aurelian Chirita

f. Chief Financial Officer
Ioana-Andreea Lambru

25 March 2026

SOCIETATEA ENERGETICA ELECTRICA S.A.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

	Note	2025	2024 (Restated)
Cash flows from operating activities			
Profit for the year		1,218,868	470,227
Adjustments for:			
Depreciation	25	19,630	18,113
Amortisation	26	581,179	580,051
Reversal of impairment of property, plant and equipment and intangible assets, net	25,26	-	(1,901)
Loss on disposal of property, plant and equipment and intangible assets	25,26	9,123	1,899
Impairment of trade and other receivables, net	21,22	43,462	101,964
Change in provisions, net	30	97	34,738
Net finance cost	14	347,285	277,222
Changes due to employee benefits		22,196	26,344
Share of loss of associates		-	10
Income tax expense	19	216,371	105,258
		2,458,211	1,613,925
Changes in:			
Trade receivables		(442,325)	(1,529,343)
Subsidies receivable		53,874	533,353
Other receivables		(160,552)	14,431
Prepayments		(10,815)	7,876
Inventories		20,214	3,764
Trade payables		233,683	(112,243)
Other payables		(44,151)	612,315
Deferred revenue		(4,079)	(1,211)
Provisions and employee benefits		(28,769)	-
Cash generated from operating activities		2,075,291	1,142,867
Interest paid		(330,673)	(294,908)
Income tax paid		(147,344)	(147,322)
Net cash flow from operating activities		1,597,274	700,637

(Continued on page 8)

SOCIETATEA ENERGETICA ELECTRICA S.A.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

	Note	2025	2024 (Restated)
Cash flows from investing activities			
Payments for purchases of property, plant and equipment		(72,610)	(149,166)
Payments for network construction related to concession agreements	26	(887,382)	(1,085,671)
Payments for purchase of other intangible assets		(19,135)	(16,516)
Proceeds from sale of property, plant and equipment		150	-
Interest received		44,857	12,112
Acquisition of investments in associates		-	-
Payments for acquisition of subsidiaries, net of cash acquired		-	(8,451)
Payments for non-controlling interest acquired without change in control		-	(7,366)
Deposit, treasury bills and government bonds		(2,117,423)	-
Net cash flow used in investing activities		(3,051,543)	(1,255,058)
Cash flows from financing activities			
Proceeds from long-term bank borrowings	31	1,546,477	1,635,481
Proceeds/ (Payments) from overdrafts and short-term loans	33	(138,153)	82,253
Net proceeds from long-term green bonds liabilities	32	2,507,183	-
Repayment of long-term bank loans	31	(800,655)	(1,018,909)
Payment of lease liabilities		(22,248)	(27,181)
Dividends paid		(59,918)	(39,983)
Net cash generated from financing activities		3,032,686	631,661
Net increase in cash and cash equivalents		1,578,417	77,240
Cash and cash equivalents at 1 January	23	454,455	377,215
Cash and cash equivalents at 31 December	23	2,032,872	454,455

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

The non-cash transactions are disclosed in Note 23.

Chief Executive Officer
Alexandru - Aurelian Chirita

f. Chief Financial Officer
Ioana-Andreea Lambru

25 March 2026

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

1 Reporting entity and general information

(a) General information about the Group

These financial statements are the consolidated financial statements of Societatea Energetica Electrica S.A. ("the Company" or "Electrica SA") and its subsidiaries (together "the Group") as at and for the year ended 31 December 2025.

The registered office of the Company is no. 9, Grigore Alexandrescu Street, District 1, Bucharest, Romania. The Company has sole registration code 13267221 and Trade Register registration number J2000007425408.

As at 31 December 2025 and 31 December 2024, the major shareholder of Societatea Energetica Electrica S.A. is the Romanian State, represented by the Ministry of Energy with a share of ownership of 49.785% from the share capital.

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

As at 31 December 2025 and 31 December 2024, the Company's subsidiaries are the following:

Subsidiary	Activity	Sole registration code	Head Office	% shareholding as at 31 December 2025	% shareholding as at 31 December 2024
Distributie Energie Electrica Romania S.A. ("DEER")	Electricity distribution in geographical areas Transilvania Nord, Transilvania Sud and Muntenia Nord	14476722	Cluj-Napoca	99.99999929%	99.99999929%
Electrica Furnizare S.A. ("EFSA")	Electricity and natural gas supply	28909028	Bucuresti	99.9998444099934%	99.9998444099934%
Electrica Serv S.A. ("SERV")	Services in the energy sector (maintenance, repairs, construction)	17329505	Bucuresti	99.99998095%	99.99998095%
Sunwind Energy S.R.L.	Electricity generation	42910478	Bucuresti	100%	100%
New Trend Energy S.R.L.	Electricity generation	42921590	Bucuresti	100%	100%
Foton Power Energy S.R.L.	Electricity generation	43652555	Bucuresti	100%	100%
Crucea Power Park S.R.L. ("CPP")	Electricity generation	25242042	Bucuresti	100%	60%

As at 31 December 2025 and 31 December 2024, the Company's associates are the following:

Associate	Activity	Sole registration code	Head Office	% shareholding as at 31 December 2025	% shareholding as at 31 December 2024
Electrica EsyaSoft Smart Solutions S.A. ("EsyaSoft")	Manufacture of accumulators and batteries	50993644	Bucuresti	25%	25%

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

Changes in Group structure during 2025

Acquisition of shares in subsidiaries

On 10 February 2025, Electrica SA completed the acquisition of Crucea Power Park SRL (CPP), whose main activity is the production of energy from wind sources. CPP is developing the wind project "Crucea Est" with an installed turbine capacity of up to 138 MW and a projected electricity storage capacity of 60 MWh (15 MW x 4h), located in the county of Constanta, in the area of towns Crucea and Pantelimon. The project is in the ready-to-build phase.

Group's main activities

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

The Company's distribution subsidiary, Distributie Energie Electrica Romania S.A. which resulted from the merger of the three distribution subsidiaries Societatea de Distributie a Energiei Electrice Transilvania Nord S.A., Societatea de Distributie a Energiei Electrice Muntenia Nord S.A. and Societatea de Distributie a Energiei Electrice Transilvania Sud S.A. now operates electric lines in 18 counties, from three geographical areas of the country, representing 40.8% of the Romanian territory, and serves over approximately 4 million users. It invoices the electricity distribution service to electricity suppliers (mainly to Electrica Furnizare S.A. subsidiary) which further invoices the electricity consumption to final consumers.

The electricity supply segment operates through Electrica Furnizare S.A. ("EFSA"), with its main activity electricity supply to end users, on the universal service segment and as a supplier of last resort, and as a supplier on the competitive market, all over Romania.

The Group holds an electricity supply license that covers the entire territory of Romania, valid until 2031. In order to extend the EFSA operations in Hungary, an electricity trading license was granted by the Authority for Regulation of Electricity and Public Utilities in Hungary (MEKH) to Electrica Furnizare, by Decision no. H879/2022. EFSA also holds a natural gas supply license valid until 2032.

In 2025, EFSA was designated supplier of last resort („FUI”) for electricity in January, June and November, and for natural gas it was nominated supplier of last resort in January and August.

The Group is active in the production of electricity, especially from renewable sources.

(b) Regulations in the energy sector

Regulatory environment

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

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

Electricity distribution

The distribution tariffs approved by the Nation Authority for Energy Regulation ("ANRE") are as follows (RON/Mwh,

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

presented cumulatively for the medium and low voltage levels)

Order 115/20.12.2023			
Starting 1 January 2024			
	High voltage	Medium voltage	Low voltage
Transilvania Nord area	31.22	74.86	190.16
Transilvania Sud area	29.55	63.05	185.49
Muntenia Nord area	34.72	74.69	238.63

Ordin 97/20.12.2024						
Starting 1 January 2025						
Distribution operator	Voltage	Unit	Specific tariff, comprising of:	non CPT component	CPT util component	CPT util_sc component
Societatea Distributie	High	RON/MWh	34.14	26.32	7.03	0.79
Energie Electrica	Medium	RON/MWh	80.69	46.38	30.84	3.47
Romania - S.A.	Low	RON/MWh	236.10	146.35	80.68	9.07

ANRE approved Order no. 97/2024:

- (i) Unique DEER distribution tariffs for 2025, applicable starting 1 January 2025, resulting in an average increase of 8.3% (in real terms) versus 1 January 2024,
- (ii) the investment plans for DEER over PR5, by financing sources: RON 3,702 mil. from own sources and RON 2,984 mil. from financial contributions,
- (iii) the minimum mandatory value for the investments made from own sources of RON 3,569 mil., of which RON 3,034 mil. related to the distribution network ("RED").

ANRE approved Order no. 77/2025 regarding the approval of the specific tariffs for the electricity distribution service and the price for reactive electricity, valid from 1 January 2026 for DEER, as well as the amendment and completion of ANRE Order no. 97/2024 regarding the approval of the specific tariffs for the electricity distribution service and the price for reactive electricity, valid from 1 January 2025 for DEER, and the values of the investment plans for the fifth regulatory period (PR5).

The distribution tariffs for DEER applicable as of January 1, 2026 show an average adjustment of 0% compared to January 1, 2025 (HV -6%, MV +3%, LV +2%).

Distribution operator	Voltage	Unit	Specific tariff, comprising of:	non CPT component	CPT util component	CPT util_sc component
Societatea Distributie	High	RON/MWh	31.96	23.04	7.15	1.77
Energie Electrica	Medium	RON/MWh	83.36	43.61	31.86	7.89
Romania - S.A.	Low	RON/MWh	240.02	139.45	80.60	19.97

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

The methodology for establishing distribution tariffs was approved on 17 September by ANRE Order no. 67/2024 and

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

entered into force on 20 September 2024.

The main changes to the Methodology for PR5 compared to the Methodology for the fourth regulatory period (PR4):

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

- CC and the efficiency factor for PR5 will be established based on the OPEX study carried out by ANRE with an external consultant;
- Personnel costs are not subject to efficiency and will be adjusted annually with the inflation rate (IR) and by 5%;
- Research and development costs will not be subject to efficiency, and can be requested by the distribution operator ("OD") in a maximum amount of 5 million RON per total PR5;
- Expenses related to contracts with affiliated parties with the object of representing the OD, consulting services in the field of regulation, and expenses corresponding to the profit attributed to any subcontracted parties are not recognized;
- The inflation correction between realized and forecasted IR is applied to personnel costs only if the difference in IR is positive.

II. Investments and RAB:

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

III. RRR incentives:

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

IV. CPT

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

V. Revenues and tariffs

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

capped at 10% (real terms);

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

Tariff adjustments

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

The regulator establishes through the regulated income and tariffs for the following year taking into account the justified corrections presented above. The Group does not recognize assets and liabilities resulting from regulation in relation to these deficits or surpluses, as the differences are recovered or returned through the annual tariff changes.

Electricity and natural gas supply

The regulatory framework suffered significant changes in the last decade in respect of: electricity and natural gas market liberalisation, separation of supply and distribution activities, implementation of the support scheme for renewable energy, support for the electricity consumers and prices caps for end users.

Starting with 1 November 2021, in the context of the increase in prices for the electricity and natural gas markets at international and national level, the energy crisis, as well as the effects caused by these increases among the population, in Romania, a series of support measures for electricity and natural gas customers have been applied, by establishing compensation and capping schemes between 1 November 2021 and 30 June 2025 for electricity, and for 1 November 2021 and 31 March 2026 for natural gas.

Therefore, in the electricity and natural gas supply activity in the year 2025, the following legal components had an impact on the electricity and gas supply operations:

- Price capped for electricity for household and non-domestic customers according to GEO no. 27/2022, with subsequent amendments and additions;
- The limitation of the average purchase price considered for determining the amounts to be recovered from the state budget initially to 1,300 RON/MWh; and currently at 900 RON/MWh (according to Law no. 206/2023, which approves GEO 153/2022), and to 700 RON/MWh starting 1 April 2024 (according to GEO 32/2024);
- The mechanism of centralized purchase of electric energy (MACEE) provides that OPCOM, as sole acquirer, buys electricity from producers (electricity producers with an installed power equal to or greater than 10 MW) and sells the purchased electricity: to electricity suppliers that have contracts with final customers, the transmission system operator electricity and distribution system operators electricity to cover their own technological consumption. For the contracts concluded until 31 March 2024, the price paid by OPCOM to electricity producers, for the quantities of electricity sold by them is 450 RON/MWh and the sale price of OPCOM to the economic operators is also 450 RON/MWh (OPCOM has the right to charge market participants tariffs/commissions at the level of costs recorded by organizing the centralized electricity purchase mechanism); In order to carry out the transactions, OPCOM shall organize an annual procurement procedure as well as an additional procurement procedure each month for the quantities of electricity to be delivered in the following month; annual and monthly electricity quantities are firm obligations of electricity producers and economic operators and are evenly distributed across all settlement intervals each month (contracts are concluded by signing, within maximum 3 working days).

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

- Starting with 1 April 2024, the MACEE price changes, respectively it decreases from 450 RON/MWh to 400 RON/MWh. At the same time, producers can sell electricity voluntarily through MACEE.
- The storage obligation for the 2025-2026 cycle was set based on the information received from SNTGN Transgaz on 14 March 2025 at a volume of 197 GWh, an obligation that was fulfilled by 31 October 2025, in accordance with legal provisions.
- The obligation of natural gas producers to sell at the price of 150 RON/MWh the necessary quantities to the suppliers of domestic customers/heat energy producers changed starting 1 April 2024, meaning the sale price of natural gas decreased from 150 RON/MWh to 120 RON/MWh.

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

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

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

Law no. 316/2024 was published in the Official Gazette on 23 December 2024, which approved GEO no. 32/2024 and introduced a settlement procedure for the volumes of electricity/natural gas for which payment was requested, applicable until 31 March 2026. The settlement of the amounts paid from the State budget to the electricity and natural gas suppliers, after submission to ANRE, for each month of the period and for each category of customers benefitting from the capped final price, of information related to energy quantities invoiced for the months of consumption within the applicable period, following certain changes of the amounts already paid from the State budget.

The categories of customers to whom the electricity price capped applies to the first semester of 2025:

- household customers (tranche <100 KWh/month - maximum price 0.68 RON/KWh, tranche 100-300 KWh/month - with the distinct estimate of the volume exceeding 255 KWh/month - respectively the price level capped at 0.800 RON/KWh and with a maximum price of 1.3 RON/KWh);
- non-household customers - divided separately into the category of customers benefitting from capping for 85% of consumption with a price capped at 1.0 RON/KWh, category of customers benefitting from capping for 100% of consumption, price capped at 1.0 RON/KWh and the rest of the companies at a maximum price of 1.3

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

RON/kWh.

The categories of customers to whom the natural gas price capped applies to 2025:

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

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

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

According to the provisions of GEO no.27/2022, as subsequently amended and supplemented, the duration of the support scheme through price capping is until 31 March 2025. A new capping scheme was approved by GEO no. 6/2025, published in the Official Bulletin on 28 February 2025, on the measures applicable to end users of the electricity market for the period 1 April 2025 - 30 June 2025, and to end users of the natural gas market for the period 1 April 2025 - 31 March 2026, respectively. Therefore, this GEO provides for:

I. The period for application of the supporting scheme (cap) is 3 months for electricity, from 1 April 2025 to 30 June 2025 and 1 year for natural gas, from 1 April 2025 to 31 March 2026.

II. For electricity, the invoiced final price is:

- maximum 0.68 RON/kWh, VAT included, for the consumption of the following categories of customers:
 - a) households with a monthly consumption between 0 and 100 kWh, inclusively;
 - b) households hosting persons who use medical devices, appliances and equipment connected to the power network, required for medical treatment, based on a specialist doctor confirmation and on a request submitted to the supplier;
 - c) households which have at least 3 dependend children up to 18 years old, based on a request and a statement; the age limit is extended to 26 years in case the adult child attends a form of education;
 - d) households that are mono-parental families, which have at least one child up to 18 years old, basde on a request and a statement; the age limit is extended to 26 years in case the adult child attends a form of education;
- maximum 0.80 RON/kWh, VAT included, for the consumption of households with a monthly consumption of between 100.01 and 255 kWh (the electricity consumption of between 255 and 300 kWh/monthly is invoiced at the maximum price of 1.3 RON/kWh, VAT included, and in case consumption exceeds 300 kWh/month the entire consumption is invoiced at the maximum price of 1.3 RON/kWh);
- maximum 1 RON/kWh, VAT included, for 85% of the monthly consumption at the consumption place for certain categories of consumers (the difference of monthly electricity consumption is invoiced at the maximum price of 1.3 RON/kWh, VAT include, based on the statement of the legal representative);
- maximum 1 RON/kWh, VAT included, for the entire consumption of public and private hospitals, public and private educational units and nurseries, and public and private social services suppliers;
- maximum 1 RON/kWh, VAT included, for 85% of the monthly consumption at the consumption place, for public institutions, other than those described at d) above, and for those of certain religions officially recognised in Romania (the difference of monthly electricity consumption is invoiced at a maximum price of 1.3 RON/kWh, VAT included);
- maximum 1.3 RON/kWh, VAT included, for households and non- households which are not included above;

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

III. For natural gas, the invoiced final price is:

- maximum 0.31 RON/kWh, VAT included, in case of households;
- maximum 0.37 RON/kWh, VAT included, in case of non-households with an annual consumption of natural gas in the previous year is 50,000 MWh or less, as well as in case of thermal energy producers and non-household customers included in the industrial parks regulated by Law no. 186/2013 on establishment and operation of industrial parks, subsequently modified and complemented, and of those included in the closed distribution systems definite according to Law no. 123/2012, subsequently modified and complemented.

IV. The price from the bids prepared and published by electricity/natural gas suppliers may not exceed the invoiced capped final price; the bids for the period 1 July 2025 – 30 June 2026 may be prepared and published only in case there is a purchase that is 50% completed in the bidding period, with an obligation to distinctly state the supply component;

V. The statements of the end users on final capped price submitted to suppliers based in GEO no. 27/2022 provisions remain in force;

VI. The contribution related to contracts for difference (CfD) was included in the final capped price;

VII. The application of minimum of contractual price, capped price and the price resulting from the GEO remains in force;

VIII. In relation with electricity acquisition: the quota for imbalancing recognition increased from 5% to 10% in terms of value/cost and without limitation for FUI; the limit of the recognized price of 700 RON/MWh remains in force; the directly negotiated bilateral contracts are reported to ANRE within 2 working days from the date of conclusion;

IX. The payment requests are submitted before uploading the data on the ANRE portal for price capping; a quota of 40% of the amount of payment requests is paid within 10 days from the transfer of cash by the Ministry of Finance to ME and ANPIS (the payment date is not under the control of the supplier);

X. The supplier shall notify the customers in its own portfolio on changes resulting from the application of the provisions of the GEO with the first invoice issued after enactment;

XI. Non-compliance of the operators with the deadlines provided by the GEO, i.e. the deadline allowed for correcting the uploaded data on the IT platform and re-submitting the payment requests /or the statements, constitutes a violation and is sanctioned with a fine of between 25,000 RON and 50,000 RON;

XII. GEO no. 27 (in force) changes as follows: for the period April-August 2022, the final deadline to input data needed for cash payment from the State budget or settlement of the amounts paid from the State budget, if applicable, is 30 April 2025; for the September 2022-August 2023, the final deadline to input data needed for cash payment from the State budget or settlement of the amounts paid from the State budget, if applicable, is 30 April 2025;

XIII. Law of electricity and natural gas no. 123/2012 changes as follows: the producers have the obligation to trade at least 50% of the annual electricity production via contacts on the electricity markets, other than PZU, PI and PE. There is an exception from this provision for the producers that have a portfolio including only wind, solar, micro-hydropower plants, which are beneficiaries of a green certificates supporting scheme, and also electricity production capacities in co-generation. OPCOM has the obligation to publish reference prices, closing prices and traded volumes on a daily basis.

On 31 March 2025, Government Emergency Ordinance (GEO) No. 20/2025 was published in Official Gazette No. 282, regarding the establishment of a state aid scheme for exempting certain categories of end consumers from the application of Law No. 220/2008 on the support system for promoting energy production from renewable sources.

- Approval is granted for the establishment of a state aid scheme aimed at exempting a percentage of the electricity delivered to energy-intensive industrial consumers from the obligation to purchase green certificates (GC), in accordance with Law No. 220/2008 on the support system for promoting energy production from renewable sources, while ensuring compliance with European Union legislation in this field.
- The authority responsible for administering the state aid scheme is the Ministry of Energy. The scheme will apply until 31 December 2031, with a total budget equivalent to EUR 578.4 million, and the annual value of state aid

granted shall not exceed EUR 150 million per year.

- Beneficiaries of the state aid must notify the annual exemption agreement issued by the Ministry of Energy to ANRE and to electricity suppliers with whom they have concluded electricity sale-purchase contracts, within 5 working days from receipt of the agreement. Based on the annual exemption agreement received from its client, the supplier is exempted from the obligation to purchase the number of green certificates corresponding to the quantity of electricity delivered to that client, starting from the month immediately following the month in which the notification was sent.

On 30 June 2025, Order of the Minister of Energy No. 686/2025 was published in Official Gazette No. 610, approving the Methodological Rules for the recovery of state aid granted under Government Emergency Ordinance No. 20/2025, regarding the establishment of a state aid scheme for exempting certain categories of end consumers from the application of Law No. 220/2008 on the support system for promoting energy production from renewable sources.

- A set of methodological rules is approved, aimed at stopping or recovering state aid granted under GEO No. 20/2025. The Ministry of Energy shall take the necessary measures to recover any unduly granted state aid, namely the value corresponding to the number of green certificates from which the beneficiary was exempted, plus the related interest. This amount must be reimbursed before 1 July of the year following the year in which the aid was granted.

On 30 June 2025, Government Emergency Ordinance No. 35/2025 was published in Official Gazette No. 612, introducing a support mechanism for household electricity consumers in energy poverty.

- Social protection measures for household electricity consumers apply from 1 July 2025 to 31 March 2026. These measures consist of granting financial support in the form of an electronic voucher worth 50 lei, which can be used exclusively to pay electricity bills.
- The support may only be used for payments related to electricity consumption at the consumption point for which the aid is granted, and only for one consumption point per beneficiary.
- Eligibility criteria for energy poverty: a single person with a monthly income of up to 1,940 lei, or families with a monthly income per member of up to 1,784 lei.
- Electricity suppliers are required to include, starting July 2025, a barcode with the POD (Point of Delivery) for each consumption point on electricity bills.

ANRE Order No. 58/2025, published in Official Gazette No. 704 on 29 July 2025 – Order amending, supplementing, and repealing certain ANRE orders regarding the electricity market, enters into force on 29 July 2025:

- The general rules for organized forward electricity markets are amended by introducing provisions requiring electricity buyers to pay an advance or provide a minimum guarantee upon signing contracts, as follows:
 - a) 5% of the contract value for deliveries longer than 6 months
 - b) 10% of the contract value for deliveries up to 6 months
 - c) The payment deadline for the advance/guarantee is 15 days from contract signing. The buyer chooses the method of securing contract performance, either advance payment or guarantee.
- For trading under EFET-type contracts, the eligibility list must include a minimum of 4 eligible partners with a non-zero credit limit, reducing the previous requirement from 8 to 4 for the continuous double-auction market.
- It is specified that transaction prices include network injection tariffs and do not change when these tariffs are updated.
- Market operators must update operational procedures/contracts/agreements necessary to implement these provisions within 30 days from the date of publication of the order.

On 7 November 2025, Government Emergency Ordinance No. 59/2025 was published in Official Gazette No. 1035, amending and supplementing certain legislative acts in the field of energy.

- The ordinance transposes RED III (the third RES Directive) into national law and contains provisions on

- guarantees of origin (GO), energy communities, etc.
- Guarantees of Origin (GO) will be treated differently depending on the production capacities to which they correspond: capacities benefiting from CV, capacities benefiting from other support schemes (e.g., CfD), or capacities not benefiting from any support scheme. The new regulations for GO for electricity will be approved by ANRE by 30 September 2026. A provision has been included regarding ANRE's recognition of GO issued in other member states.
- Energy communities (from renewable sources, respectively citizens) must be registered in the Energy Communities Register, must have SMIs installed, and can trade surplus energy on the wholesale and retail markets in accordance with ANRE regulations. For trading energy within and outside the community, it may hold a supply license (with a few exceptions) or an aggregation license, or it may delegate the supply activity to a third-party supplier or aggregator, with their consent and that of the community members.

On 23 October, ANRE Order No. 65/2025 was published in the Official Gazette No. 977, amending and supplementing Order No. 105/2018 of the President of the National Energy Regulatory Authority approving the General Rules on Centralized Natural Gas Markets:

- The definitions of market segments are clarified and expanded, and derivatives are also included in the Annex;
- The virtual trading point (VTP) is clarified as the place of transfer of ownership;
- Market making activity is explicitly introduced, by designating one or more interested participants;
- A separate annex is introduced for the list of main tradable products;
- Effective as of October 23, 2025.

In 2025, wholesale electricity trading was carried out transparently on centralized markets administered by OPCOM and BRM, based on directly negotiated bilateral contracts. For spot markets, the transition to BRM took place in February.

Electricity generation

Green certificates

Producers of electricity from renewable energy sources (RES) have the right, according to Law no. 220/2008, to receive a certain number of green certificates, depending on the technology used (for example: hydraulic, wind, solar, geothermal, biomass, bioliquids, biogas), for each MWh produced and delivered to the network and for a certain period of time, depending on the degree of novelty of the group/power plant.

Starting from February 2013, the Stanesti photovoltaic park has the right to receive (the month from which it started injecting electricity into the network), for a period of 15 (fifteen) years, 6 (six) green certificates for each MWh of electricity produced and delivered to the grid, out of which, for the period 1 July 2013 – 31 December 2020, according to Law 23/2014 and Law 184/2018, 2 (two) green certificates were postponed from trading. Those two GC postponed from trading are to be recovered in equal monthly tranches starting from 1 January 2021 until 31 December 2030.

The green certificates issued by Transelectrica for the production made by the Stanesti photovoltaic park, during the validity period of the accreditation decision issued by ANRE, can be traded, according to GEO 24/2017, until 31 March 2032, respectively including the period after the expiration of the validity period of the accreditation decision (31 January 2028 in the case of the Stanesti photovoltaic park).

The sale of green certificates can be made on OPCOM markets (spot and combined market). The selling price has to be within the minimum and maximum values provided by Law 220/2008 (para. 11) on establishing the system to promote the production of energy from renewable energy sources, republished and subsequently amended.

For 2026, OPCOM set the minimum value of a green certificate to 148.2201 RON (approximately 29.4 euro), while for 2025 the minimum value was 146.2532 RON.

Increase in electricity price impact

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

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

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

By GEO no. 21/2025 on modification and complementation of title X of Law no. 227/2015 on Tax Code, and by modification and complementation of certain legislation, a tax on special buildings was instated ("tax on poles"). The annual tax on special buildings is applicable starting with 04 April 2025 and it is computed by applying a 0.5% quota to the net carrying amount of constructions, except for those that are subject to the tax on buildings under title IX, existing as at 31 December of the preceding year or on the last day of the modified tax year preceding the tax year for which this tax is owed. The Group recorded an expense related to the tax due for 2025 amounting to RON 31,167 thousand.

For ***the supply segment***, in the first semester of 2025, the effect of retail electricity prices was covered by subsidies received from the state authorities, as a result of the price ceiling mechanism for electricity and natural gas to final customers, following the application of GEO 27/2022, with subsequent amendments and additions. The implementation of these schemes and the mechanism for *ex post* payment from the State budget to the electricity suppliers of the amounts granted as a support for customers have raised cash flow constraints, as well as uncertainties related to the full recovery of the related amounts by the suppliers. Under such circumstances, EFSA has adapted to these changes in order to mitigate their impact on the company's operations in a responsible and sustainable manner, given multiple, successive and highly significant updates to the regulatory framework.

Starting in July, the cap was removed in accordance with GEO 27/2022, supplemented by GEO 6/2025, with the expiration of the state aid scheme for electricity on 30 June 2025. In the second half of 2025, the final price billed to customers was aligned with contractual prices in the competitive market, and public support was redirected towards vulnerable consumers, while the cap on natural gas will remain in force until 31 March 2026. Currently, the Romanian Government has adopted a new Government Emergency Ordinance (GEO) extending the natural gas price cap until 31 March 2027.

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

2 Basis of accounting

These annual consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") as adopted by the European Union. The consolidated financial statements were authorized for issue on 25 March 2026 and will be submitted for shareholders' approval in the meeting scheduled on 29 April 2026.

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

Starting with the year ended 31 December 2022, the Company also issues a primary set of the consolidated financial statements prepared in accordance with OMFP no. 2844/2016 (statutory financial statements). Until 31 December 2021, the consolidated financial statements prepared in accordance with OMFP no. 2844/2016 were equivalent to IFRS Accounting Standards as adopted by the European Union. Starting with 31 December 2022, according to Order of Ministry of Public Finances (OMFP) no. 3900/2022 that has included a new clause related to the regulatory accounts to capitalise the additional expenses for actual energy costs as compared with the ex-ante ANRE prices recognised in distribution tariffs for own technological consumption network, which are recognised as intangible assets (please see the primary set of financial statements in accordance with OMFP no. 2844/2016). Also, according to ANRE regulations issued in 2022, the capitalised costs of intangible non-current assets for the period 01 January 2022 – 31 March 2025 are recorded in the accounting records on the annual financial statements according to the instructions developed by the Ministry of Finance OMFP no. 2844/2016 with subsequent amendments (Romanian GAAP).

The Group has consistently applied the accounting policies to all periods presented in these consolidated financial statements. Details of the Group's accounting policies are included in Notes 7 and 8.

Other matters – format in accordance with the European Securities and Markets Authority (ESMA)

Due to the technical limitations of the software used to present the consolidated financial statements in the European single electronic format ("ESEF"), the tables included in the footnotes are displayed in a linear, logical, and understandable manner.

3 Functional and presentation currency

These consolidated financial statements are presented in Romanian Lei (RON), which is the functional currency of all Group companies. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

4 Use of judgements and estimates

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions 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 recognised prospectively.

(a) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included below.

Revenue recognition

The Group assesses its revenue arrangements based on specific criteria to determine if it is acting as a principal or an agent. In applying IFRS 15, the Group has identified that it acts in the capacity of an agent in case of transactions as Balancing Responsible Party ("BRP") and thus recognises revenue as the net amount of the commission earned by the Group. The Group concluded that it is acting as a principal in all other revenue arrangements.

Service Concession Arrangements

The distribution subsidiaries (as operators) that merged into one single distribution operator as of 31 December 2020 concluded concession contracts with the Ministry of Economy (as grantor) in 2005, updated by subsequent addendums. These contracts concern the operation of electricity distribution service in the established territory (Transilvania Nord, Transilvania Sud, Muntenia Nord), on the risk and responsibility of the operators and taking into account the regulations applicable to the operation, modernization, rehabilitation and development of energy distribution networks specified in the Electricity Law, the terms and conditions of the licenses for electricity distribution and the regulations issued by ANRE. The

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

distribution operator resulting from the merger of the three distribution operators within the Group, Distributie Energie Electrica Romania concluded addendums to the concession agreements signed with the Ministry of Economy for the operation of electricity distribution service in all three areas.

IFRIC 12 "*Service Concession Arrangements*" deals with public-to-private service concession arrangements. IFRIC 12 applies to public-to-private service concession arrangements if:

- (a) the grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price; and
- (b) the grantor controls - through ownership, beneficial entitlement or otherwise - any significant residual interest in the infrastructure at the end of the term of the arrangement.

The control or regulation referred to in condition (a) could be by contract or otherwise (such as through a regulator). The activities of the electricity distribution operators, including distribution tariffs, are regulated by ANRE.

The concession contracts are concluded for a period of 49 years and may be extended for a period equal to no more than half of that period. As a price for the concession, the operators pay an annual royalty fee recognized in the distribution tariff of 1/1000 of the revenues from electricity distribution. According to the concession contracts, the operators use the assets representing the distribution network owned by them located in the above-mentioned territory for electricity distribution. According to the concession contracts, the grantor will buy at the end of the term of concession contract the ownership right of the "relevant assets", that are mainly the electricity distribution networks, at a price equal to the value of the regulated assets base at the end of the concession.

Within the arrangements, the Group incurs significant expenditure in relation to the development and maintenance of the infrastructure. The construction works are either outsourced by the Group to sub-contractors, or performed internally. Significant management judgment is involved in accounting for the concession arrangements under IFRIC 12, including those in respect of the recognition of revenue based on the separation of construction or upgrade services from operation services.

The concessionaires act as service suppliers (they build, modernize and maintain the distribution network) and the revenues related to the construction or improvement of infrastructure is recorded according to IFRS 15. This results in revenues and expenditures being recognized in the profit and loss account (related to the construction and modernization of infrastructure), as well as of a margin resulting from rendering the construction services established by the Group. Starting with 31 December 2024, the Group reassessed the margin applied and a margin of 7.26% is applied for period 01 January 2024 – 31 December 2025, based on the Group's experience in working with external contractors.

(b) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that may result in a material adjustment in the subsequent twelve-month period is included in the following notes:

- Note 8 d) – assumptions regarding recognition of revenue from supply and distribution of electricity to consumers based on estimates for electricity delivered and for which no reading was performed yet;
- Notes 21 and 34 – assumptions and estimates about measurement of the allowance for trade receivables at the level of expected credit losses (ECL), respectively in determining the loss rates;
- Note 25 - assumptions regarding the revalued value of tangible assets;
- Notes 30 and 37 – recognition and measurement of provisions and contingencies;
- Note 21 – assumptions and estimates of amounts to be received from the state following the application of the compensation and capping scheme.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses market observable 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, which the Group can access;
- 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 might be categorised in 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 recognises 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 following notes:

- Note 34 – Financial instruments;
- Note 25 – Property, plant and equipment.

5 Restatements

During the reporting period, when the support scheme ended and was reanalyzed the Group identified an error from past periods which it corrected in the current set of financial statements. For 2023 certain balances previously presented within accrued trade receivables have been reclassified to subsidies under the energy support mechanism, without any impact on profit or loss or total equity. The restatement is a reclassification between current assets lines (trade receivables and subsidies) that was identified at the time of the adjustment of the support scheme. For 2024 the effect of this matter had an impact of RON 80,000 thousand in profit and loss with corresponding effects on revenue, other income and income tax expense, as shown in the table below. Starting with 1 November 2021, in the context of the increase in prices for the electricity and natural gas markets at international and national level, a series of support measures for electricity and natural gas customers have been applied, by establishing compensation and capping schemes between 1 November 2021 and 30 June 2025 for electricity, and for 1 November 2021 and 31 March 2026 for natural gas. OUG 32/2024 introduced the regulation of the support scheme for the entire period of application (i.e., retroactively, starting with April 2022), therefore in 2025 when the Group finalized submitting all the subsidies for the entire scheme period for electricity, some adjustments were recorded as follows:

Consolidated statement of financial position

	31 December 2024 as previously reported	31 December 2024 adjustments	31 December 2024 as restated	31 December 2023 as previously reported	31 December 2023 adjustments	31 December 2023 as restated
Trade receivables	3,675,688	(613,155)	3,062,533	2,540,442	(580,732)	1,959,710
Subsidies receivable	1,976,697	595,456	2,572,153	2,614,535	490,971	3,105,506
Total assets	13,939,401	(17,699)	13,921,702	12,771,897	(89,761)	12,682,136
Retained earnings	1,561,291	80,684	1,641,975	1,259,396	-	1,259,396
Total equity	5,700,953	80,684	5,781,637	5,359,964	-	5,359,964
Other payables	1,585,864	(98,383)	1,487,481	1,035,084	(89,761)	945,323
Total liabilities	8,238,448	(98,383)	8,140,065	7,411,933	(89,761)	7,322,172

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

Consolidated statement of profit or loss

	31 December 2024 as previously reported	31 December 2024 adjustments	31 December 2024 as restated
Revenue	8,995,202	(15,763)	8,979,439
Other income	1,688,891	104,485	1,793,376
Income tax expense	(97,220)	(8,038)	(105,258)
		-	-
Profit for the year	389,543	80,684	470,227
Basic earnings per share (Lei)	1.15	0.24	1.38

Consolidated statement of cash flows

	31 December 2024 as previously reported	31 December 2024 adjustments	31 December 2024 as restated
Cash flows from operating activities			
Profit for the year	389,543	80,684	470,227
Adjustments for:			
Income tax expense	97,220	8,038	105,258
Changes in :			
Trade receivables	(1,561,766)	32,423	(1,529,343)
Subsidies receivable	637,838	(104,485)	533,353
Other payables	628,975	(16,660)	612,315

6 Basis of measurement

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

7 Changes in significant accounting policies

Adopting new standards

The Group has not adopted new standards issued by the International Accounting Standards Board (IASB) and adopted by the EU applicable on 1 January 2025, so there is no significant change in the consolidated statements of the Group.

Adoption of new changes to existing standards

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements. The new amendments to existing standards effective from 1 January 2025 do not have a significant effect on the Group's consolidated financial statements.

Amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatory for reporting periods beginning on or after 1 January 2025, but without a significant impact on the amounts reported or on the disclosures in these financial statements are as follows:

- Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates": Lack of Exchangeability (mandatorily effective for annual periods beginning on or after 1 January 2025).

8 Accounting policies

(a) Going concern

The consolidated financial statements have been prepared on the going concern basis. In making this judgement

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

management considers current trading performance and access to finance resources.

At the date of issuance of these consolidated financial statements the regulatory position may be further amended and there may be further laws enacted which could adversely impact the Groups operating cash flows during the forecast period. Given the current market uncertainties, the Group is closely monitoring the market context and is continuously analysing the opportunities for optimisation of debt and increase of bank overdrafts and long-term loans. In light of the importance of the Group as the supplier and distributed of electricity on the Romanian market, having 39.5 % (according to the latest ANRE report 2024 for the distribution segment) as market share on the electricity distribution and 14.73 % (according to the latest ANRE report November 2025 for the supply segment) as market share on the electricity supply market and having as main shareholder of Electrica SA the Romanian State, the management believes sufficient financing will be made available to cover any financing requirements arising from market uncertainty and Group will be able to meet its obligations as they fall due.

Based upon the above mentions and other information, given the measures already implemented and the strategies to reduce the risks which may occur due to the instability of the economic environment, the Board of Directors has, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

(b) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are included in the consolidation perimeter from the date that control commences until the date on which control ceases.

(ii) Loss of control

On the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently that retained interest is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(iii) Non-controlling interests

The Group measures any non-controlling interests in the subsidiary at their proportionate share of the subsidiary's identifiable net assets.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary.

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

(c) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

(d) Revenue

The Group recognize the revenues from contracts with customers in accordance with IFRS 15.

Under the standard, Revenue is recognized when or as the customer acquires control over the goods or services rendered, at the amount which reflects the price at which the Group is expected to be entitled to receive in exchange of those goods or services. Revenue is recognized at the fair value of the services rendered or goods delivered, net of VAT, excises or other taxes related to the sale.

Supply and distribution of electricity

The revenue from supply and distribution of electricity to consumers is recognized when electricity is delivered to consumers (consumed by consumers), based on meter readings and based on estimates for electricity delivered and for which no reading was performed yet. The invoicing of electricity sales is performed on a monthly basis. Monthly electricity invoices are based on meter readings or on estimated consumptions based on the historical data of each consumer. Electricity supplied to consumers which is not yet billed as at the reporting date is accrued on the basis of recent average consumption or based on subsequent meter readings. Differences between estimated and actual amounts are recorded in subsequent periods.

Revenues from electricity distribution and supply also include the cost of green certificates recharged by the Group to final consumers (see paragraph (k)).

The Group acts in the capacity of an agent in case of transactions as Balancing Responsible Party ("BRP"). Thus, in its quality as an agent, the Group recognizes revenue for the commission earned in exchange for facilitating the transfer of goods or services. Any holder of a production/supply/distribution license must be established as a Balancing Responsible Party or must delegate this responsibility to a Balancing Responsible Party. By delegating this responsibility to a BRP, there is the benefit of imbalance aggregation in the meaning of Balancing Market cost reduction by comparison with the case where the producer/supplier/distributor would act itself as a Balancing Responsible Party.

Electrica Furnizare S.A. acts as BRP for a large number of participants, electricity producers as well as electricity suppliers and distribution operators. For the settlement of imbalances, BRP Electrica is using the "method of internal redistribution of payments", ensuring benefits of imbalance aggregation for all the participants included in the BRP. BRP Electrica provides the transmission of physical notifications to CNTEE Transelectrica SA and its role is to balance the differences between the electricity contracted and the electricity measured at the level of the entire BRP.

Generation and sale of electricity

The electricity produced by the Group is mainly sold on the Day Ahead Market and the revenue is recognized when the electricity is injected into the network and is being sold on the market.

Sale of green certificates

Electricity suppliers have a legal obligation to purchase green certificates from producers of electricity from renewable sources, based on annual targets or quotas set by law, which are applied to the quantity of electricity purchased and supplied to final customers. Cost of green certificates is invoiced to final customers separately from the tariffs for electricity.

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

Electricity producers are entitled by the law in force to receive a certain number of green certificates for each MWH of electricity produced from renewable sources and injected into the network. The green certificates can be sold on the spot market, term market or a combination of both. The selling price must fall between the minimum and maximum values set by Law no. 220/2008 for establishing the system for promoting the production of electricity from renewable energy sources, republished, with subsequent amendments. Revenue from green certificates is recognized in the profit or loss statement when the green certificates are sold on the trading market.

Service concession arrangement

Revenue related to construction or upgrade services under service concession arrangement is recognised based on the stage of completion of the work performed, consistent with the accounting policy on recognising revenue on construction contracts, as follows:

- Revenue in respect of variations to contracts and incentive payments is recognised when there is an enforceable right to payment and it is highly probable it will be agreed by the customer. Variable consideration is assessed on a contract by contract basis according to the facts, circumstances and terms of each project and only recognised to the extent that it is highly probable not to significantly reverse in the future. Revenue in respect of claims is recognised only if it is highly probable not to reverse in future periods.
- If the outcome of a construction contract can be estimated reliably, then contract revenue is recognised in profit or loss in proportion to the stage of completion of the contract. The stage of completion is assessed with reference to surveys of work performed. Otherwise, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable.
- Contract expenses are recognized as incurred unless they create an asset related to future contract activity. An expected loss on a contract is recognised immediately as expense.

(e) Other income

Revenues from the subsidies

Revenues from subsidies are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate, as a result of the application of the electricity price cap. These subsidies are recoverable from the National Agency for Payments and Social Inspection for household consumers and from the Ministry of Energy for non-household consumers, as a result of the application of the electricity ceiling mechanism and are applicable for period 1 November 2021 – 30 June 2025 and for gas the ceiling mechanism and are applicable for period 1 November 2021 – 31 March 2026, subsequently extended until 31 March 2027. Starting with April 2022, the revenues from subsidies are recorded as the difference between the income calculated at the contract price and the income invoiced to the customer at the capped price.

(f) Repairs and maintenance

Repair and maintenance expense is recorded as the operating expense base on an accrual basis.

(g) Finance income and finance costs

The Group's finance income and finance costs include:

- interest income;
- interest expense;
- foreign currency gains or losses on financial assets and financial liabilities;
- impairment losses recognised on financial assets (other than trade receivables).

Interest income or expense is recognised using the effective interest method.

Income from financial assets is initially recognised at fair value plus or minus transaction costs that are directly attributable to its acquisition or issue.

(h) Employee benefits

(i) Short-term employee benefits

Short-term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognised immediately in other comprehensive income. The Group determines the net interest expense/(income) on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re-measurements are recognised in profit or loss in the period in which they arise.

(iv) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

(i) Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

(ii) Pillar 2 analysis – effective tax rate "ETR"

Law 431/2023 on ensuring a global minimum level of taxation for multinational and large domestic groups of companies transposes into national law the provisions of Directive 2523/2022 on ensuring a minimum level of taxation, which includes the guidelines of the second pillar of the "Global Model Rules to combat tax base erosion" ("GloBE rules"/"Pillar 2 rules") issued by the OECD/G20 Inclusive Framework on BEPS. Also, according to Article 5 of Law 431/2023, the explanations and

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

examples in the Administrative Guidelines issued by the Organization for Economic Cooperation and Development ("OECD") are used for the application of this law.

The GloBE rules are applicable to large groups of companies, both national and multinational, namely those which have a consolidated turnover (at the level of the whole group) of at least 750 million Euro in at least two of the four years preceding the reference year.

Under GloBE rules, the effective tax rate ("ETR") is calculated annually at jurisdiction level. The ETR is computed as the ratio of the Adjusted Covered Taxes of the Constituent Entities ("CE") - the numerator and the Qualifying Net Profits of the Constituent Entities - the denominator. Both the numerator and the denominator represent the aggregate amounts of all ECs located in a jurisdiction.

The transitional Country-by-Country Reporting ("CbCR") protection regime identifies "low-risk" jurisdictions by applying three quantitative tests, leveraging existing data from the CbCR report and from the multinational group's accounting. In the case of large domestic groups, as they are not required to prepare and file CbC reports, the data required for the tests under the protection regimes will be extracted from the qualified financial statements (as per art. 36, paragraph 7 of Law 431/2023). The three quantitative tests are:

- The De Minimis Test - is considered fulfilled if the total income from the CbCR report, i.e. from the qualified financial statements, does not exceed 10 million Euro and the pre-tax profit does not exceed 1 million Euro.
- Simplified ETR Simplified test - this considers the simplified covered taxes in the qualified financial statements as reported in the profit before tax in the CbCR report and in the qualified financial statements. The test is met when the percentage so calculated is higher than the applicable minimum rate. The minimum rate for purposes of this test is 15% for the fiscal year beginning in 2024, increasing to 16% and 17% for the fiscal years beginning in 2025 and 2026, respectively.
- The Routine Profits Test - applies to jurisdictions where the Substance-Based Profits Exclusion from Economic Substance ("SBIE") equals or exceeds the pre-tax profit in the CbCR report, i.e., the qualified financial statements. SBIE is an indicator that is calculated based on the group's fixed assets and payroll costs in that jurisdiction.

Entities that are part of a multinational or domestic group in a jurisdiction need to meet only one of the three tests in order to qualify for the CbCR transitional regime.

(iii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if certain criteria are met.

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that the future taxable profits will be available against which they can be used.

The Group applies IFRIC 23 „Uncertainty over Income Tax Treatments“. IFRIC 23 clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments.

In such a circumstance, the Group shall recognise and measure its current or deferred tax asset or liability applying the requirements in IAS 12 based on taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined applying this interpretation.

The Group assesses whether it is probable (more than 50% chances) that a tax authority will accept an uncertain tax treatment.

Thus, the Group shall reflect the effect of uncertainty for each uncertain tax treatment by using either of the following methods, depending on which method the entity expects to better predict the resolution of the uncertainty:

(a) the most likely amount - the single most likely amount in a range of possible outcomes. The most likely amount may better predict the resolution of the uncertainty if the possible outcomes are binary or are concentrated on one value.

(b) the expected value - the sum of the probability-weighted amounts in a range of possible outcomes. The expected value may better predict the resolution of the uncertainty if there is a range of possible outcomes that are neither binary nor concentrated on one value.

(j) Green certificates

Electricity supply

Electricity suppliers have a legal obligation to purchase green certificates from producers of electricity from renewable sources, based on annual targets or quotas set by law, which are applied to the quantity of electricity purchased and supplied to final customers.

The cost of green certificates is accrued in the profit or loss based on the quantitative quota determined by the regulator representing the quantity of the green certificates that the Group has to purchase for the year and based on the price of green certificates acquired on the centralized market. The obligation for covering the annual acquisition quota is accrued in profit or loss.

Electricity generation

Electricity producers are entitled by the law in force to receive a certain number of green certificates for each MWH of electricity produced from renewable sources and injected into the network.

Green certificates are recognized as inventories when the producer has the right to receive as a result of energy produced and delivered into the network, at nil nominal value. Recognition in the profit and loss account is done at the time of their sale.

(k) Inventories

Inventories consist mainly of spare parts that do not meet the recognition criteria for property, plant and equipment, consumables, goods for resale, other inventories and the natural gas storage.

Inventories are measured at the lower of cost and net realizable value.

The cost of inventories is based on the weighted average cost method. The cost of inventories includes all the acquisition

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

costs and other expenses related to bringing the inventories to their current place and condition.

Consumables used for the repairs and maintenance of the electricity network are included in profit and loss when consumed and presented in "*Repairs, maintenance and materials*".

(I) Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment are stated initially at cost, which includes purchase price and other costs directly attributable to acquisition and bringing the asset to the location and condition necessary for their intended use.

After initial recognition, land and buildings are measured at revalued amounts less any accumulated depreciation and any accumulated impairment losses since the most recent valuation. The other items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses. Revaluations of land and buildings are made with sufficient regularity to ensure that the carrying amount does not differ materially from the one that would be determined using the fair value at the end of the reporting period. When a building is revalued, the accumulated depreciation is eliminated against the gross carrying amount of that item, and the net amount is restated to the revalued amount of the asset.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, determined on the same basis as other property assets, commences when the assets are ready for their intended use.

Spare parts, stand-by and servicing equipment are classified as property, plant and equipment if they are expected to be used during more than one period or can be used only in connection with an item of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iii) Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is recognised in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land and construction in progress are not depreciated.

The estimated useful lives of property, plant and equipment are as follows:

Category	Useful lives (years)
Buildings	45-70
Equipment	3-25
Motor vehicles and office equipment	3-10

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(m) Connection fees

According to art. 25 paragraph (1) of Law no. 123/2012 on electricity and natural gas, as subsequently amended and supplemented, access to power grids of public interest is a mandatory service provided under regulatory conditions, which the transmission and system operator as well as the distribution operators must ensure.

At the request of a new or pre-existing customer, the distribution operators are obliged to communicate the technical and economic conditions for the connection network and to cooperate with the applicant to choose the most advantageous technical and economic solution. Afterwards, a connection contract is concluded between the distribution operator and the customer at a regulated tariff. The actual construction of the connection installation is carried out by a construction supplier certified by ANRE.

The Group collects cash from customers, which is used only to pay for the construction of the connection station, and the Group must then use this asset to connect customers to the network. According to ANRE Order no. 59/2013, with subsequent amendments, these assets remain in the ownership of the network operator.

The Group recognizes the assets at nil value, net of the amount of the deferred income representing the contributions from customers. The assets financed from connection fees received from the new users of the distribution network are not included in the RAB. At the end of the concession contract, the assets built from the connection tariff will be transferred to the concessionaire free of charge together with the assets part of RAB.

In the case of non-household customers, the value of the connection works, including those for the design/construction of the connection/connection, is entirely borne by the customers. Assets resulting from connection work:

- In the period from 1 January 2022 to 24 July 2022, they enter the distribution operator's assets from the time of commissioning, on the basis of GEO no. 143/2021, without being recognised by ANRE as part of the regulated asset base;
- From 25 July 2022 they do not become part of the distribution operator's assets, on the basis of Law no. 248/2022 and ANRE Order no. 133/2022, they are only transferred to the distribution operator for operation.

Starting with 2021, according to ANRE Order no. 160/2020 amending ANRE Order no.59/2013, the connection installations that are financed by the customers will remain in their ownership and are being exploited by the network operator. However, according to ANRE Order no. 17/2021 for the connection installations of all household consumers and of the non-household with lengths less than 2.5 km, the distribution operator has the obligation to finance them and these will remain in the ownership of the network operator.

(n) Intangible asset in a service concession arrangement

(i) Recognition and measurement

The Group recognises an intangible asset arising from a service concession arrangement when it has a right to charge for use of the concession infrastructure. An intangible asset received as consideration for providing construction or upgrade services in a service concession arrangement is measured at fair value on initial recognition with reference to the fair value of the services provided. Subsequent to initial recognition, the intangible asset is measured at cost, less accumulated amortization and accumulated impairment losses.

(ii) Amortization

The amortization method used is selected on the basis of the expected pattern of consumption of the expected future economic benefits embodied in the asset, and is applied consistently from period to period, unless there is a change in the

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

expected pattern of consumption of those future economic benefits. The Group determined that the amortization method that reflects appropriately the expected pattern of consumption of the expected future economic benefits is correlated with the amortisation of the regulated asset base "RAB".

(o) Other intangible assets

(i) Recognition and measurement

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(iii) Amortization

Amortization is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss.

The estimated useful lives of software and licenses are 3-5 years.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(p) Goodwill

Goodwill is measured as the value of the consideration transferred (fair value) plus the amount of any non-controlling interest (NCI) plus the fair value of previous equity interests minus the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed (measured in accordance with IFRS 3).

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

(q) Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity shares of another enterprise. For this purpose, a financial asset is any asset that is (a) cash; (b) a contractual right to receive cash or another financial asset from another enterprise; (c) a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable; or (d) an equity share of another enterprise.

(i) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

at either amortised cost or fair value, depending on the classification of the financial assets.

Financial assets are initially measured at fair value and subsequently at amortized cost in accordance with IFRS 9, as they are held in a business model to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal reimbursements, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

Loans and receivables

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Loans and receivables comprise trade receivables, cash and cash equivalents and deposits.

Trade receivables

Trade receivables include mainly unsettled invoices issued until reporting date for supply and distribution of electricity and services, late payment penalties and accrued revenue for electricity delivered and services rendered until the end of the year but invoiced after the end of the year.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and deposits with maturities of three months or less from the set-up date that are subject to an insignificant risk of changes in their fair value and are used by the Group in the management of its short-term commitments.

Deposits, treasury bills and government bonds

These assets are initially recognised at fair value plus any directly attributable transaction costs. Deposits with maturities greater than three months are presented separated from cash and cash equivalents. The deposits, treasury bills and government bonds represent a contractual right to receive cash. They are held to maturity to generate interest income based on a fixed interest rate and measured at amortized cost according to IFRS 9.

(ii) Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at fair value through profit or loss.

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) valued as at fair value, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

Other financial liabilities include green bonds, bank borrowings, bank overdrafts, financing for network construction related to concession agreements and trade payables.

(iii) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a deduction from equity.

Repurchase and reissue of ordinary shares (treasury shares)

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve.

When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

(iv) Impairment

Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost or at fair value through other comprehensive income. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognizes lifetime expected credit losses for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition.

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(ii) Write-off policy

The Group writes off a financial asset after the finalization of the bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(iii) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(r) Revaluation reserve

The difference between the revalued amount and the net carrying amount of property, plant and equipment is recognised as revaluation reserve included in equity.

If an asset's carrying amount is increased as a result of a revaluation, the increase is recognised and accumulated in equity under the heading of revaluation reserve. However, the increase is recognised in profit and loss to the extent that it reverses a revaluation decrease of the same amount of the asset previously recognised in profit and loss.

If an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in profit or loss. However, the decrease is recognised in equity in revaluation reserves if there is any credit balance existing in the revaluation reserve in respect of that asset.

The revaluation reserve is transferred to retained earnings in an amount corresponding to the use of the asset (as the asset is depreciated) and upon disposal of the asset.

(s) Dividends

Dividends are recognized as a deduction from equity in the period in which their distribution is approved and recognised as a liability to the extent it is unpaid at the reporting date. Dividends are disclosed in the notes to financial statements when their distribution is proposed after the reporting date and before the date of the issuance of the financial statements.

(t) Pre-paid capital contributions in kind from shareholders

These contributions from a shareholder represent pre-paid contributions of land for which the Company obtained title deeds in respect of future issuance of shares. The amounts recorded are based on the fair value of the land.

(u) Provisions

A provision is recognised if, as a result of a past event, the Group has a present, legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

(v) Contingent assets and liabilities

A contingent liability is:

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events that is not recognised because:

- i. it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- ii. the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognized in the Group's financial statements, but disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

A contingent asset is not recognized in the Group's financial statements, but disclosed when an inflow of economic benefits is probable.

(w) Leases

(i) The Group as lessee

The Group applies IFRS 16 "Leases".

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (with a lease term of 12 months or less) and leases of low value assets (of less than USD 5,000). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the default rate in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

(ii) Rental income

Rental income from property, plant and equipment other than investment property is recognised as *Other income*. Rental income is recognised on a straight-line basis over the term of the lease.

(x) Investment in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5.

Under the equity method, an investment in an associate is recognised initially in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate.

When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate.

(y) Government grants

According to IAS 20, the Group recognizes a government grant only when there is reasonable assurance that the entity will comply with the conditions attached to the grant and it will be received. Grants are recognized in profit or loss over the periods necessary to match them with the related costs.

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

If the grant is provided to reimburse costs incurred or to be incurred at the present time or in the future, then the grant is recognized in profit or loss in the periods when the costs are incurred. The grant will be presented as a separate line item as "Other income".

(z) Segment reporting

Segment results that are reported to the Company's Board of Directors (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

(aa) Subsequent events

Events occurring after the reporting date 31 December 2025, which provide additional information about conditions prevailing at the reporting date (adjusting events) are reflected in the consolidated financial statements. Events occurring after the reporting date that provide information on events that occurred after the reporting date (non-adjusting events), when material, are disclosed in the notes to the consolidated financial statements. When the going concern assumption is no longer appropriate at or after the reporting period, the financial statements are not prepared on a going concern basis.

9 Adoption of new and revised standards and interpretations

Initial application of new amendments to the existing standards effective for the current year

In the current year, the Group has applied amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates": Lack of Exchangeability issued by the International Accounting Standards Board (IASB) and adopted by the EU that are mandatorily effective for reporting period that begins on or after 1 January 2025. Adoption of those amendments has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Standards and amendments to the existing standards issued by IASB and adopted by the EU but not yet effective

At the date of authorization of these consolidated financial statements, the following amendments to the existing standards were issued by IASB and adopted by the EU and which are not yet effective:

- Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures": Amendments to the classification and measurement of financial instruments (applicable for annual periods beginning on or after 1 January 2026);
- Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures": Contracts referencing nature-dependent electricity (applicable for annual periods beginning on or after 1 January 2026);
- Amendments to IFRS 1 "First-time Adoption of International Financial Reporting Standards", IFRS 7 "Financial Instruments: Disclosures", IFRS 9 "Financial Instruments", IFRS 10 "Consolidated Financial Statements" and IAS 7 "Statement of Cash Flows": Annual Improvements to IFRS Accounting Standards - Volume 11 (applicable for annual periods beginning on or after 1 January 2026).

The Group has elected not to adopt the amendments to existing standards in advance of their effective dates. The Group anticipates that the adoption of these amendments to existing standards will have no material impact on the financial statements of the Group in the period of initial application.

New standards and amendments to the existing standards issued by IASB but not yet adopted by the EU

At present, IFRS Accounting Standards as adopted by the EU do not significantly differ from regulations adopted by the International Accounting Standards Board (IASB) except for the following new standards and amendments to the existing standards, which were not endorsed for use in EU as at the date of publication of these consolidated financial statements (the effective dates stated below are for IFRS Accounting Standards as issued by IASB):

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

- IFRS 14 "Regulatory Deferral Accounts" (effective for annual periods beginning on or after 1 January 2016) – the European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard;
- IFRS 18 "Presentation and Disclosures in Financial Statements" (effective for annual periods beginning on or after 1 January 2027, but not yet adopted by the EU). IFRS 18 will replace IAS 1 Presentation of Financial Statements. Standard introduces three sets of new requirements to improve companies' reporting of financial performance and give investors a better basis for analysing and comparing companies. The main changes in the new standard compared with IAS 1 comprise: (a) The introduction of categories (operating, investing, financing, income tax and discontinued operations) and defined subtotals in the statement of profit or loss; (b) the introduction of requirements to improve aggregation and disaggregation; (c) The introduction of disclosures on Management-defined Performance Measures (MPMs) in the notes to the financial statements;
- IFRS 19 "Subsidiaries without Public Accountability: Disclosures" with further amendments (effective for annual periods beginning on or after 1 January 2027, but not yet adopted by the EU). Standard permits a subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it;
- Amendments to IAS 21: Translation to a Hyperinflationary Presentation Currency (effective for annual periods beginning on or after 1 January 2027, but not yet adopted by the EU);
- Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures": Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and further amendments (effective date deferred by IASB indefinitely but earlier application permitted) – endorsement process postponed indefinitely until the research project on the equity method has been concluded.

The Group anticipates that the adoption of these new standards and amendments to the existing standards will have no material impact on the consolidated financial statements of the Group in the period of initial application.

Hedge accounting for a portfolio of financial assets and liabilities whose principles have not been adopted by the EU remains unregulated. According to the Group's estimates, the application of hedge accounting to a portfolio of financial assets or liabilities pursuant to IAS 39: Financial Instruments: Recognition and Measurement would not significantly impact the financial statements, if applied as at the balance sheet date.

10 Operating segments

(a) Basis for segmentation

The following summary describes the operations of each reportable segment:

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

The Board of Directors of the Company reviews management reports of each segment. Segment Adjusted EBITDA (see definition below) is used to measure performance because management believes that such information is one of the most relevant in evaluating the results of the segments.

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

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

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

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

(b) Information about reportable segments

Year Ended 31 December 2025	Electricity and natural gas supply	Electricity distribution	Electricity production	Electricity network mainten- ance	Total for reportable segments	Headquarter	Consolidation eliminations and adjustments	Consolidated total
External revenues	7,878,686	2,948,164	16,664	66,641	10,910,155	99	-	10,910,254
Inter-segment revenue	65,903	2,261,539	-	6,769	2,334,211	-	(2,334,211)	-
Segment revenue	7,944,589	5,209,703	16,664	73,410	13,244,366	99	(2,334,211)	10,910,254
Other income	1,130,961	190,147	-	20,732	1,341,840	12,827	(99,617)	1,255,050
Segment profit/(loss) before tax	313,255	1,124,083	10,961	(18,222)	1,430,077	105,162	(100,000)	1,435,239
Net finance income/(cost)	(233,592)	(209,025)	(298)	3,390	(439,525)	192,240	(100,000)	(347,285)
Depreciation and amortization	(25,585)	(544,023)	(3,290)	(23,925)	(596,823)	(3,986)	-	(600,809)
Reversal of impairment of property, plant and equipment and intangible assets, net	-	-	-	-	-	-	-	-
(Impairment)/ Reversal of impairment of trade and other receivables, net	(30,946)	(7,431)	-	(5,085)	(43,462)	-	-	(43,462)
Adjusted EBITDA*	572,432	1,877,132	14,549	2,313	2,466,426	(83,092)	-	2,383,334
Segment net profit/ (loss)	277,483	965,748	10,688	(16,717)	1,237,202	101,666	(120,000)	1,218,868
Employee benefits	(151,518)	(966,152)	(83)	(50,889)	(1,168,642)	(39,872)	-	(1,208,514)
Capital expenditure	28,003	965,926	48,799	9,561	1,052,289	5,574	-	1,057,863
-Segment assets	7,256,300	10,972,247	383,148	442,139	19,053,833	2,451,646	(3,059,421)	18,446,058
Trade and other receivables	3,505,775	1,135,930	39,425	79,338	4,760,468	49,557	(1,334,648)	3,475,377
Cash and cash equivalents	120,004	1,878,672	7,943	8,099	2,014,718	18,154	-	2,032,872
Trade and other payables and short- term employee benefits	2,845,864	1,225,779	30,703	52,482	4,154,828	41,217	(1,310,561)	2,885,484
Overdrafts and short-term loans	1,896,616	-	-	-	1,896,616	455,840	-	2,352,456
Lease liability	5,172	16,114	11,835	2,483	35,604	17,508	-	53,112
Bank borrowings	-	3,192,178	-	-	3,192,178	4,856	-	3,197,034
Deposits, treasury bills and government bonds	-	-	-	-	-	2,164,833	-	2,164,833
Green bonds	-	-	-	-	-	2,570,950	-	2,570,950

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

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

Year Ended 31 December 2024 (Restated)	Electricity and natural gas supply	Electricity distribution	Electricity production	Electricity network maintenance	Total for reportable segments	Headquarter	Consolidation eliminations and adjustments	Consolidated total
External revenues	6,281,325	2,639,999	6,711	51,321	8,979,356	83	-	8,979,439
Inter-segment revenue	28,469	2,069,619	5,696	927	2,104,711	-	(2,104,711)	-
Segment revenue	6,309,794	4,709,618	12,407	52,248	11,084,067	83	(2,104,711)	8,979,439
Other income	1,671,418	180,771	-	22,228	1,874,417	1,117	(82,158)	1,793,376
Segment profit/(loss) before tax	(300,632)	871,691	4,976	(14,623)	561,411	71,137	(57,064)	575,485
Net finance income/(cost)	(200,630)	(146,009)	-	3,663	(342,976)	127,879	(62,125)	(277,222)
Depreciation and amortization	(21,918)	(561,796)	(2,412)	(9,956)	(596,082)	(2,082)	-	(598,164)
Reversal of impairment of property, plant and equipment and intangible assets, net	-	-	-	-	-	1,901	-	1,901
(Impairment)/ Reversal of impairment of trade and other receivables, net	(87,962)	(13,844)	-	(158)	(101,964)	-	-	(101,964)
Adjusted EBITDA*	(78,084)	1,579,496	7,388	(8,330)	1,500,469	(56,561)	5,061	1,448,970
Segment net profit/ (loss)	(257,375)	723,752	4,976	(13,219)	458,134	69,158	(57,064)	470,228
Employee benefits	(124,187)	(882,445)	(41)	(35,649)	(1,042,322)	(35,240)	-	(1,077,562)
Capital expenditure	23,448	998,689	130,391	4,418	1,156,946	7,225	-	1,164,171
-Segment assets	6,652,301	10,052,743	344,111	443,305	17,492,459	137,088	(3,707,845)	13,921,702
Trade and other receivables	3,332,485	1,733,709	2,703	73,994	5,142,891	6,680	(2,012,325)	3,137,246
Cash and cash equivalents	159,017	278,666	1,104	7,667	446,454	8,001	-	454,455
Trade and other payables and short-term employee benefits	3,563,416	1,076,451	24,868	40,427	4,705,162	187,130	(2,061,843)	2,830,449
Overdrafts and short-term loans	2,007,818	164,580	-	-	2,172,398	318,211	-	2,490,609
Lease liability	6,290	7,355	25,923	557	40,125	1,665	-	41,790
Bank borrowings	49,537	2,104,762	-	-	2,154,299	236,042	-	2,390,341
Deposits, treasury bills and government bonds	-	-	-	-	-	-	-	-
Green bonds	-	-	-	-	-	-	-	-

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SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

Year Ended 31 December 2023 (Restated)	Electricity and natural gas supply	Electricity distributio n	Electricity production	Electricity network maintenance	Total for reportable segments	Headquarter	Consolidation eliminations and adjustments	Consolidated total
External revenues	7,226,692	2,542,950	7,903	38,826	9,816,371	222	-	9,816,593
Inter-segment revenue	53,558	1,868,513	6,176	66,182	1,994,429	-	(1,994,429)	-
Segment revenue	7,280,250	4,411,463	14,079	105,008	11,810,800	222	(1,994,429)	9,816,593
Other income	3,391,201	154,982	-	22,210	3,568,393	1,220	(71,060)	3,498,553
Segment profit/(loss) before tax	129,728	729,545	3,335	3,479	866,087	18,109	13,721	897,917
Net finance income/(cost)	(160,229)	(209,786)	(4,232)	12,554	(361,693)	67,898	-	(293,795)
Depreciation and amortization	(15,555)	(496,716)	(2,341)	(8,421)	(523,033)	(1,448)	-	(524,481)
Reversal of impairment of property, plant and equipment and intangible assets, net	41	-	159	1,027	1,227	854	-	2,081
(Impairment)/ Reversal of impairment of trade and other receivables, net	(67,338)	(9,212)	-	161	(76,389)	569	-	(75,820)
Adjusted EBITDA*	305,471	1,436,047	9,749	(1,681)	1,749,586	(49,195)	13,721	1,714,112
Segment net profit	98,403	637,759	2,151	826	739,139	23,995	8,969	772,103
Employee benefits	(104,688)	(794,524)	(264)	(32,301)	(931,777)	(30,288)	-	(962,065)
Capital expenditure	9,681	726,485	10,000	1,981	748,147	2,846	-	750,993
-Segment assets	5,613,292	9,619,006	187,691	481,669	15,901,658	125,943	(3,345,465)	12,682,136
Trade and other receivables	2,082,144	1,784,184	8,999	109,668	3,984,995	3,055	(1,934,508)	2,053,542
Cash and cash equivalents	184,140	166,103	19,299	3,898	373,440	3,775	-	377,215
Trade and other payables and short-term employee benefits	3,039,725	1,520,819	12,388	52,979	4,625,911	61,885	(1,913,286)	2,774,510
Overdrafts and short-term loans	1,869,706	774,529	-	-	2,644,235	206,986	-	2,851,221
Lease liability	6,813	21,180	12,068	994	41,055	2,140	-	43,195
Bank borrowings	200,000	900,874	-	-	1,100,874	216,768	-	1,317,642
Deposits, treasury bills and government bonds	-	-	-	-	-	-	-	-
Green bonds	-	-	-	-	-	-	-	-

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SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

11 Revenue

	2025	2024 (Restated)
Electricity distribution and supply, net	9,099,284	7,208,369
Green certificates sold	532,492	546,634
Supply of natural gas	195,950	155,188
Construction revenue related to concession agreements (Note 24)	962,569	998,686
Repairs, maintenance and other services rendered	95,274	64,851
Sales of merchandise	13,333	3,159
Re-connection fees	11,352	2,552
Total	10,910,254	8,979,439

In respect to the timing of the revenue recognition, most of the Group's services provided are transferred to the customer over time, only a small part amounting to RON 3,632 thousand (2024: RON 2,477 thousand) being transferred at a point in time (e.g. metering services provided by the distribution companies, providing periodic data analysis to the customer for certain taxes collected on behalf of them).

12 Electricity, natural gas and merchandise purchased

	2025	2024 (Restated)
Electricity purchased	6,327,602	5,897,289
Green certificates purchased	524,416	541,653
Cost of merchandise	10,648	2,801
Natural gas purchased	186,227	147,084
Total	7,048,893	6,588,827

The cost of electricity and natural gas purchased includes the cost of the green certificates purchased by the supply subsidiary which has a legal obligation to purchase green certificates from producers of electricity from renewable sources, based on annual targets or quotas set by law, which are applied to the quantity of electricity purchased and supplied to final customers. The cost of green certificates is then invoiced to final customers separately from electricity tariffs.

13 Other income and expenses

(a) Other income

	2025	2024 (Restated)
Subsidies related to electricity supply and natural gas (Note 21)	1,081,798	1,636,678
Rental income	62,931	91,569
Late payment penalties from customers	36,419	28,948
Other	73,902	36,181
Total	1,255,050	1,793,376

Other income refers mainly to the subsidies, following by rental of the electricity poles by the distribution subsidiary to telecom operators. During 2025, the Group recognized subsidies on the supply segment recognized subsidies of RON 1,081,798 thousand (2024 restated: RON 1,636,678 thousand), following the application of the electricity and natural gas price capping and compensation mechanism, approved by Order no.118/2021 with subsequent amendments and GEO no.27/2022, the latter being amended by GEO no.119/2022.

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

(b) Other operating expenses

	2025	2024 (Restated)
Other taxes and duties	81,355	51,430
IT services	76,000	69,815
Meters reading expenses	47,188	31,719
Printing and distribution of invoices services	44,932	52,470
Security services	32,111	28,303
Postage and telecommunication services	24,771	16,491
Bank fees	19,338	31,438
Cash collection services	15,891	13,534
Call centre services	13,551	12,660
Cleaning	11,384	9,339
Penalties to State budgets	10,913	26,265
Third party services in relation to maintenance works performed	9,281	10,387
Advertising and publicity expenses	7,009	7,092
Supply customers notifications	6,584	4,163
Fines and penalties	-	28,758
Other	64,359	61,393
Change in provisions, net	(47,276)	34,722
Total	417,391	489,979

14 Net finance result

	2025	2024 (Restated)
Interest income	100,724	12,112
Other finance income	522	510
Total finance income	101,246	12,622
Interest expense	(332,598)	(277,533)
Interest expense - green bonds	(52,095)	-
Interest cost for employee benefits (Note 17)	(12,168)	(9,470)
Foreign exchange losses, net	(48,903)	(2,841)
Transactions costs - green bonds	(2,767)	-
Total finance costs	(448,531)	(289,844)
Net finance result	(347,285)	(277,222)

15 Earnings per share

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

Profit attributable to shareholders

	2025	2024 (Restated)
Profit for the year attributable to the owners of the Company	1,218,868	470,260
Profit attributable to shareholders of the Company	1,218,868	470,260

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

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

	2025	2024 (Restated)
Issued ordinary shares at 1 January	339,553,004	339,553,004
Weighted-average number of ordinary shares at 31 December	339,553,004	339,553,004

Earnings per share

Basic and diluted earnings per share (RON)

2025	2024 (Restated)
3.59	1.38

16 Short-term employee benefits

	31 December 2025	31 December 2024 (Restated)	31 December 2023 (Restated)
Personnel payables	104,188	72,966	70,598
Current portion of defined benefit liability and other employee benefits	16,745	21,443	13,404
Social security charges	62,169	47,159	30,659
Tax on salaries	11,391	9,295	5,887
Total	194,493	150,863	120,548

For details of the related employee benefit expenses, see Note 18.

In Romania, all employers and employees, as well as other persons, are contributors to the State social security system. The social security system covers pensions, child benefit, temporary inability to work situations, risks of work accidents and professional diseases and other social assistance services, redundancy payments and incentives granted to employers for creating new jobs.

17 Post-employment and other long-term employee benefits

The Group provides cash benefits to employees depending on seniority in the form of jubilee bonuses and depending on the years of service at retirement in the form of retirement bonuses. The post-employment and other long-term employee benefits are stipulated in the Collective Labour Contracts.

In 2025 and 2024, employee benefit obligations were computed by an independent actuary using the projected unit credit method with benefits calculated proportionally to the period of service.

	31 December 2025	31 December 2024 (Restated)	31 December 2023 (Restated)
Defined benefit liability	61,857	60,102	55,839
Other long-term employee benefits	130,276	124,038	108,923
Total	192,133	184,140	164,762
- Current portion*	16,745	21,443	13,404
- Non-current portion	175,388	162,697	151,358

* included in Personnel payables in Note 16

(i) Movement in the defined benefit liability and other long-term employee benefits

The following tables shows a reconciliation from the opening balances to the closing balances for the defined benefit liability and other long-term employee benefits and its components. There are no plan assets.

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

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

Defined benefit liability	2025	2024 (Restated)
Balance at 1 January	60,102	55,839
Included in profit or loss		
Current service cost	5,573	6,373
Past service cost		
Interest cost	4,056	3,238
Included in other comprehensive income		
<i>Remeasurements loss</i>		
- Actuarial loss	4,003	1,460
Other		
Benefits paid	(11,877)	(6,808)
Balance at 31 December	61,857	60,102

Other long-term employee benefits	2025	2024 (Restated)
Balance at 1 January	124,038	108,924
Included in profit or loss		
Current service cost	7,940	8,948
Past service cost	-	51
Actuarial loss	8,680	10,973
Interest cost	8,113	6,233
Other		
Benefits paid	(18,495)	(11,090)
Balance at 31 December	130,276	124,038

Defined benefits refer to the retirement bonuses granted according to the seniority within the Group and other long-term benefits refer to the jubilee bonuses granted for seniority.

(ii) Actuarial assumptions

The following were the main actuarial assumptions at each reporting date:

(a) *Macroeconomic assumptions:*

- inflation. The actuary used information from the *National Commission for Strategy and Prognosis*:

Year	Valuation date 31 December 2025	Valuation date 31 December 2024 (Restated)
2023	11.2%	-
2024	4.9%	4.9%
2025	7.1%	3.8%
2026	5.8%	2.9%
2027	3.2%	2.7%
2028	3.0%	2.5%
2029	2.8%	2.5%
2030+	2.5%	2.5%

- the discount rate used is based on the yield of the Romanian Government bonds at the reporting date, therefore the weighted average discount rate is 6.4% for the year 2025 (2024: 7.1%);
- taxes and social charges are those in force as at the reporting date.

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

b) *Group specific assumptions:*

- For the year 2025 the salaries' growth rates budgeted by the Group have been considered. Starting from 2026, salaries are projected to increase in line with the inflation rate;
- Employees' turnover: based on historical data;
- Jubilee and retirement bonuses granted based on seniority as per the collective labour contracts, as follows:

Jubilee bonus based on years of service in the Group

Seniority	No of gross monthly base salaries	
	31 December 2025	31 December 2024 (Restated)
20 years	1	1
25 years	1	1
30 years	2	2
35 years	3	3
40 years	4	4
45 years	5	5

Retirement bonus based on years of service in the Group

Seniority	No of gross monthly base salaries	
	31 December 2025	31 December 2024 (restated)
Between 8 and 10 years	2	2
Between 10 and 25 years	3	3
More than 25 years	4	4

Termination benefits

(a) Termination benefits for individual lay-offs at the Group's initiative

In accordance with the Collective Labour Contracts concluded between the Group and the Unions, when individual labour contract are terminated at the Group's initiative, the Group pays termination benefits to the employees depending on their period of service, as follows:

Period of service	No of gross monthly base salaries	
	31 December 2025	31 December 2024 (Restated)
1 – 2 years	2	2
2 – 5 years	3	3
5 – 10 years	4	4
10 – 20 years	5	5
More than 20 years	8	8

(b) Termination benefits for collective lay-offs at the Group's initiative

For collective lay-offs, according to the Collective Labour Contracts, the Group pays termination benefits to the employees depending on their period of service, as follows:

Period of service	No of gross monthly base salaries	
	31 December 2025	31 December 2024 (Restated)
1 – 3 years	3	3

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

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

3 – 5 years	6	6
5 – 10 years	7	7
10 – 20 years	11	11
More than 20 years	16	16

The above mentioned stipulations do not apply to employees with individual labour contract concluded for a determined period. The above stipulations do not apply to employees that obtained other higher cumulative salary compensation rights, provided by legal regulations regarding the Group's reorganization and restructuring. Employees who are re-employed within the Group after lay-off are not entitled to the above-mentioned benefits.

Sensitivity analysis

Significant actuarial assumptions for the determination of the benefit obligation are the discount rate, expected salary increase and retirement age. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

	Increase by 1%		Decrease by 1%	
	2025	2024 (Restated)	2025	2024 (Restated)
Discount rate	(13,262)	(11,979)	14,873	13,384
Salary growth	15,607	14,000	(14,097)	(12,700)

	Increase by 1 year		Decrease by 1 year	
	2025	2024 (Restated)	2025	2024 (Restated)
Retirement age	1,368	1,239	(1,368)	(1,239)

The sensitivity analysis presented above may not be representative of the actual change in the benefit obligation as it is unlikely that the changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated. In presenting the above sensitivity analysis, the present value of the benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the benefit obligation liability recognized in the statement of financial position.

18 Employee benefit expenses

	2025	2024 (Restated)
Average number of employees	7,547	7,673
Number of employees at 31 December	7,484	7,794

	2025	2024 (Restated)
Wages and salaries*	1,168,175	1,054,848
Social security contributions	60,694	51,813
Meal tickets	63,805	57,864
Termination benefits	15,474	326
Total employee benefits for the year	1,308,148	1,164,851
Capitalised employee benefit expenses	(99,634)	(87,289)
Total employee benefits in the statement of profit or loss	1,208,514	1,077,562

* Wages and salaries include also current service cost, defined benefits and other long-term employee benefits.

Management remuneration is disclosed in Note 36 b) Related parties.

19 Income taxes

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. 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 taxes

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

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

due are adequate 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 existing tax liabilities; such changes to tax liabilities will impact tax expense in the period when such a determination is made.

(i) Amounts recognised in profit or loss

	2025	2024 (Restated)
Current tax expense	185,487	145,644
Deferred tax expense/(benefit)	30,884	(40,386)
Total expense related to income tax	216,371	105,258

(ii) Amounts recognised in other comprehensive income

	2025			2024 (Restated)		
	Before tax	Tax benefit	Net of tax	Before tax	Tax benefit	Net of tax
Remeasurement of defined benefit liability	(4,003)	640	(3,363)	(1,460)	233	(1,227)
Total	(4,003)	640	(3,363)	(1,460)	233	(1,227)

(iii) Reconciliation of effective tax rate

	2025		2024 (Restated)	
Profit before tax		1,435,239		575,485
Tax using Company's domestic tax rate	16%	229,639	16%	85,920
Non-deductible expenses	1%	7,282	3%	16,579
Non-taxable income	0%	(7,102)	-2%	(10,638)
Deduction of legal reserves	0%	(4,610)	-1%	(6,635)
Other tax effects	0%	-	4%	23,464
Current-year losses for which no deferred tax asset is recognised	-1%	(8,838)	-1%	(3,432)
Income tax expense	15%	216,371	20%	105,258

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

(iv) Movement in deferred tax balances

	Balance at 31 December 2025					
	Net balance at 1 January 2025 (Restated)	Recognised in profit or loss	Recognised in other comprehensive income & other movements	Net	Deferred tax assets	Deferred tax liabilities
2025						
Property, plant and equipment	51,407	4,309	-	55,716	-	55,716
Intangible assets related to concession agreements	242,651	21,785	211	264,647	-	264,647
Employee benefits	(30,438)	(1,923)	(640)	(33,001)	(33,001)	-
Impairment of trade receivables	(30,050)	(9,204)	-	(39,254)	(39,254)	-
Tax loss carried forward	(19,213)	(62,236)	-	(81,449)	(81,449)	-
Capitalised NL	(120,855)	33,030	-	(87,825)	(87,825)	-
Other items	(49,965)	45,122	-	(4,842)	(4,842)	-
Tax liabilities/(assets) before set-off	43,537	30,884	(429)	73,992	(246,371)	320,363
Set off of tax	-	-	-	-	135,960	(135,960)
Net tax liabilities/(assets)	43,537	30,884	(429)	73,992	(110,411)	184,403
	Balance at 31 December 2024 (Restated)					
	Net balance at 1 January 2024 (Restated)	Recognised in profit or loss	Recognised in other comprehensive income & other movements	Net	Deferred tax assets	Deferred tax liabilities
2024 (Restated)						
Property, plant and equipment	59,516	(3,012)	(5,097)	51,407	-	51,407
Intangible assets related to concession agreements	229,694	12,957	-	242,651	-	242,651
Employee benefits	(27,244)	(2,961)	(233)	(30,438)	(30,438)	-
Impairment of trade receivables	(25,560)	(4,490)	-	(30,050)	(30,050)	-
Tax loss carried forward	(4,356)	(15,197)	340	(19,213)	(19,213)	-
Capitalised NL	(123,349)	2,494	-	(120,856)	(120,856)	-
Other items	(19,787)	(30,177)	-	(49,964)	(49,964)	-
Tax liabilities/(assets) before set-off	88,914	(40,386)	(4,990)	43,537	(250,520)	294,058
Set off of tax	-	-	-	-	165,893	(165,893)
Net tax liabilities/(assets)	88,914	(40,386)	(4,990)	43,537	(84,627)	128,165
	Balance at 31 December 2023 (Restated)					
	Net balance at 1 January 2023	Recognised in profit or loss	Recognised in other comprehensive income & other movements	Net	Deferred tax assets	Deferred tax liabilities
2023 (Restated)						
Property, plant and equipment	36,980	8,837	13,699	59,516	-	59,516
Intangible assets related to concession agreements	208,015	21,679	-	229,694	-	229,694
Employee benefits	(21,101)	(4,236)	(1,907)	(27,244)	(27,244)	-
Impairment of trade receivables	(30,930)	5,370	-	(25,560)	(25,560)	-
Tax loss carried forward	(6,068)	1,712	-	(4,356)	(4,356)	-
Capitalised NL	(152,249)	28,900	-	(123,349)	(123,349)	-
Other items	(4,521)	(15,266)	-	(19,787)	(19,787)	-
Tax liabilities/(assets) before set-off	30,126	46,995	11,792	88,914	(200,296)	289,210
Set off of tax	-	-	-	-	167,892	(167,892)
Net tax liabilities/(assets)	30,126	46,995	11,792	88,914	(32,404)	121,318

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

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

(v) Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the certain tax losses generated by the Company, because it is not probable that future taxable profit will be available against which the entity generating it can use the benefits therefrom.

	2025	2024 (Restated)
Tax losses	237,231	292,998

(vi) Pillar 2 assessment

Taking into account the mandatory calculations prepared at jurisdictional level, Electrica SA together with the other constituent entities, part of the Group, has carried out the analysis of the protection regimes for the financial year 2025 based on the indicators included in the consolidated financial statements (these are qualified financial statements from the perspective of Pillar 2 rules). The Group doesn't qualify for the application of the transitional CbCR protection regime due to the fact that none of the safe harbors are met. Therefore, the Group computed the top up tax calculation based on GloBE income/loss and Adjusted covered taxes and booked an additional provision of RON 20,000 thousand.

20 Deposits, treasury bills and government bonds

	31 December 2025		31 December 2024 (restated)		31 December 2023 (restated)	
	Current	Non-current	Current	Non-current	Current	Non-current
Government bonds	12,032	1,019,700	-	-	-	-
Deposits with a maturity of more than 3 months and less than 24 months years held for investment purposes	880,884	252,217	-	-	-	-
Total	892,916	1,271,917	-	-	-	-

Bank deposits in RON and EUR, with maturities between 4 months and 24 months, established starting from August 2025, are held for investment purposes and not for covering short-term payment commitments. The average interest rate on term deposits was 7.18% per year for deposits in RON and 2.45% per year for deposits in foreign currency (EUR) during 2025 (2024: not applicable).

In August 2025, Electrica purchased government bonds denominated in EUR, with a maturity of 2 years and an interest rate of 2.95%.

Current bank deposits include deposits with maturities between 4 months and 12 months from the date of establishment, while long-term deposits represent deposits with maturities between 18 and 24 months from the date of establishment (i.e. February 2027, August 2027).

21 Trade receivables

	31 December 2025	31 December 2024 (Restated)	31 December 2023 (Restated)
Trade receivables, gross	4,037,625	3,799,775	2,599,928
-out of which accrued trade receivables	2,208,032	2,428,781	803,887
Bad debt allowance	(778,703)	(737,242)	(640,218)
Total trade receivables, net	3,258,922	3,062,533	1,959,710

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

Trade receivables from related parties are presented in Note 36.

Trade receivables, gross, comprise:

	31 December 2025	31 December 2024 (Restated)	31 December 2023 (Restated)
Electricity distribution and supply	3,231,896	3,097,872	2,022,506
Late payment penalties receivable	96,334	90,066	89,346
Customers with judicial execution titles	411,443	362,814	333,682
Repairs, maintenance and other services	23,077	15,308	20,904
Other	274,875	233,715	133,490
Total trade receivables, gross	4,037,625	3,799,775	2,599,928

Following the adoption of the Order no. 118/2021 with subsequent amendments and GEO no. 27/2022, the latter one being amended by GEO no. 119/2022, concerning the capping and compensation mechanism, part of the receivables due to the subsidiary Electrica Furnizare S.A. for the sale of electricity and gas to final consumers will be recovered from the Romanian State through National Agency for Payments (domestic consumers) and Social Inspection and Ministry of Energy (non-household consumers). The receivables are booked under the caption "Subsidies receivable".

Electricity distribution and supply

As at 31 December 2025, the amounts estimated to be received from the Ministry of Energy for non-household consumers are RON 10,039 thousand (31 December 2024: RON 10,130 thousand) and from the National Agency for Payments and Social Inspection for household consumers are RON 414 thousand (31 December 2024: RON 11,672 thousand). The receivables are booked under the caption "Electricity distribution and supply".

Subsidies receivable

As at 31 December 2025, the estimated amount for subsidies to be received from the Ministry of Energy/ National Agency for Payments and Social Inspection is RON 2,495,739 thousand (31 December 2024: RON 2,552,351 thousand) and from County Agency for Payments and Social Inspection is RON 22,540 thousand (31 December 2024: RON 19,802 thousand). From the total amount of subsidies to be received, RON 2,442,758 thousand (31 December 2024: RON 1,900,349 thousand) represent uncollected claims submitted to the state authorities and RON 52,981 thousand (31 December 2024: RON 652,002 thousand) claims not yet submitted to the state authorities as at 31 December 2025 and 31 December 2024, respectively.

Subsidies from the Ministry of Energy and the National Agency for Payments and Social Inspection are recovered at a rate of 40% within 10 days of submitting the settlement request, with the difference to be received within 10 days of ANRE validating the settlement request. Payments are subject to the availability of financial resources in the Energy Transition Fund.

The reconciliation between the opening balances and the closing balances of the impairment for trade receivables in the form of lifetime expected credit losses is as follows:

Lifetime expected credit losses	2025	2024 (Restated)
Balance as at 1 January	737,242	640,218
Loss allowance recognized	216,951	196,905
Decrease in loss allowance	(173,489)	(94,533)
Amounts written off	(2,001)	(5,348)
Balance as at 31 December	778,703	737,242

The aging of trade receivables is presented in Note 34.

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

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

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

A significant part of the bad debt allowances refers to clients in litigation, insolvency or bankruptcy procedures, many of them being older than five years. The Group will derecognize these receivables together with the related allowances after the finalization of the bankruptcy process. These receivables were treated separately in computing the allowance according to IFRS 9.

In applying IFRS 9 as of 31 December 2025, the Group has considered all the information available without undue costs (including forward looking information) that may affect the credit risk of its receivables since original recognition, thus recording a bad debt allowance in amount of RON 216,951 thousand (31 December 2024: RON 196,905 thousand).

22 Other receivables

	31 December 2025	31 December 2024 (Restated)	31 December 2023 (Restated)
VAT receivable	25,770	6,965	12,762
Receivables from EU funds	-	1,486	45,194
Guarantees	67,878	14,440	21,070
Other receivables	67,507	32,846	35,033
Lifetime expected credit losses	(19,819)	(19,819)	(20,227)
Heating aid and supplement	75,119	38,795	-
Total other receivables, net	216,455	74,713	93,832

The reconciliation between the opening balances and the closing balances of the impairment for other receivables is as follows:

Loss allowance	2025	2024 (Restated)
Balance as at 1 January	19,819	20,227
Loss allowance recognized	-	119
Decrease in loss allowance	-	(527)
Balance as at 31 December	19,819	19,819

23 Cash and cash equivalents

	31 December 2025	31 December 2024 (Restated)	31 December 2023 (Restated)
Bank current accounts	270,304	330,064	223,213
Call deposits	1,761,463	123,865	153,997
Cash in hand	1,105	526	5
Total cash	2,032,872	454,455	377,215

In the context of the consolidated statement of cash flows, non-cash activity includes the netting of trade receivables and trade payables in the amount of RON 202,474 thousand in 2025 (2024: RON 325,838 thousand).

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

24 Inventories

As at 31 December 2025 and 31 December 2024, inventories are as follows:

	31 December 2025	31 December 2024 (Restated)	31 December 2023 (Restated)
Spare parts	18,060	28,162	35,057
Consumables and other materials	42,896	47,801	50,060
Natural gas	28,060	22,971	25,536
Other inventories	12,737	21,426	13,693
Allowance for impairment of inventories	(10,071)	(8,464)	(8,686)
Total inventories	91,682	111,896	115,660

Inventories include mainly spare parts, consumables and the natural gas storage (applicable only for the supply subsidiary) that was set up according to ANRE's regulations. Spare parts refer mainly to items such as conductors, sockets, switches which are used for the distribution network. Consumables and other materials refer mainly to items such as conductors, sockets, switches which are used for the distribution network. Spare parts refer to pillars, modems, separators, cells, auto parts, dischargers and batteries.

As at 31 December 2025, the remaining quantity of natural gas stored is of MWh 176,670 (31 December 2024: MWh 147,900), amounting to RON 28,060 thousand (31 December 2024: RON 22,971 thousand).

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

25 Property, plant and equipment

The movements in property, plant and equipment in 2025 and 2024 are as follows:

	Land and land improvements	Buildings	Equipment	Vehicles, furniture and office equipment	Construction in progress	Total
Gross carrying amount						
Balance at 1 January 2024 (restated)	301,483	221,995	82,558	104,984	55,352	766,372
Additions	1,588	594	412	527	146,045	149,166
Transfer from construction in progress	-	627	4,365	95	(5,087)	-
Disposals	-	(1,904)	(55)	(158)	-	(2,117)
Acquisition of subsidiaries	-	-	-	-	10,872	10,872
Balance at 31 December 2024 (restated)	303,071	221,312	87,280	105,448	207,182	924,293
Additions	-	2,035	3,152	8,141	51,767	65,095
Transfer from construction in progress	-	13,394	21,464	3,507	(38,364)	-
Transfer to intangibles	-	-	-	-	(30,152)	(30,152)
Disposals	-	(66)	(1,823)	(6,279)	-	(8,168)
Balance at 31 December 2025	303,071	236,675	110,073	110,817	190,433	951,069
Accumulated depreciation and impairment losses						
Balance at 1 January 2024 (restated)	-	5,529	51,312	95,903	18,634	171,378
Depreciation	-	7,377	6,749	3,987	-	18,113
Accumulated depreciation of disposals	-	-	(116)	(102)	-	(218)
Impairment loss	-	(1,901)	-	-	-	(1,901)
Balance at 31 December 2024 (restated)	-	11,005	57,945	99,788	18,634	187,372
Depreciation	-	7,555	5,984	6,092	-	19,631
Accumulated depreciation of disposals	-	(29)	(1,797)	(4,775)	-	(6,601)
Balance at 31 December 2025	-	18,531	62,132	101,105	18,634	200,402
Net carrying amounts						
At 1 January 2024 (restated)	301,483	216,466	31,246	9,081	36,718	594,994
At 31 December 2024 (restated)	303,071	210,307	29,335	5,660	188,548	736,921
At 31 December 2025	303,071	218,144	47,941	9,712	171,799	750,667

Tangible assets include mainly land, buildings and equipment. Additions to construction in progress mainly include investments in renewable power generation of RON 170,782 thousand.

Measurement of fair value

The Group's land, land improvements and buildings are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value measurements of the Group's land, land improvements and buildings as at 31 December 2023 were performed by Darian DRS S.A., an independent valuer not related to the Group. Darian DRS S.A. is member of the National Association of Authorised Romanian Valuers and has appropriate qualifications and recent experience in the fair value measurement of properties in the relevant locations. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties, whenever possible and discounted cash-flows method.

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

There were no significant changes to the valuation technique in the period between the current revaluation performed on 31 December 2023 and the previous one performed on 31 December 2020.

The following table shows the valuation techniques used in measuring fair values (Level 3), as well as the significant unobservable inputs used.

Category	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Land and land improvements	<i>Market approach</i> The fair value is estimated based on selling price per square meter of land of similar characteristics (i.e. ownership, legal limitations, financing and selling conditions, location, physical and economical properties and best use). The market price is mainly based on recent transactions.	Adjustment for liquidity, location, size.	The estimated fair value would increase/(decrease) if: Adjustment for liquidity, location or size would be lower/(higher)
Buildings	Buildings were evaluated using the following methods, depending on the best use and the availability and credibility of available market information: <i>The income approach</i> The income approach is based on the determination of the reproducible annual flow, derived from the rental of the property and a determination of the capitalization rate and implicitly the multiplier factor. <i>Market approach</i> The market approach is based on the selling price per square meter for buildings with similar characteristics (i.e. ownership, legal limitations, financing and selling conditions, location, physical and economical properties, and best use), adjusted for liquidity, location, size etc. <i>The cost approach</i> It was applied for fixed assets where it was not possible to apply the market or income approach, as is the case with rural housing. The cost approach assumes that the maximum value of a good for an informed buyer is the amount needed to buy or build a new good with equivalent utility. When the good is not new, all the forms of depreciation that can be attributed to the good must be deducted (deducted) from the current new cost, until the evaluation date.	- Adjustment for liquidity, location, size. <i>Office space rent</i> - Occupancy rates (between 85% and 90%) - Capitalisation rates (between 7% and 8%) - Annual rent per sqm (between 15 and 20 EUR/sqm), depending on location; <i>Commercial space rent</i> - Occupancy rates (between 80% and 90%) - Capitalisation rates (between 7% and 8%) - Annual rent per sqm (between 10 and 60 EUR/sqm), depending on location;	The estimated fair value would increase/(decrease) if: - Adjustment for liquidity, location or size would be lower/(higher) - Occupancy rates were higher/(lower) - Yield rates were lower/(higher) - Annual rent per sqm was higher/(lower)

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

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

26 Intangible assets

Intangible assets include mainly intangible assets related to distribution service concession agreements recorded in accordance with IFRIC 12 "Service Concession Arrangements", as well as licenses and costs of SAP ERP implementation, customer management and billing system and other software, as follows:

	Intangible assets related to concession agreements	Software and licenses	Intangible assets in progress	Total
Gross book value				
Balance at 1 January 2024 (restated)	11,762,553	210,424	2,361	11,975,338
Additions	998,489	13,998	2,518	1,015,005
Transfers from intangible assets in progress	-	3,512	(3,512)	-
Balance at 31 December 2024 (restated)	12,761,042	227,934	1,367	12,990,343
Additions	965,926	7,747	19,094	992,767
Transfers from intangible assets in progress	-	36,498	(36,498)	-
Transfers from tangibles	-	-	30,152	30,152
Disposals	-	(98,377)	-	(98,377)
Balance at 31 December 2025	13,726,968	173,802	14,115	13,914,885
Accumulated amortization and impairment losses				
Balance at 1 January 2024 (restated)	5,542,023	184,963	-	5,726,986
Amortization	540,812	13,046	-	553,858
Balance at 31 December 2024 (restated)	6,082,835	198,008	-	6,280,843
Amortization	538,683	18,500	-	557,183
Accumulated amortization of disposals	-	(90,672)	-	(90,672)
Balance at 31 December 2025	6,621,518	125,836	-	6,747,355
Net carrying amounts				
At 1 January 2024 (restated)	6,220,530	25,461	2,361	6,248,352
At 31 December 2024 (restated)	6,678,207	29,926	1,367	6,709,500
At 31 December 2025	7,105,450	47,966	14,115	7,167,530

The Group applies IFRIC 12 for the accounting of the transactions under these concession contracts (see further details in Notes 4 – Service Concession Agreements)

For the year ended 31 December 2025, the Group has recognized construction revenue related to the concession agreements of RON 965,926 thousand (2024: RON 998,489 thousand).

In 2025 the Group capitalised borrowing costs related to BEI loans (see Note 31 (r), (i), (h) and (o)) in connection with construction of networks, in amount of RON 15,041 thousand (2024: RON 34,015 thousand), computed using a capitalisation rate of 3.63%.

The main information related to the current concession contracts agreements and the intangible assets amounts recognized for each network distribution area is summarized below:

Network distribution areas	Contract date	Concession period (years)	Contract expiry date	Concession period remaining (years)	Renewal option	Net carrying amount at 31 December 2025	Net carrying amount at 31 December 2024 (restated)	Net carrying amount at 31 December 2023 (restated)
Muntenia Nord area	2005	49	2054	29	Yes	2,463,722	2,345,122	2,197,712
Transilvania Nord area	2005	49	2054	29	Yes	2,312,054	2,140,782	2,007,855
Transilvania Sud area	2005	49	2054	29	Yes	2,329,673	2,192,303	2,014,963
Total						7,105,450	6,678,207	6,220,530

The concession contracts can be prolonged for a period up to half of the initial established period of 49 years.

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

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

The investments in relation to the development and modernization of the infrastructure incurred in 2025 refers mainly to:

- Modernization of the current transformer points and stations, current underground and overhead power lines in amount of RON 396,770 thousand (2024: RON 426,340 thousand);
- Investments related to improvements for electricity distribution network in amount of RON 55,210 thousand (2024: RON 66,240 thousand).
- Significant construction works of new transformer stations, new underground and overhead power lines, smart metering systems, etc., in amount of 2025: RON 97,240 thousand (2024: RON 189,060 thousand);
- Modernization and inclusion in SCADA (which is an automatic control system which monitors the equipment) of transformers points and stations, in amount of RON 68,580 thousand (2024: RON 99,530 thousand).

27 Capital and reserves

(a) Share capital and share premium

The issued share capital in nominal terms consists of 339,553,004 ordinary shares as at 31 December 2025 (31 December 2024: 339,553,004) with a nominal value of RON 10 per share. Starting with 4 July 2014, after the Initial Public Offering ("IPO"), the Company's shares are listed on the Bucharest Stock Exchange and the Global Depositary Receipts are listed on the London Stock Exchange.

On 11 July 2024, Bucharest Trade Register Office approved the reduction of share capital of SE Electrica S.A., according to AGEA no. 1/25.04.2024. The share capital of SE Electrica SA reduced from RON 3,464,435,970 to RON 3,395,530,040, and the number of shares reduced from 346,443,597 to 339,553,004.

The shares owned by the Company's shareholders that are traded on the London Stock Exchange are the global depositary receipts (GDRs). A global depositary receipt represents four shares. The Bank of New York Mellon is the depositary bank for these securities.

The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share in the shareholders' meetings of the Company. All shares rank equally and confer equal rights to the net assets of the Company's.

The Company recognizes changes in share capital only after their approval in the General Shareholders Meeting and their registration by the Trade Register. The contributions made by the shareholders which are not yet registered with the Trade Register at year end are recognized as pre-paid capital contributions from shareholders.

The share premium resulted at IPO was RON 171,128 thousand. The transaction costs of RON 68,079 thousand were deducted from the share premium.

Following the SPO that took place in November 2019, the share capital of Electrica SA was increased by in kind and in cash contribution, with the amount of RON 5,037 thousand, from the amount of RON 3,459,399 thousand to the amount of RON 3,464,436 thousand, by issuing a number of 503,668 new nominative and dematerialized shares with a nominal value of 10 RON/share.

The costs generated by the secondary public offering were in amount of RON 964 thousand. Also, the Company recorded gains referring to share issue of RON 2,186 thousand, resulting from the difference between the contribution value of the plots of land and their value recorded as pre-paid capital contributions in kind from shareholders.

(b) Treasury shares reserve

In July 2014, the Company purchased 5,206,593 ordinary shares and 421,000 Global Depositary Receipts, equivalent to 1,684,000 shares (totalling 6,890,593 shares). The total amount paid for acquiring the shares and Global Depositary Receipts was RON 75,372 thousand.

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

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

On 19 July 2024, the Financial Supervisory Authority (ASF) issued the Certificate of Registration of Financial Instruments (CIIF) no. AC-4023-3 / 19.07.2024, reflecting the share capital reduction corresponding to the value of the treasury shares held since 2014.

(c) Revaluation reserve

The reconciliation between opening and closing balance of revaluation reserve is as follows:

	2025	2024 (restated)
Balance at 1 January	150,268	159,536
Release of revaluation reserve to retained earnings corresponding to depreciation and disposals of property, plant and equipment	(5,729)	(9,268)
Balance as at 31 December	144,539	150,268

As at 31 December 2023, the Group has revalued its land, land improvements and buildings to fair value.

(d) Legal reserves

Legal reserves are set up as 5% of the gross profit for the year in the statutory individual financial statements of the companies within the Group, until the total legal reserves reach 20% of the paid-up nominal share capital of each company, according to the legislation. These reserves are deductible for income tax purposes and are not distributable.

	Legal reserves
Balance at 1 January 2024 (Restated)	449,363
Set-up of legal reserves	41,470
Balance at 31 December 2024 (Restated)	490,833
Set-up of legal reserves	37,976
Balance at 31 December 2025	528,809

(e) Dividends

Romanian companies may distribute dividends from statutory profits, according to the separate financial statements prepared in accordance with Romanian accounting regulations.

The dividends declared by the Company in 2025 and 2024 (from the statutory profits of previous years) are as follows:

	Distribution of dividends	
	2025	2024 (restated)
To the owners of the Company	59,999	39,999
Total	59,999	39,999

On 29 April 2025 the General Shareholders Meeting of the Company approved dividend distribution of RON 59,999 thousand (2024: RON 39,999 thousand). The dividend per share distributed is RON 0.1767 per share (2024: RON 0.1178 per share).

Out of the dividends declared by the Company of RON 59,999 thousand (2024: RON 39,999 thousand), the dividends paid were RON 59,851 thousand (2024: RON 39,889 thousand). The remaining difference up to the amount paid, as presented in the Statement of Cash Flows, represents dividends granted to shareholders relating to prior periods.

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

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

28 Trade payables

	31 December 2025	31 December 2024 (Restated)	31 December 2023 (Restated)
Electricity suppliers	588,713	582,431	1,005,761
Capital expenditure suppliers	453,679	380,680	453,014
Other suppliers	198,734	183,302	212,703
Total	1,241,126	1,146,413	1,671,478

Electricity suppliers are mainly state-owned electricity producers, as detailed in Note 36, but also other participants to the electricity market.

Other suppliers include suppliers of services, materials, consumables, etc.

29 Other payables

	31 December 2025		31 December 2024 (Restated)		31 December 2023 (Restated)	
	Current	Non-current	Current	Non-current	Current	Non-current
VAT payable	466,527	-	500,325	-	491,006	-
Liabilities towards the State	17,388	-	17,154	-	41,419	-
Sundry creditors	220,841	-	321,052	-	102,344	-
Energy prosumers	238,829	-	223,379	-	95,615	-
Liabilities related to Green Certificates	145,620	-	212,533	-	-	-
Other liabilities	328,878	31,782	213,038	45,692	214,939	37,161
Total	1,418,083	31,782	1,487,481	45,692	945,323	37,161

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

30 Provisions

	Tax related	Other	Total
Balance at 1 January 2024 (Restated)	1,084	40,083	41,167
Provisions recognized	-	44,816	44,816
Provisions utilised	-	-	-
Provisions reversed	-	(10,078)	(10,078)
Balance at 1 January 2025 (Restated)	1,084	74,821	75,905
Provisions recognized	-	19,060	19,060
Provisions utilised	-	(47,363)	(47,363)
Provisions reversed	-	(18,963)	(18,963)
Balance at 31 December 2025	1,084	27,553	28,639

As at 31 December 2025, provisions refer mainly to benefits upon the termination of executive directors' mandate contracts in the form of a non-compete clause amounting to RON 3,411 thousand (31 December 2024: RON 1,477 thousand), customers compensation claims thousand 6,376 RON (31 December 2024: RON 19,472 thousand), a dispute with ANCOM in amount of RON 0 thousand (31 December 2024: RON 13,069 thousand) and for various claims and litigations involving the Group companies in amount of RON 18,853 thousand (31 December 2024: RON 41,887 thousand).

There are no significant provisions recognized during the year at the Group level. The main provision used during 2025 is for the distribution segment in amount of RON 24,345 thousand for a dispute with ANCOM, following the final

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

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

settlement in court of the appeal filed against the ANCOM decision. For the supply segment, during 2025 provisions in amount of RON 6,100 thousand were recognized and in amount of RON 8,105 thousand were reversed for compensations calculated daily or weekly and paid to the customers related to the Performance Standard 82/2021 and, also, provisions in amount of RON 12,931 thousand were utilized for the adjustment component under Law 206/2023.

31 Long-term bank borrowings

Drawings and repayments of borrowings during the year ended 31 December 2025 and 31 December 2024 were as follows:

	Amount (RON thousand) 2025	Amount (RON thousand) 2024
Balance at 1 January	2,390,341*	1,317,642*
Drawings of borrowings during the period, out of which:		
CEC Bank (l)	175,536	174,464
BEI Instalment 3 (r)	995,440	-
BEI Instalment 2 (i)	-	447,669
BEI Instalment 1 (h)	-	596,892
BEI Instalment 4 (o)	74,660	-
Syndicated loan – Facility D1 (s)	296,000	-
Syndicated loan – Facility B (s)	4,842	-
ERSTE Group Bank and Raiffeisen Bank (m)	-	13,768
Unicredit Bank (n)	-	24,881
BERD (k)	-	42,857
Vista Bank (j)	-	84,950
Exim Bank Romania	-	250,000
Total drawings	1,546,477	1,635,481
Transfers from overdraft		
BCR (p)	-	220,000
Raiffeisen Bank (q)	-	220,000
Total transfers from overdraft	-	440,000
Accumulated interest	35,921	27,252
Foreign exchange differences, balance	52,202	-
Payment of interest	(27,252)	(11,125)
Reimbursements during the period, out of which:		
BRD (c)	20,800	20,800
BRD (d)	14,286	14,286
BRD (e)	11,429	11,429
Banca Transilvania (a)	17,857	17,857
Unicredit Bank (b)	9,600	9,600
BCR (f)	18,950	18,950
BERD (k)	68,571	-
BERD (g)	22,957	23,574
BCR (p)	51,765	38,824
Raiffeisen Bank (q)	67,692	16,923
CEC Bank (l)	200,000	350,000
Unicredit Bank (n)	24,881	-
ERSTE Group Bank and Raiffeisen Bank (m)	104,918	-
Vista Bank (j)	129,950	80,000
Syndicated loan – Facility D1 (s)	37,000	-
Exim Bank Romania	-	250,000
Exim Bank Romania	-	166,667
Total reimbursements	800,655	1,018,910

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

Balance at 31 December

3,197,034

2,390,341*

*Restated amounts

As at 31 December 2025, 31 December 2024 respectively 31 December 2023, the bank borrowings is as follows:

Lender	Borrower	31 December 2025	31 December 2024 (Restated)	31 December 2023 (Restated)
BEI Instalment 3 (r)	Distributie Energie Electrica Romania	1,029,317	-	-
BEI Instalment 1 (h)	Distributie Energie Electrica Romania	619,941	604,814	-
BEI Instalment 2 (i)	Distributie Energie Electrica Romania	464,955	453,611	-
Syndicated loan – Facility D1 (s)	Distributie Energie Electrica Romania	259,816	-	-
BERD (k)	Distributie Energie Electrica Romania	156,669	225,985	182,773
BERD (g)	Distributie Energie Electrica Romania	142,616	165,745	189,971
Raiffeisen Bank (q)	Distributie Energie Electrica Romania	136,890	205,041	-
BCR (p)	Distributie Energie Electrica Romania	130,437	182,364	-
BEI Instalment 4 (o)	Distributie Energie Electrica Romania	77,443	-	-
BCR (f)	Distributie Energie Electrica Romania	52,454	71,475	90,542
BRD (d)	Distributie Energie Electrica Romania	35,744	50,037	64,286
Banca Transilvania (a)	Distributie Energie Electrica Romania	26,789	44,649	62,508
BRD (e)	Distributie Energie Electrica Romania	28,593	40,030	51,467
BRD (c)	Distributie Energie Electrica Romania	20,800	41,600	62,400
UniCredit Bank (b)	Distributie Energie Electrica Romania	9,714	19,409	29,103
Syndicated loan – Facility B (s)	Societatea Energetica Electrica S.A.	4,856	-	-
Vista Bank (j)	Societatea Energetica Electrica S.A.	-	130,840	125,000
ERSTE Group Bank and Raiffeisen Bank (m)	Societatea Energetica Electrica S.A.	-	105,203	91,767
Unicredit Bank (n)	Electrica Furnizare S.A.	-	25,074	-
CEC Bank (l)	Electrica Furnizare S.A.	-	24,464	200,000
Exim Bank Romania	Distributie Energie Electrica Romania	-	-	167,825
Total		3,197,034	2,390,341	1,317,642
Less: current portion of the long-term bank borrowings		(377,906)	(538,583)	(512,169)
Less: accumulated interest		(35,921)	(27,252)	(11,125)
Total long-term borrowings, net of current portion		2,783,207	1,824,506	794,348

Bank borrowings description

a) Investment loan granted by Banca Transilvania

On 18 July 2019, Societatea de Distributie a Energiei Electrice Transilvania Sud S.A., currently Distributie Energie Electrica Romania S.A., as a borrower, concluded with Banca Transilvania an investment credit agreement with the purpose of financing investments in the electricity distribution network, according to the investment plan. Main provisions are: Maximum loan amount: RON 125,000 thousand; Interest rate: fixed, 4.59% per annum; Reimbursements: quarterly instalments until 17.07.2027; Grace period: 12 months.

As at 31 December 2025, the outstanding balance is of RON 26,789 thousand, of which RON 26,786 thousand principal and RON 3 thousand accrued interest. (Outstanding balance as at 31 December 2024: RON 44,649 thousand)

b) Investment loan granted by Unicredit Bank

On 13 November 2019, Societatea de Distributie a Energiei Electrice Transilvania Nord S.A., currently Distributie Energie Electrica Romania S.A., as borrower, concluded with Unicredit Bank an investment credit agreement with the purpose of financing investments in the electricity distribution network, according to the investment plan. Main provisions are:

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

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

Maximum loan amount: RON 60,000 thousand; Interest rate: fixed, 3.85% per annum; Reimbursements: quarterly instalments until 13.11.2026; Grace period: 12 months.

As at 31 December 2025, the outstanding balance is of RON 9,714 thousand, of which RON 9,600 thousand principal and RON 114 thousand accrued interest. (Outstanding balance as at 31 December 2024: RON 19,409 thousand).

c) Investment loan granted by BRD – Groupe Societe Generale

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

As at 31 December 2025, the outstanding balance is of RON 20,800 thousand, representing principal. (Outstanding balance as at 31 December 2024: RON 41,600 thousand).

d) Investment loan granted by BRD – Groupe Societe Generale

On 25 June 2020, Societatea de Distributie a Energiei Electrice Transilvania Nord S.A., currently Distributie Energie Electrica Romania S.A., as a borrower, concluded with BRD – Groupe Societe Generale an investment credit agreement with the purpose of financing investments in the electricity distribution network, according to the approved investment plan. Main provisions are: Maximum loan amount: RON 100,000 thousand; Interest rate: fixed, 3.85% per annum; Reimbursements: quarterly instalments until 25.06.2028; Grace period: 12 months.

As at 31 December 2025, the outstanding balance is of RON 35,744 thousand, of which RON 35,714 thousand principal and RON 30 thousand accrued interest. (Outstanding balance as at 31 December 2024: RON 50,037 thousand).

e) Investment loan granted by BRD – Groupe Societe Generale

On 25 June 2020, Societatea de Distributie a Energiei Electrice Transilvania Sud S.A., currently Distributie Energie Electrica Romania S.A. as a borrower, concluded with BRD – Groupe Societe Generale an investment credit agreement with the purpose of financing investments in the electricity distribution network, according to the approved investment plan for 2020. Main provisions are: Maximum loan amount: RON 80,000 thousand; Interest rate: fixed, 3.85% per annum; Reimbursements: quarterly instalments until 25.06.2028; Grace period: 12 months.

As at 31 December 2025, the outstanding balance is RON 28,593 thousand, of which RON 28,572 thousand principal and RON 21 thousand accrued interest. (Outstanding balance as at 31 December 2024: RON 40,030 thousand).

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

On 17 September 2020, Societatea de Distributie a Energiei Electrica Muntenia Nord S.A., currently Distributie Energie Electrica Romania S.A., as a borrower and Electrica SA as a guarantor, concluded with Banca Comerciala Romana S.A. an investment credit agreement with the purpose of financing investments in the electricity distribution network, according to the approved investment plan for 2020. Main provisions are: Maximum loan amount: RON 155,000 thousand; Interest rate: ROBOR 3M+1% per annum; Reimbursements: quarterly instalments until 14.09.2028; Grace period: 12 months.

As at 31 December 2025, the outstanding balance is RON 52,454 thousand, of which RON 52,112 thousand principal and RON 342 thousand accrued interest. (Outstanding balance as at 31 December 2024: RON 71,475 thousand).

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

On 2 July 2021, Societatea de Distributie Energie Electrica Romania SA, as a borrower, concluded with the European Bank for Reconstruction and Development a credit agreement for investments in order to finance investments in the

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

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

electricity distribution network according to the 2021-2023 investment plan. The main provisions are: The maximum value of the loan RON 195,136 thousand; Interest rate: ROBOR 6M + spread 0.30% + margin 1.15%; Repayments: 17 semi-annual instalments until 31.07.2031; Grace period: 24 months. The loan agreement is guaranteed by Electrica SA.

As at 31 December 2025, the outstanding balance is RON 142,616 thousand, of which RON 137,743 thousand principal and RON 4,873 thousand accrued interest. (Outstanding balance as at 31 December 2024: RON 165,745 thousand).

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

On 14 July 2021, Societatea de Distributie Energie Electrica Romania SA, as a borrower, concluded with the European Investment Bank an investment credit contract, representing the first part of the Approved Credit in the amount of EUR 210,000 thousand for the purpose of financing investments in the electricity distribution network according to the 2021-2023 investment plan. The main provisions are: Maximum value of the loan: EUR 120,000 thousand; Interest rate: 3.73%; Repayments: 24 semi-annual instalments until 26.02.2039; Grace period: 36 months. The loan agreement is guaranteed by Electrica SA.

As at 31 December 2025, the outstanding balance is RON 619,941 thousand, of which RON 611,820 thousand principal and RON 8,121 thousand accrued interest (31 December 2024: RON 604,814 thousand).

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

On 7 December 2021, Societatea de Distributie Energie Electrica Romania SA, as a borrower, concluded with the European Investment Bank an investment credit contract, representing the second part of the Approved Credit in the amount of EUR 210,000 thousand for the purpose of financing investments in the electricity distribution network according to the 2021-2023 investment plan. The main provisions are: Maximum value of the loan: EUR 90,000 thousand; Interest rate: 3.73%; Repayments: 24 semi-annual instalments until 26.02.2039; Grace period: 36 months. The loan agreement is guaranteed by Electrica SA.

As at 31 December 2025, the outstanding balance is RON 464,955 thousand, of which RON 458,865 thousand principal and RON 6,090 thousand accrued interest (31 December 2024: RON 453,611 thousand).

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

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

On 31 December 2025, the balance of the loan is 0 thousand RON, as a result of the refinancing through the syndicated credit facility (Outstanding balance as at 31 December 2024: RON 130,840 thousand).

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

On 17 March 2023, Societatea de Distributie Energie Electrica Romania SA, as a borrower, concluded with the European Bank for Reconstruction and Development a credit agreement for working capital. The main provisions are: The maximum value of the loan RON 180,000 thousand; Interest rate: ROBOR 3M + spread % + margin 2.10%; Repayments: 14 quarterly instalments until 31.01.2028; Grace period: 18 months. On 19 December 2023, the value of the loan increased by RON 60,000 thousand, to RON 240,000 thousand. The loan agreement is guaranteed by Electrica SA.

As at 31 December 2025, the outstanding balance is RON 156,669 thousand, of which RON 154,286 thousand principal and RON 2,383 thousand accrued interest (31 December 2024: RON 225,985 thousand).

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

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

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

On 4 August 2023, Electrica Furnizare S.A., as the borrower, concluded a Facility Agreement Multicredit. The main provisions are: The maximum value of the loan RON 150,000 thousand; Interest rate: ROBOR 3M + 2.85%; full repayment at maturity; Maturity date: 03 August 2026. On 18 December 2023 the amount of the loan was increased by RON 50,000 thousand to RON 200,000 thousand. The loan agreement is guaranteed by Electrica SA.

As at 31 December 2025, the outstanding balance is RON 0 thousand, as a result of the refinancing through the syndicated credit facility from July 2025 (31 December 2024: RON 24,464 thousand).

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

On 2 November 2021, Electrica S.A., as borrower, entered into a syndicated credit facility with Erste Group Bank AG and Raiffeisen Bank SA. The main provisions are: Maximum loan amount RON 750,000 thousand; Interest rate: ROBOR 3M + 1.16%; full repayment at maturity. On 3 November 2023 the loan was extended for a period of one year and the maximum loan amount was reduced to RON 450,000 thousand. The maturity was subsequently extended until 31 July 2025. On 20 August 2024 the bank issued two comfort letters in total amount of RON 345,020 thousand, as follows: New Trend Energy SRL, RON 92,020 thousand and Foton Power Energy SRL, RON 253,000 thousand.

As at 31 December 2025 the balance of the loan is RON 0 thousand, as a result of the refinancing through the syndicated credit facility from July 2025 (31 December 2024: RON 105,203 thousand).

n) Investment loan granted by Unicredit Bank

On 26 April 2024, Electrica Furnizare S.A. signed the credit contract no. GRIM/8714 with UniCredit Bank SA, with SE Electrica SA as a guarantor, for an investment loan in amount of RON 24,881 thousand, due until 26.04.2029. Interest rate: ROBOR 3M + 3.15%. Repayments: 17 quarterly instalments until 26.04.2029; Grace period: 12 months.

As at 31 December 2025 the balance of the loan is RON 0 thousand, following the full repayment of the facility (31 December 2024: RON 25,074 thousand).

o) Investment loan granted by the European Investment Bank ("EIB")

On 8 May 2024, DEER concluded with the European Investment Bank the investment credit contract no. FI N° 98.007, with SE Electrica SA as a guarantor, for an investment credit in the amount of EUR 15,000 thousand, due until 26.02.2040. Interest rate: 3.497%.

As at 31 December 2025 the balance of the loan is RON 77,443 thousand, of which principal RON 76,478 thousand and accrued interest RON 965 thousand. (31 December 2024: 0).

p) Loan for financing the own technological consumption expenses granted by BCR – Banca Comerciala Romana ("BCR")

On 25 January 2022, DEER signed the credit contract no. 2022012502 with BCR in the amount of RON 220,000 thousand. On 26 June 2024, the loan amount was increased by RON 150,000 thousand to the amount of RON 370,000 thousand, and the overdraft facility of RON 220,000 thousand was transformed into a long-term borrowing to cover the own technological consumption. The availability of the facility was extended to 30.04.2028; interest rate: ROBOR 3M + 1.3%; Repayments: 17 quarterly instalments until 30.04.2028.

As at 31 December 2025 the balance of the loan is RON 130,437 thousand, of which principal RON 129,412 thousand and accrued interest RON 1,025 thousand. (31 December 2024: RON 182,364 thousand).

q) Loan for financing the own technological consumption expenses granted by Raiffeisen Bank SA

On 26 May 2022, DEER signed the credit contract no. 20/2022 with Raiffeisen in the amount of RON 220,000 thousand. On 26 June 2024, the amount of the loan was increased by RON 100,000 thousand to the amount of RON 320,000 thousand, and the overdraft facility of RON 220,000 thousand was transformed into a long-term borrowing to cover

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

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

the own technological consumption. The availability of the facility was extended to 31.12.2027; interest rate: ROBOR 3M + 1.3%; Repayments: 13 quarterly instalments until 31.12.2027.

As at 31 December 2025 the balance of the loan is RON 136,890 thousand, of which principal RON 135,385 thousand and accrued interest RON 1,505 thousand. (31 December 2024: RON 205,041 thousand).

r) Investment loan granted by the European Investment Bank ("EIB")

On 16 December 2024, DEER concluded with the European Investment Bank the investment credit contract no. FI N°.97.868, with SE Electrica SA as a guarantor, for an investment credit in the amount of EUR 200,000 thousand, due until 26.02.2039. Interest rate: 3.6% (fixed) or EURIBOR 6M + 1.5%.

As at 31 December 2025 the balance of the loan is RON 1,029,317 thousand, of which principal RON 1,019,698 thousand and accrued interest RON 9,619 thousand. (31 December 2024: 0).

s) Syndicated loan for financing working capital, refinancing bilateral loans, CAPEX, and investments in green energy projects

On 30 April 2025, a syndicated loan agreement was signed for a total amount of RON 3,100,000 thousand, used for financing current operations, refinancing bank loans, and investments. The syndicated loan is composed of: Banca Comerciala Romana, Banca Transilvania, Raiffeisen Bank, ING Bank, CEC Bank, BRD – Groupe Société Générale, and Banca Comerciala Intesa Sanpaolo Romania SA.

The syndicated loan consists of several facilities, namely:

Facility A in amount of RON 130,000 thousand, granted to Societatea Energetica Electrica, revolving facility, with the purpose of refinancing the bilateral loan/financing commissions/financing general corporate purposes and working capital, valid until 30 April 2026 and an interest rate of ROBOR 3M + 1.50%. (facility accessed, refer to Note 33).

Facility B

In December 2025, Societatea Energetica Electrica partially accessed Facility B in order to finance capital expenditures for the development and implementation of an Eligible Green Project at the ready-to-build stage. The main provisions of Facility B are: Amount: RON 500,000 thousand Interest rate: ROBOR 3M+ 1.55%, repayments: in 28 equal quarterly installments and a final bullet payment representing 30% of the amount used, starting on 19.06.2028, until 30.04.2035. The loan is guaranteed by Electrica SA.

As at 31 December 2025, the outstanding balance of the loan under Facility B is RON 4,856 thousand, of which RON 4,842 thousand represents principal and RON 14 thousand represents accrued interest. (31 December 2024: 0).

Facility C in amount of RON 1,674,000 thousand, granted to Electrica Furnizare, revolving facility, with the purpose of refinancing the bilateral loan/financing commissions/financing general corporate purposes, valid until 30 April 2026 and an interest rate of ROBOR 3M + 1.55%. (facility accessed, refer to Note 33)

Facility D1

In July 2025, Distributie Energie Electrica Romania S.A. accessed Facility D1 to finance short-term bilateral loans. The main provisions are: maximum amount: RON 296,000 thousand, interest rate: ROBOR 3M + 1.35%, repayments: 16 quarterly installments until 30 April 2029. The loan is guaranteed by Electrica SA.

As at 31 December 2025, the outstanding balance of the loan under Facility D1 is RON 259,816 thousand, of which RON 259,000 thousand represents principal and RON 816 thousand represents accrued interest. (31 December 2024: 0).

Facility D2 in the amount of RON 500,000 thousand granted to Distributie Energie Electrica Romania S.A., a long-term non-revolving facility intended to finance or refinance any capital expenditures (capex) provided for in the capital

SOCIETATEA ENERGETICA ELECTRICA S.A.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

expenditure plans, valid until 31 December 2032, and an interest rate of ROBOR 3M + 1.35%. Repayments: equal quarterly instalments, starting with the first interest payment date of the calendar year following the year in which the Loan was drawn, over a period of 5 (five) years, provided that the last instalment is paid no later than 31 December 2032. (facility not accessed)

32 Green bonds

In July 2025, the Company issued green bonds denominated in EUR in the amount of EUR 500 million, maturing on July 14, 2030. At maturity, the bonds will be redeemed at their nominal value. The coupon rate is 4.375%, and the coupon is payable annually.

The net proceeds obtained are intended to be used to finance and/or refinance Eligible Green Projects, in whole or in part in accordance with the Electrica's Green Finance Framework. Such financing or refinancing may be of new and/or existing Eligible Green Projects. The fully allocation of the proceeds by Eligible Green Projects will be done within 36 months of the issue of the Bonds.

Given the estimated timeline and projections related to Green Eligible Projects, the funds obtained from the green bonds were invested in government bonds and term deposits in order to maximize financial returns and, implicitly, partially covering the interest expenses due on the green bonds. This decision is fully in line with the principles of fund management by the Electrica Treasury and the Green Financing Framework in place.

The green bonds are unsecured, have no associated financial covenants, and may be redeemed early only at the issuer's request in the event of unfavourable changes in legislative regulations, including tax regulations.

The bonds are listed on the Bucharest Stock Exchange and the Luxembourg Stock Exchange.

	31 December 2025	31 December 2024 (restated)	31 December 2023 (restated)
Proceeds from the issuance of green bonds	2,519,236	-	-
Transaction costs	(12,053)	-	-
Net proceeds from the issuance of green bonds	2,507,183	-	-

	31 December 2025	31 December 2024 (restated)	31 December 2023 (restated)
Balance as at 1 January	-	-	-
Net proceeds from the issuance of green bonds	2,507,183	-	-
Interest expenses	52,095	-	-
Other financial expenses	11,672	-	-
Balance as at 31 December	2,570,950	-	-

33 Overdrafts and short-term loans

Until the authorization for issue of these Consolidated Financial Statements by the Board of Directors, the Group has overdrafts and short-term loans from various banks (ING Bank N.V., Raiffeisen Bank, Banca Comerciala Romana, Banca Transilvania, BNP Paribas, Intesa Sanpaolo Bank, BRD – Groupe Societe Generale S.A., CEC and UniCredit) with a total overdraft limit of up to RON 3,095,739 thousand (total overdraft limit as at 31 December 2024: RON 3,219,057 thousand). As mentioned at point 31 (s) above, the syndicated loan is composed of: Banca Comerciala Romana, Banca Transilvania, Raiffeisen Bank, ING Bank, CEC Bank, BRD – Groupe Société Générale, and Banca Comerciala Intesa Sanpaolo Romania SA.

The overdraft facilities and short-term loans are used for financing activities. The outstanding balance of the overdraft facilities and short-term loans as at 31 December 2025 is of RON 2,352,456 thousand (31 December 2024: RON 2,490,609 thousand).

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

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

Lender	Borrower	31 December 2025	31 December 2024 (restated)	31 December 2023 (restated)
Syndicated loan - Facility C (a)	Electrica Furnizare S.A.	1,679,399	-	-
ING Bank N.V (b)	Societatea Energetica Electrica S.A.	182,415	168,704	206,986
BRD (c)	Societatea Energetica Electrica S.A.	143,036	149,508	-
ING Bank N.V (d)	Electrica Furnizare S.A.	137,113	169,589	170,602
Syndicated loan - Facility A (e)	Societatea Energetica Electrica S.A.	130,389	-	-
UniCredit Bank (f)	Electrica Furnizare S.A.	79,861	-	-
UniCredit Bank (g)	Electrica Furnizare S.A.	243	301,599	302,399
Alpha Bank	Electrica Furnizare S.A.	-	394,552	213,702
Raiffeisen Bank	Electrica Furnizare S.A.	-	380,829	369,274
BCR	Electrica Furnizare S.A.	-	325,016	378,887
BRD	Electrica Furnizare S.A.	-	212,082	218,817
Banca Transilvania	Electrica Furnizare S.A.	-	182,233	187,194
Intesa Sanpaolo	Distributie Energie Electrica Romania S.A	-	135,655	135,815
Raiffeisen Bank	Distributie Energie Electrica Romania S.A	-	28,923	218,895
BNP Paribas	Electrica Furnizare S.A.	-	24,919	28,830
Vista Bank	Electrica Furnizare S.A.	-	17,000	-
BCR	Distributie Energie Electrica Romania S.A	-	-	210,593
Banca Transilvania	Distributie Energie Electrica Romania S.A	-	-	159,544
ING Bank N.V	Distributie Energie Electrica Romania S.A	-	-	49,682
Total		2,352,456	2,490,609	2,851,221

Overdrafts and short-term loans description

a) Syndicated loan – Facility C

As at 31 December 2025, the balance of Facility C under the syndicated loan is RON 1,679,399 thousand, of which RON 1,674,000 thousand is principal and RON 5,399 thousand is accrued interest.

b) Working capital loan granted by ING Bank N.V.

In January 2020, Energetica Electrica signed a short-term revolving credit facility agreement – overdraft type, aimed at financing working capital in the context of cash pooling operations within the group. The main provisions are: Maximum facility amount: RON 210,000 thousand; Interest rate: ROBOR 1M +2.25%; Valid until 27 January 2026, with automatic annual renewal.

As at 31 December 2025, the balance of the facility is RON 182,415 thousand, of which RON 181,218 thousand is principal and RON 1,197 thousand is accrued interest.

c) Credit for financing the payment needs of the Participating Companies and the Borrower under the scheme identified in the Cash Pooling Agreements, granted by BRD

In January 2024, Energetica Electrica signed a credit agreement, a short-term revolving facility – overdraft type, with the purpose of financing the payment needs of the Participating Companies and the Borrower within the scheme identified in the Cash Pooling Agreements. The main provisions are: Maximum facility amount: RON 150,000 thousand; Interest rate: ROBOR 1M +1.35%; Validity: 30 April 2026.

As at 31 December 2025, the balance of the facility is RON 143,036 thousand, of which RON 143,036 thousand is principal and RON 0 thousand is accrued interest.

d) Working capital loan granted by ING Bank

In February 2022, Electrica Furnizare S.A. signed a credit agreement with ING Bank N.V. to access a credit facility worth RON 170,000 thousand, a short-term revolving facility – overdraft type, with the initial purpose of financing working

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

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

capital and issuing guarantee instruments. In August 2022, the issuance of guarantee instruments was removed from the purpose of the facility, and in October 2022, the facility was converted into EUR, with a maximum value of EUR 34,300 thousand. Interest rate: EURIBOR 1 M +2.75%; Validity is 13 February 2026.

As at 31 December 2025, the balance of the facility is RON 137,113 thousand, of which RON 136,417 thousand is principal and RON 696 thousand is accrued interest.

e) Syndicated loan - Facility A

As at 31 December 2025, the balance of Facility A under the syndicated loan is RON 130,389 thousand, of which RON 130,000 thousand is principal and RON 389 thousand is accrued interest.

f) Overdraft facility for working capital financing granted by Unicredit Bank

In May 2025, Electrica Furnizare S.A. signed a credit agreement with Unicredit Bank for access to an overdraft facility for working capital financing, with the possibility of using RON and EUR. The main provisions are: Maximum facility amount EUR 19,000 thousand; Interest rate: EURIBOR 1M+2.1% p.a., respectively ROBOR 1M +2.1% p.a.; Validity until 30 May 2026. The facility is guaranteed by Societatea Energetica Electrica through a letter of guarantee in the amount of EUR 19,000 thousand, valid until 30 June 2026.

As of 31 December 2025, the balance of the facility is RON 79,860 thousand, of which RON 79,538 thousand is principal and RON 322 thousand is accrued interest.

g) Credit for working capital financing and issuance of guarantee instruments granted by Unicredit Bank

Electrica Furnizare S.A. signed in May 2022 a credit agreement for access to a credit facility in the amount of RON 220,000 thousand, which includes an overdraft facility for working capital financing and issuance of guarantee instruments. Through successive addenda, the facility was converted into EUR, reaching the amount of EUR 60,800 thousand, with the possibility of use in both EUR and RON. Interest rate: EURIBOR 1M +2%, respectively ROBOR 1M +2%. Validity: July 1, 2026.

As of 31 December 2025, the balance of the cash facility is RON 243 thousand, of which RON 243 thousand was principal and RON 0 thousand was accrued interest, and the balance of the non-cash facility is 0.

Financial Covenants

The financial covenants specified in the agreements with BRD – Groupe Societe Generale, Unicredit Bank, Banca Comerciala Romana (BCR), European Bank for Reconstruction and Development, European Investment Bank. ING Bank N.V and the syndicated loan have been fulfilled as at 31 December 2025.

Pledged Assets

As at 31 December 2025, the Group has no pledges (guarantees) for trade receivables (31 December 2024: RON 423,114 thousand), as specified on contracts.

Bank Guarantees

The maximum limit of the facility for issuing bank guarantees (credit facility for issuing guarantee instruments and multi-product lines) RON 1,859,988 thousand, of which non-cash uses RON 1,172,124 thousand (31 December 2024: RON 1,009,655 thousand).

34 Financial instruments - fair values and risk management

(a) Accounting classifications and fair values

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

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

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

(b) Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk;
- market risk.

These risks are further explained and detailed.

(i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, cash and cash equivalents, restricted cash and bank deposits.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. In the past, the Group had a high credit risk mainly from State-owned companies.

Cash and bank deposits are placed in financial institutions which are considered to have low risk of default.

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

Trade receivables

The Group's credit risk in respect of receivables was concentrated in the past around state-controlled companies and in the recent years refers to clients that are facing financial difficulties in their industries due to specific changes in circumstances in their industry sector. The Group has implemented a policy on credit risk management and is also considering securing trade receivables. Also, the electricity supply contracts include termination clauses in certain circumstances.

The Group establishes an allowance for impairment that represents the amount of expected credit losses, calculated based on the expected loss rates.

Impairment

The following table provides information about the exposure to credit risk and expected credit losses for trade receivables for customers as at 31 December 2025:

	31 December 2025				
	Expected credit loss rates ("ECL")	Gross value	Lifetime ECL	Net trade receivables	Credit impaired
Neither past due nor impaired	0.98%	2,702,331	(26,500)	2,675,831	No
Past due 1-30 days	1.81%	346,547	(6,262)	340,285	No
Past due 31-60 days	22.46%	91,589	(20,572)	71,017	No
Past due 61-90 days	27.94%	58,964	(16,475)	42,489	No
Past due more than 90 days	84.57%	838,194	(708,894)	129,300	Yes
Total		4,037,625	(778,703)	3,258,922	-

The Group performed a sensitivity analysis and a 5% increase in the expected credit loss rates would not lead a material impact on the results of the Group.

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

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

The following table provides information about the exposure to credit risk and expected credit losses for trade receivables for customers as at 31 December 2024:

31 December 2024 (restated)					
	Expected credit loss rates ("ECL")	Gross value	Lifetime ECL	Net trade receivables	Credit impaired
Neither past due nor impaired	3.87%	2,812,857	(108,808)	2,704,049	No
Past due 1-30 days	9.65%	136,458	(13,170)	123,288	No
Past due 31-60 days	19.16%	89,057	(17,063)	71,994	No
Past due 61-90 days	41.56%	24,235	(10,072)	14,163	No
Past due more than 90 days	79.78%	737,168	(588,129)	149,039	Yes
Total		3,799,775	(737,242)	3,062,533	-

The following table provides information about the exposure to credit risk and expected credit losses for trade receivables for customers as at 31 December 2023:

31 December 2023 (restated)					
	Expected credit loss rates ("ECL")	Gross value	Lifetime ECL	Net trade receivables	Credit impaired
Neither past due nor impaired	2.14%	1,648,607	(35,330)	1,613,277	No
Past due 1-30 days	6.62%	255,100	(16,875)	238,225	No
Past due 31-60 days	14.00%	47,635	(6,670)	40,965	No
Past due 61-90 days	37.18%	25,927	(9,640)	16,287	No
Past due more than 90 days	91.82%	622,659	(571,703)	50,956	Yes
Total		2,599,928	(640,218)	1,959,710	-

Details of the main movements in the allowances for doubtful debts are disclosed in Note 21.

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses.

The Group aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities. The Group also monitors the level of expected cash inflows on trade receivables together with expected cash outflows on trade and other payables. In addition, the Group relies on overdrafts and short term loans for working capital needs (refer to Note 33).

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

Financial liabilities	Carrying amount	Contractual cash flows				
		Total	less than 1 year	1-2 years	2-5 years	More than 5 years
31 December 2025						
Overdrafts and short-term loans	2,352,456	2,352,456	2,352,456	-	-	-
Lease liability	53,112	53,111	11,067	7,484	4,823	29,737
Long-term bank borrowings	3,197,034	3,197,034	413,827	383,192	781,083	1,618,933
Green bonds	2,570,950	2,601,501	52,251	-	2,549,250	-
Trade payables	1,241,126	1,241,126	1,241,126	-	-	-
Other payables	1,449,865	1,449,865	1,418,083	31,782	-	-

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

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

Total	10,864,543	10,895,093	5,488,810	422,458	3,335,156	1,648,670
31 December 2024						
(restated)						
Overdrafts and short-term loans	2,490,609	2,490,609	2,490,609	-	-	-
Lease liability	41,790	41,790	7,411	3,543	3,396	27,440
Long-term bank borrowings	2,390,341	2,390,341	565,835	332,954	618,694	872,858
Trade payables	1,146,413	1,146,413	1,146,413	-	-	-
Other payables	1,533,173	1,533,173	1,487,481	45,692	-	-
Total	7,602,326	7,602,326	5,697,749	382,189	622,090	900,298
31 December 2023						
(restated)						
Overdrafts and short-term loans	2,851,221	2,851,221	2,851,221	-	-	-
Lease liability	43,195	43,195	14,052	9,920	3,980	15,243
Long-term bank borrowings	1,317,642	1,317,642	523,294	258,923	475,905	59,520
Trade payables	1,671,478	1,671,478	1,671,478	-	-	-
Other payables	982,484	982,484	945,323	37,161	-	-
Total	6,866,020	6,866,020	6,005,368	306,004	479,885	74,763

(iii) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Group's income or the value of its financial instruments held. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the functional currency of the Group. The functional currency of all entities belonging to the Group is the Romanian Leu (RON).

The currency in which these transactions are primarily denominated is RON. Certain liabilities are denominated in foreign currency (EUR). The Group also has deposits, treasury bills, government bonds and bank accounts denominated in foreign currency (EUR). The Group's policy is to use the local currency in its transactions as far as practically possible. The Group does not use derivative or hedging instruments.

Exposure to currency risk

The summary of quantitative data about the Group's exposure to currency risk is as follows:

	31 December 2025	31 December 2024 (restated)	31 December 2023 (restated)
<i>in thousands of RON</i>	denominated in EUR	denominated in EUR	denominated in EUR
Cash and cash equivalents	99,133	1,763	347
Deposits, treasury bills and government bonds	1,141,071	-	-
Overdrafts and short-term loans	(216,975)	(399,795)	(306,417)
Lease liability	(49,861)	(40,167)	(42,231)
Long-term bank borrowings	(2,191,657)	(1,058,425)	-
Green bonds	(2,601,501)	-	-
Net statement of financial position exposure	(3,819,789)	(1,496,624)	(348,301)

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

The following significant exchange rates have been applied during the year:

	Average rate		Year-end spot rate	
	2025	2024	2025	2024
RON				
EUR	5.0415	4.9752	5.0985	4.9741

Sensitivity analysis

A reasonably possible strengthening (weakening) of the EUR against RON at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and profit before tax by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

<i>Effect</i>	Profit before tax	
	Strengthening	Weakening
31 December 2025		
EUR (5% movement)	190,989	(190,989)
31 December 2024 (restated)		
EUR (5% movement)	74,831	(74,831)

Interest rate risk

For financing purposes, the Group uses medium, long-term bank loans and short-term loans (including overdraft facilities (please see Note 31,32,33)).

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings (please see Note 31), as the long-term borrowings are contracted mainly at fixed rates, while the overdraft facilities bear variable rates. The Group does not have in place hedging contracts for interest rate.

The Groups exposures to interest rates on financial assets and financial liabilities are detailed below. The Group is exposed to the interest rate benchmark ROBOR/EURIBOR.

Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments is as follows:

	31 December 2025	31 December 2024 (restated)	31 December 2023 (restated)
Fixed-rate instruments			
Financial assets			
Call deposits	1,761,463	123,865	153,997
Deposits, treasury bills and government bonds	2,164,833	-	-
Financial liabilities			
Long-term bank borrowings	(2,313,297)	(1,267,256)	(1,068,912)
Green bonds liabilities	(2,570,950)	-	-
Lease liability	(47,646)	(32,312)	(32,312)
	(1,005,597)	(1,175,703)	(947,227)
		31 December 2024 (restated)	31 December 2023 (restated)
	31 December 2025		
Variable-rate instruments			
Financial liabilities			

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

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

	31 December 2025	31 December 2024 (restated)	31 December 2023 (restated)
Lease liability	(5,466)	(9,478)	(10,883)
Long-term bank borrowings	(883,737)	(1,123,085)	(248,730)
Bank overdrafts and short term loans	(2,352,456)	(2,490,609)	(2,851,221)
	(3,241,659)	(3,623,172)	(3,110,834)

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) profit before tax by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit before tax	
	50 bp increase	50 bp decrease
31 December 2025		
Variable-rate instruments	(16,208)	16,208
31 December 2024 (restated)		
Variable-rate instruments	(18,116)	18,116

35 Acquisition of subsidiary

As at 31 December 2023 the Group held 40% of Crucea Power Park S.R.L., based on SPA signed in 28 July 2021. The entity was accounted for using the equity method as at 31 December 2023 in these consolidated financial statements as provided in the Group's accounting policies in Note 8.

On 15 October 2024, the Group acquired an additional 20% of the shares and voting interests in Crucea Power Park S.R.L., owning 60% of the shares and voting interests. Therefore, the Group obtained control over the investee starting 15 October 2024.

Taking control of Crucea Power Park S.R.L. will enable the Group to develop its portfolio of renewable power generation capacities.

A. Consideration transferred

The consideration transferred for the shares acquired was as follows:

Cash	8,451
Consideration transferred	8,451

B. Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:

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

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

Property, plant and equipment	10,872
Trade and other receivables	1,282
Cash and cash equivalents	8
Total assets	12,162
Trade and other payables	(58)
Other non-current liabilities	(12,167)
Total liabilities	(12,225)
Net liabilities	(63)

C. Goodwill

Goodwill arising from the acquisition has been recognised as follows:

Consideration transferred	8,451
NCI, based on their proportionate interest in the recognised amounts of the assets and liabilities	(25)
Fair value of pre-existing interest in Crucea Power Park S.R.L.	16,615
Fair value of identifiable net liabilities	63
Goodwill	25,104

The goodwill is attributable mainly to the know-how of the projects and the synergies expected to be achieved from integrating the companies into the Group's existing business. The management has concluded by assessing internal and external sources, that there is no indication that the goodwill may be impaired. None of the goodwill recognized is expected to be deductible for tax purposes.

The Group completed the full acquisition of Crucea Power Park S.R.L. on 10 February 2025, with a payment of RON 386 thousand.

36 Related parties

(a) Main shareholders

As at 31 December 2025 and 31 December 2024, the major shareholder of Societatea Energetica Electrica S.A. is the Romanian State, represented by the Ministry of Energy with a share of ownership of 49.785% from the share capital.

(b) Management and administrators' compensation

	2025	2024 (restated)
Executive Management compensation	39,116	36,257

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

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

	2025	2024 (restated)
Members of Board of Directors	4,238	4,223

Electrica SA's Board of Directors comprises 7 members. According to the remuneration policy approved by the General Meeting of Shareholders that took place on 20 April 2022, the annual number of paid sessions is limited to twelve for Board of Directors meetings and to six for each of the committees. Additional committee meetings can be organized only in exceptional situations, upon the Chairs' committee decision, who are responsible to efficiently organize the agenda and activity. However, only one such additional meeting shall be remunerated, for each committee. No loans were granted to directors or administrators in 2025 and 2024.

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

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

(c) Transactions with companies in which the state has control or significant influence

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

Supplier	Purchases (without VAT)		Balance (including VAT)	
	2025	2024 (restated)	31 December 2025	31 December 2024 (restated)
OPCOM	382,320	3,259,654	325	120,209
Transelectrica	771,894	1,283,721	123,765	226,413
Nuclearelectrica	984,914	246,348	84,184	34,552
Hidroelectrica	376,515	163,921	25,813	5,925
Complexul Energetic Oltenia	135,526	35,243	15,633	-
SNGN Romgaz SA	92,172	42,121	16,961	5,086
Electrocentrale Bucuresti	54,205	21,075	-	-
ANRE	12,593	14,170	-	-
Transgaz	12,620	10,077	1,185	1,856
Others	46,841	1,122	9,171	2,504
Total	2,869,600	5,077,452	277,037	396,545

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

Client	Sales (excluding VAT)	Balance, gross (including VAT)	Allowance (including VAT)	Balance, net
	2025	31 decembrie 2025		
OPCOM	5,989	4	-	4
Transelectrica	276,752	109,527	-	109,527
Hidroelectrica	435,653	44,938	5	44,933
CN Romarm	26,184	380	-	380
SNGN Romgaz SA	109,589	664	1	663
CFR Electrificare	15,878	1,204	-	1,204
TETAROM SA	10,504	910	-	910
C.N.C.F. CFR S.A.	44,787	2,997	9	2,988
CN Remin SA	856	71,622	71,209	413
Oltchim	-	115,426	115,426	-
C.N.C.A.F. MINVEST S.A.	-	26,802	26,802	-
Ministry of National Defence	48,480	243	227	16
County Agency for Payments and Social Inspection	35,746	22,954	-	22,954
Ministry of Energy/ National Agency for Payments and Social Inspection(*)	1,046,052	2,505,877	-	2,505,877
PLOIESTI INDUSTRIAL PARC SA	9,517	1,642	-	1,642
Others	96,617	33,393	5,440	27,953
Total	2,162,604	2,938,583	219,119	2,719,464

(*) In the year ended 31 December 2025, Electrica Furnizare S.A. recognised subsidies amounting to RON 1,081,798 thousand (2024: RON 1,636,679 thousand), to be received from the Ministry of Energy/National Agency for Payments and Social Inspection/ County Agency for Payments and Social Inspection, as a result of the application of the price cap mechanism for electricity and natural gas according to the legislation in force.

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

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

	Sales (excluding VAT)	Balance, gross (including VAT)	Allowance (including VAT)	Balance, net
Client	2024 (restated)	31 December 2024 (restated)		
OPCOM	41,543	3,571	-	3,571
Transelectrica	304,153	45,048	-	45,048
CNAIR	25,612	8,555	-	8,555
C.N.C.F CFR S.A.	74,650	3,586	68	3,518
Hidroelectrica	266,237	65,447	-	65,447
CFR Telecomunicatii	2,694	47	-	47
CFR Electrificare	15,967	1,475	-	1,475
Complexul Energetic Oltenia	628	89	21	68
CN Remin SA	238	71,242	71,209	33
C.N.C.A.F MINVEST SA	-	26,802	26,802	-
Oltchim	-	115,426	115,426	-
CET Braila	-	3,379	3,379	-
Termoelectrica	-	1,206	1,206	-
County Agency for Payments and Social Inspection	20,048	19,802	-	19,802
Ministry of Energy/ National Agency for Payments and Social Inspection(*)	1,616,631	2,574,153	-	2,574,154
Others	131,564	15,897	511	15,385
Total	2,499,965	2,955,725	218,622	2,737,103

37 Contingencies

Contingent liabilities

Fiscal environment

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

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

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

Other litigations and claims

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

On 21 August 2025, ANAF finalized the control performed at Group level in connection to VAT covering the period 1 January 2017 – 31 December 2020 and income tax for the period 1 January 2017 – 31 December 2020. As a result of the fiscal control, additional liabilities of RON 25,231 thousand were imposed, out of which additional VAT liabilities amounting to RON 21,919 thousand (adjusted for customers in bankruptcy) and additional income tax liabilities amounting RON 3,312 thousand. During 2025, the Group paid the additional tax obligations, which were recorded under other receivables, as the Group considers that the additional VAT liabilities are unfounded. These were challenged on 6 October 2025, when Administrative Appeal No. 4869 was filed. The current resolution from the DGSC within the Ministry of Finance, issued on 10 December 2025, was favorable for the Group (final decision), therefore the amounts will be recovered from ANAF.

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

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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

As summarised in Note 30, the Group set-up provisions for the litigations or claims for which the management assessed as probable the outflow of resources embodying economic benefits due to low chances of favourable outcomes of those litigations or disputes. The Group does not present information in the financial statements and did not set-up provisions for items for which the management assessed as remote the possibility of outflow of economic benefits.

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

38 Commitments

(a) Contractual commitments

Contractual commitments as at 31 December 2025 and 31 December 2024 are as follows:

	31 December 2025	31 December 2024 (Restated)
Purchase of electricity	3,225,702	3,114,043
Purchase of green certificates	269,704	172,555
Purchase of property, plant and equipment and intangible assets	500,886	744,969
Purchase of investments	9,293	14,998
Other acquisitions	96,185	-
Total	4,101,770	4,046,565

(b) Investment program

The investment program at Group level approved for the year 2026 is as follows:

	2026
Distribution activity	995,000
Supply activity	46,700
Maintenance activity	10,800
Production activity	790,700
Other	72,000
Total	1,915,200

The capital expenditures actually incurred may differ from the ones planned.

(c) Guarantees and pledges

At 31 December 2025, the Group has guarantees on its bank accounts opened at ING Bank N.V., Raiffeisen Bank, Banca Comerciala Romana, Unicredit Bank, Banca Transilvania, BRD – Group Societe Generale and CEC Bank for the overdrafts and short term loans contracted (please see Note 33), and also on its bank accounts opened at BRD – Group Societe Generale, Unicredit Bank, Banca Transilvania, Banca Comerciala Romana, CEC Bank, ING Bank and Raiffeisen Bank for the long-term borrowings contracted (please see Note 31).

At 31 December 2025, the Group has outstanding bank letters of guarantee of RON 1,172,124 thousand (31 December 2024: RON 1,009,655 thousand) issued in favour of its suppliers.

SOCIETATEA ENERGETICA ELECTRICA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in THOUSAND RON, if not otherwise stated)

(d) Audit fees

The audit fees for the consolidated financial statements were in amount of 1,731 thousand RON, and during the year 2025, non-audit services fees were in amount of 890 thousand RON (limited review of the interim consolidated financial statements as well as for the analysis and verification of financial information presented in the process of issuing Green Bonds) and 763 thousand RON were the audited sustainability statement. The audit fees for the individual financial statements are mentioned in the annual individual financial statements of Electrica S.A.

39 Subsequent events

Change in management

On 26th February 2026, the mandate of the Chief Financial Officer of Societatea Energetica Electrica S.A., Stefan Alexandru Frangulea, ended.

Fitch rating

On 3rd March 2026, Fitch Ratings Reaffirms "BBB-" Rating with "Stable" Outlook for Electrica Group.

Chief Executive Officer
Alexandru – Aurelian Chirita

f. Chief Financial Officer
Ioana-Andreea Lambru

25 March 2026

Independent Auditor's Report on the 2024 Consolidated Financial Statements (IFRS-EU)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
SOCIETATEA ENERGETICA ELECTRICA S.A.

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the consolidated financial statements of SOCIETATEA ENERGETICA ELECTRICA S.A. and its subsidiaries (the Group), with registered office in Bucharest, District 1, Street Grigore Alexandrescu, No. 9, identified by unique tax registration code 13267221, which comprise the consolidated statement of financial position as at December 31, 2025, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a material accounting policy information.
2. The consolidated financial statements as at December 31, 2025 are identified as follows:
 - Net assets / Equity RON 6,937,143 thousand
 - Net profit for the financial year RON 1,218,868 thousand
3. In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025, its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Accounting Standards as adopted by the European Union ("IFRS as Adopted by EU").

Basis for Opinion

4. We conducted our audit in accordance with International Standards on Auditing (ISAs), Regulation (EU) No. 537/2014 of the European Parliament and the Council (herein after referred to as "the Regulation") and Law 162/2017 on the statutory audit of annual financial statements and annual consolidated financial statements and on amending other pronouncements (herein after referred to as "the Law 162/2017"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), in accordance with ethical requirements relevant for the audit of the financial statements in Romania including the Regulation and the Law 162/2017 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

5. We draw attention to Note 2 of the consolidated financial statements, which describes that the Group prepares two sets of consolidated financial statements, one under statutory regulations, namely Ministry of Public Finance Order no. 2844/2016 with subsequent amendments, and one under IFRS Accounting Standards. These consolidated financial statements are prepared under IFRS Accounting Standards, which differs from Ministry of Public Finance Order no. 2844/2016 with subsequent amendments, as summarized in Note 2. Consequently, these consolidated financial statements do not comply with Ministry of Public Finance Order no. 2844/2016 with subsequent amendments. Our audit report is not modified in respect of this matter.

Key Audit Matters

6. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matter
<i>Trade receivables accruals</i> As at December 31, 2024 our audit report on the consolidated financial statements included a qualification with respect to the fact that for part of the trade receivables accruals we were not able to obtain sufficient and appropriate audit evidence. As presented in Note 5 the comparative consolidated financial statements have been restated during 2025. The key judgement leading to this conclusion are set out in that note. In particular during 2025 the Group reassessed, based on existent laws and regulations in force, the entire capping scheme mechanism and performed a regularization of the electricity capping support scheme. The Group appointed an independent consultant to provide support in assessing its position regarding trade receivables accruals and subsidies receivable from the Romanian State. As a result, it has identified an error pertaining to the previous periods, that it corrected in the current financial statements, by restating the comparatives. Following the regularization of the capping mechanism, the Group also assessed its position regarding trade receivables accruals as at December 31, 2025 using the same methodology as the one used in reassessing the prior periods. In view of the importance of this aspect, the complexity of the calculations and related disclosures we considered this matter a Key Audit Matter.	We have performed the following procedures: • We have obtained the report issued by the independent third party appointed by the Group to assess the trade receivables accruals and subsidies to be received from the Romanian state as at December 31, 2023, 2024 and 2025; • We have tested based on a sample selection the information included in the independent third party report; • We obtained the reimbursement requests submitted by the Group to the Romanian Energy Regulatory Authority for the period of application of the capping mechanism; • We tested on a sample basis the payments that the Group received, related to the reimbursement requests performed; • We considered whether at the date of this report additional information exist from the Romanian authorities with respect to the capping mechanism; • We assessed the adequacy of the disclosure related to the restatement performed in the consolidated financial statements;
<i>Valuation of Retail accrued revenue, related to electricity supplied to households</i> The Group recognizes at the end of each reporting period accrued revenue from the energy supply activity, related to the household population. If the actual meter readings are not available at the end of the reporting period, energy supplied to households is estimated based on internal information related to historical patterns of consumption. The degree of estimation uncertainty reduces from one period to another, however judgement is inherent in the valuation of the accrued revenue related to the household population. Because of the significance of the estimations around the accrued revenue related to the households and the inability of relying on the effectiveness of the controls, we consider the valuation of retail accrued revenue, related to households a key audit matter.	The group has a number of IT systems across the businesses and we were not able to rely on the effectiveness of IT controls within the revenue cycle. The audit procedures adopted were substantive in nature and included the following: • Obtaining an understanding of the accounting policies used in the preparation of the consolidated financial statements, with respect to revenue recognition; • Testing the reconciliation made by the Group between the quantity of electricity purchased for supply purposes and the quantity of electricity delivered from the supply activity; • Testing the acquired electricity for supply purposes through a combination of direct confirmations received from the electricity producers and other supporting documents; • Testing the revenues related to electricity supplied to final customers through a combination of direct confirmations and other supporting documents; • Performing analytical procedures on all electricity sales.

Other Information

7. The administrators are responsible for the preparation and presentation of the other information. The other information comprises the Administrators' report and the Remuneration report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, unless otherwise explicitly mentioned in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements for the year ended 31 December 2025, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Other reporting responsibilities with respect to other information – Administrators' consolidated report

With respect to the Administrators' consolidated report, we read it and report if this has been prepared, in all material respects, in accordance with the provisions of Ministry of Public Finance Order no. 2844/2016 with subsequent amendments.

On the sole basis of the procedures performed within the audit of the consolidated financial statements, in our opinion:

- a) the information included in the Administrators' consolidated report for the financial year for which the consolidated financial statements have been prepared, is consistent, in all material respects, with the consolidated financial statements;
- b) the Administrators' consolidated report has been prepared, in all material respects, in accordance with the provisions of Ministry of Public Finance Order no. 2844/2016 with subsequent amendments.

Moreover, based on our knowledge and understanding concerning the Group and its environment gained during the audit on the financial statements prepared at 31 December 2025, we are required to report if we have identified a material misstatement of this Administrators' consolidated report. We have nothing to report in this regard.

Other reporting responsibilities with respect to other information – Remuneration report

With respect to the Remuneration report, we read it to determine if it presents, in all material respects, the information required by article 107, paragraphs (1) and (2) of Law 24/2017 regarding the issuers of financial instruments and market operations, republished. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

8. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.
9. In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
10. Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

12. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.
13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

16. We have been appointed by the General Assembly of Shareholders April 27, 2023 to audit the consolidated financial statements of SOCIETATEA ENERGETICA ELECTRICA S.A. for the financial year ended December 31, 2025. The uninterrupted total duration of our commitment is 8 years, covering the financial years ended December 31, 2018 to December 31, 2025.

We confirm that:

- Our audit opinion is consistent with the additional report submitted to the Audit Committee of the Company that we issued the same date we issued this report. Also, in conducting our audit, we have retained our independence from the audited entity.
- No non-audit services referred to in Article 5 (1) of EU Regulation No. 537/2014 were provided.

Report on Other Legal and Regulatory Requirements – Report on the Information Regarding Income Tax

17. For the financial year preceding the financial year for which the financial statements were prepared, the Group was not required under Ministry of Public Finance Order no. 2844/2016 with subsequent amendments, articles 60² - 60⁶, to publish a report on income tax information.

The engagement partner on the audit resulting in this independent auditor's report is Răzvan Ungureanu.

Report on compliance with the Law 162/2017 on the statutory audit of annual financial statements and annual consolidated financial statements and on amending other pronouncements ("Law 162/2017"), and Commission Delegated Regulation (EU) 2018/815 on the European Single Electronic Format Regulatory Technical Standard ("ESEF")

18. We have undertaken a reasonable assurance engagement on the compliance with Law 162/2017, and Commission Delegated Regulation (EU) 2018/815 applicable to the consolidated financial statements included in the annual financial report of ABC ("the Company") as presented in the digital files which contain the unique LEI code 213800P4SUNUM5AUDX61 ("**Digital Files**").

- (I) *Responsibilities of management and those charged with governance for the Digital Files prepared in compliance with the ESEF*

Management is responsible for preparing Digital Files that comply with the ESEF. This responsibility includes:

- the design, implementation and maintenance of internal control relevant to the application of the ESEF;
- the selection and application of appropriate iXBRL mark-ups;
- ensuring consistency between the Digital Files and the consolidated financial statements to be submitted in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") as adopted by the European Union.

Those charged with governance are responsible for overseeing the preparation of the Digital Files that comply with ESEF.

- (II) *Auditor's Responsibilities for Audit of the Digital Files*

Our responsibility is to express a conclusion on whether the consolidated financial statements included in the annual financial report complies in all material respects with the requirements of ESEF based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000) issued by the International Auditing and Assurance Standards Board.

Our firm applies International Standard on Quality Management 1 ("ISQM1"), and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

A reasonable assurance engagement in accordance with ISAE 3000 involves performing procedures to obtain evidence about compliance with ESEF. The nature, timing and extend of procedures selected depend on the auditor's judgment, including the assessment of the risks of material departures from the requirements set out in ESEF, whether due to fraud or error. A reasonable assurance engagement includes:

- obtaining an understanding of the Group's process for preparation of the digital files in accordance with ESEF, including relevant internal controls;

- reconciling the digital files including the marked-up data with the audited consolidated financial statements of the Group to be submitted in accordance with International Financial Reporting Standards (“IFRS Accounting Standards”) as adopted by the European Union;
- evaluating if all financial statements contained in the consolidated annual report have been prepared in a valid XHTML format;
- evaluating if the iXBRL mark-ups, including the voluntary mark-ups, comply with the requirements of ESEF.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In our opinion, the consolidated financial statements for the year ended 31 December 2025 included in the annual financial report in the Digital Files comply in all materials respects with the requirements of ESEF.

In this section, we do not express an audit opinion, review conclusion or any other assurance conclusion on the consolidated financial statements. Our opinion relating to the consolidated financial statements of the Company for the year ended 31 December 2025 is set out in the “*Report on the audit of the consolidated financial statements*” section above.

Răzvan Ungureanu, Audit Partner

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

*Registered in the Electronic Public Register of Financial
Auditors and Audit Firms under AF 4866*

On behalf of:

DELOITTE AUDIT SRL

*Registered in the Electronic Public Register of Financial
Auditors and Audit Firms under FA 25*

The Mark Building, 84-98 and 100-102 Calea Griviței, 9th Floor, District 1
Bucharest, Romania
25 March 2026

Statement of the Management

Based on the best available information, we confirm that the audited and reviewed annual consolidated Financial Statements, prepared for the 12-month period ended 31 December 2025 in accordance with the International Financial Reporting Standards adopted by the European Union ("IFRS-EU"), provide a true and fair view of the assets, liabilities, financial position, financial performance, and cash flows of the Electrica Group, as provided by the applicable accounting standards. Furthermore, we confirm that this Report, prepared in accordance with Art. 65 of Law no. 24/2017 on issuers of financial instruments and market operations and with Annex no. 15 of ASF Regulation no. 5/2018 for the 12-month period ended 31 December 2025, includes a fair analysis of the development and performance of the Electrica Group and the companies included in the consolidation. The Annual Report on the risk management system includes a description of the main risks and uncertainties faced by the Electrica Group due to the complex interdependence between macroeconomic factors, the unstable regulatory framework, and the need for accelerated technological transformation. At the same time, we confirm that the Sustainability Statement as of 31 December 2025, as included in the Annual Report, is prepared in accordance with the applicable reporting standards (ESRS - European Sustainability Reporting Standards), complying with the provisions of the Corporate Sustainability Reporting Directive (CSRD) and Ministry of Finance Order no. 85/2024, including the information required by the EU Taxonomy Regulation.

Based on the best available information, we confirm that the audited and reviewed annual consolidated Financial Statements, prepared for the 12-month period ended 31 December 2025 in accordance with the the Ministry of Public Finance Order No. 2844/2016 for the approval of the Accounting Regulations in accordance with International Financial Reporting Standards, provide a true and fair view of the assets, liabilities, financial position, financial performance, and cash flows of the Electrica Group, as provided by the applicable accounting standards. Furthermore, we confirm that this Report, prepared in accordance with Art. 65 of Law no. 24/2017 on issuers of financial instruments and market operations and with Annex no. 15 of ASF Regulation no. 5/2018 for the 12-month period ended 31 December 2025, includes a fair analysis of the development and performance of the Electrica Group and the companies included in the consolidation. The Annual Report on the risk management system includes a description of the main risks and uncertainties faced by the Electrica Group due to the complex interdependence between macroeconomic factors, the unstable regulatory framework, and the need for accelerated technological transformation. At the same time, we confirm that the Sustainability Statement as of 31 December 2025, as included in the Annual Report, is prepared in accordance with the applicable reporting standards (ESRS - European Sustainability Reporting Standards), complying with the provisions of the Corporate Sustainability Reporting Directive (CSRD) and Ministry of Finance Order no. 85/2024, including the information required by the EU Taxonomy Regulation.

Chair of the Board of Directors,

Mihai DIACONU

Chief Executive Officer,

Alexandru-Aurelian CHIRITA

f. Chief Financial Officer,

Andreea Ioana LAMBRU

