

To: **Romanian Financial Supervisory Authority (ASF)**
Bucharest Stock Exchange (BVB)
London Stock Exchange (LSE)

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

Report date: **29 September 2022**

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

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

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

Fiscal Code: **RO 13267221**

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

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

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

Piata reglementata pe care se tranzactioneaza valorile mobiliare emise: **Bursa de Valori Bucuresti (BVB) si Bursa de Valori Londra (LSE)**

Significant events to be reported: Information in the public space regarding the difficulties in the current operations of Electrica SA subsidiaries

Following the appearance in the public space of some information regarding the difficulties in the current operations of the Electrica Group subsidiaries, Electrica informs its shareholders and investors on the following aspects.

Europe is facing an unprecedented energy crisis. The current situation of the Romanian energy market is a contextually difficult one for all the players on the market, especially for all the suppliers who are facing challenges in operating the business due to cash-flow deficits, generated by the pre-financing of the protection schemes for the final customers, as well as for all the distributors, which currently bear huge differences between the purchase price of electricity to cover the NL (Network losses) and the price regulated through the distribution tariffs.

In order to pre-finance the support schemes established by the legislation, in the case of the supply company, as well as the difference in the price of the electricity for the coverage of the network losses, in the case of the distribution operator), as presented in the the financial statements for the first semester of 2022, published on 17 August 2022, Electrica Group contracted in 2022 new credit facilities of over 2 billion RON. The access to new financing facilities from credit institutions was confirmed in the first six months of the year, the structure by which Electrica SA guarantees its subsidiaries being accepted by all the main partner banks of the Group.

Electrica reports transparently and includes in its financial reports details regarding the level of subsidies to be collected from the state. In the financial statements and the report of the first semester of 2022, published on 17 August 2022, Electrica provided details regarding the level of the subsidies to be collected from the state as a result of applying the mechanism for capping the prices of electricity and natural gas approved by GEO no. 118/2021 with subsequent amendments, as well as GEO no. 27/2022. This mechanism was subsequently amended by GEO 119/2022, whose law of approval, with amendments, is currently in parliamentary debates.

Electrica is in the process of evaluating the impact of the latest legislative and regulatory changes in the Group's performance and results. The resilience strategy and plans implemented by the Group's management allow rapid adaptation to atypical market conditions, and the impact of the appropriate measures adopted will be reflected in the subsequent results.

Electrica ensures its shareholders and investors that at Group level there are enough liquidities for fulfilment of all contractual obligations. Also, considering the mechanism of capitalization of the price difference of the NL related electricity, as stipulated by GEO 119/2022, Electrica also **confirms that it is in line with the budget approved by the General Meeting of Shareholders in April 2022.**

Electrica Investor Relations - ir@electrica.ro

Chief Executive Officer
Alexandru-Aurelian Chirita