

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

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

Report date: **10 April 2024**

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

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

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

Fiscal Code: **RO 13267221**

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

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

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

Significant events to be reported: The final settlement of file no. 2229/2/2017* (Court of Accounts)

Electrica informs shareholders about the fact that file no. 2229/2/2017* was definitively resolved by the High Court of Cassation and Justice.

Following the decision of the High Court of Cassation and Justice, the only deviation (respectively correlative measure) from the decision of the Court of Accounts no. 12/27.12.2016, partially preserved by the courts, as being fundamental and legal, is the one from point 5, measure II.7 (regarding the making of payments, between July 2013 and June 2014, in the estimated amount of 36,385 lei, for expenses without a legal basis, respectively for expenses with the rent of a building classified as official residences, from which the general manager benefited, in the conditions that the housing was not granted in accordance with the law), but for the rent related to the period 17 July 2013 – 1 September 2013.

The rest of the points and correlative measures from Decision no. 12/27.12.2016, contested by Electrica, were definitively annulled by the courts, namely:

- point 1 (measure II.3) - The hiring of funds in the estimated amount of 224,622,940 lei (without VAT), for the execution of works related to the objective "AMR system necessary for the measurement activity and consumption dispatcher at level Electrica SA", for which the purchased goods, although they were highlighted in the accounting, are not physically found in the patrimony nor were they used for the activities carried out according to the object of activity, being necessary for the performance of the activity of other legal entities (the company's subsidiaries);
- point 2 (measure II.4) - The unjustified increase in the expenses of technical assistance services in the estimated amount of 2,337,657.50 lei (without VAT), intended for carrying out the activities of other legal entities (distribution subsidiaries);

- point 3 (measure II.5) - Unjustified increase in operating expenses with the amount of 74,667.60 lei (without VAT), representing maintenance services for the equipment located in the communications infrastructure of the subsidiaries, separate legal entities;
- point 4 (measure II.6) – Unjustified increase in operating expenses with services in the estimated amount of 273,500 lei (without VAT), for which proof of their provision for the exclusive needs of the company was not provided, respectively with the value of 4 technical studies purchased for activities that are not found in the object of activity of the verified entity, being related to activities belonging to other legal entities (Electricity Distribution Subsidiaries), without being re-invoiced to them and their consideration recovered, being technically approved for the activity of electricity distribution carried out by the Electric Energy Distribution Subsidiaries (South Transilvania, North Muntenia and North Transilvania), organized as separate legal entities, a field in which the entity is not licensed by ANRE to carry out activities, nor does it own such electrical distribution networks;
- partially point 5 (measure II.7), for the rent exceeding the period 17Jul2013-01Sep2013 - Making payments, during July 2013 - June 2014, in the estimated amount of 36,385 lei, for expenses without a legal basis, respectively for expenses with the rent of a building classified as official residences, from which the general director benefited, in the conditions that the housing was not granted in accordance with the law;
- point 6 (measure II.8) - Unjustified increase in expenses amounting to 2,400 lei, representing land valuation services, engaged in the same year, several times, with the same valuer, for the same patrimonial elements;
- point 7 (measure II.9) - Non-compliance with the legal provisions regarding good management in the use of funds, respectively the employment of services at overvalued prices by awarding a service contract to an economic operator who presented a price offer higher than other competitors.

File no. 2229/2/2017* has as its object, mainly, the partial annulment of decision no. 12/27.12.2016, issued by the director of Directorate 2 within Department IV of the Court of Accounts, respectively regarding the irregularities found in points 1 to 8, with the consequence of removing the measures ordered in points 1, 3 to 9 inclusive, in the Electrica's charge, by the contested decision, the partial cancellation of the Conclusion no. 12/27.02.2017 of the Court of Accounts by which the appeal promoted by Electrica against the Decision 12/27.12.2016 was rejected, respectively regarding the irregularities and the measures ordered above indicated, and additionally the extension of the deadlines for the fulfillment of all the measures ordered in the Electrica task by Decision no. 12/27.12.2016 with at least 12 months.

Head of Legal
Stefania Andruhovici