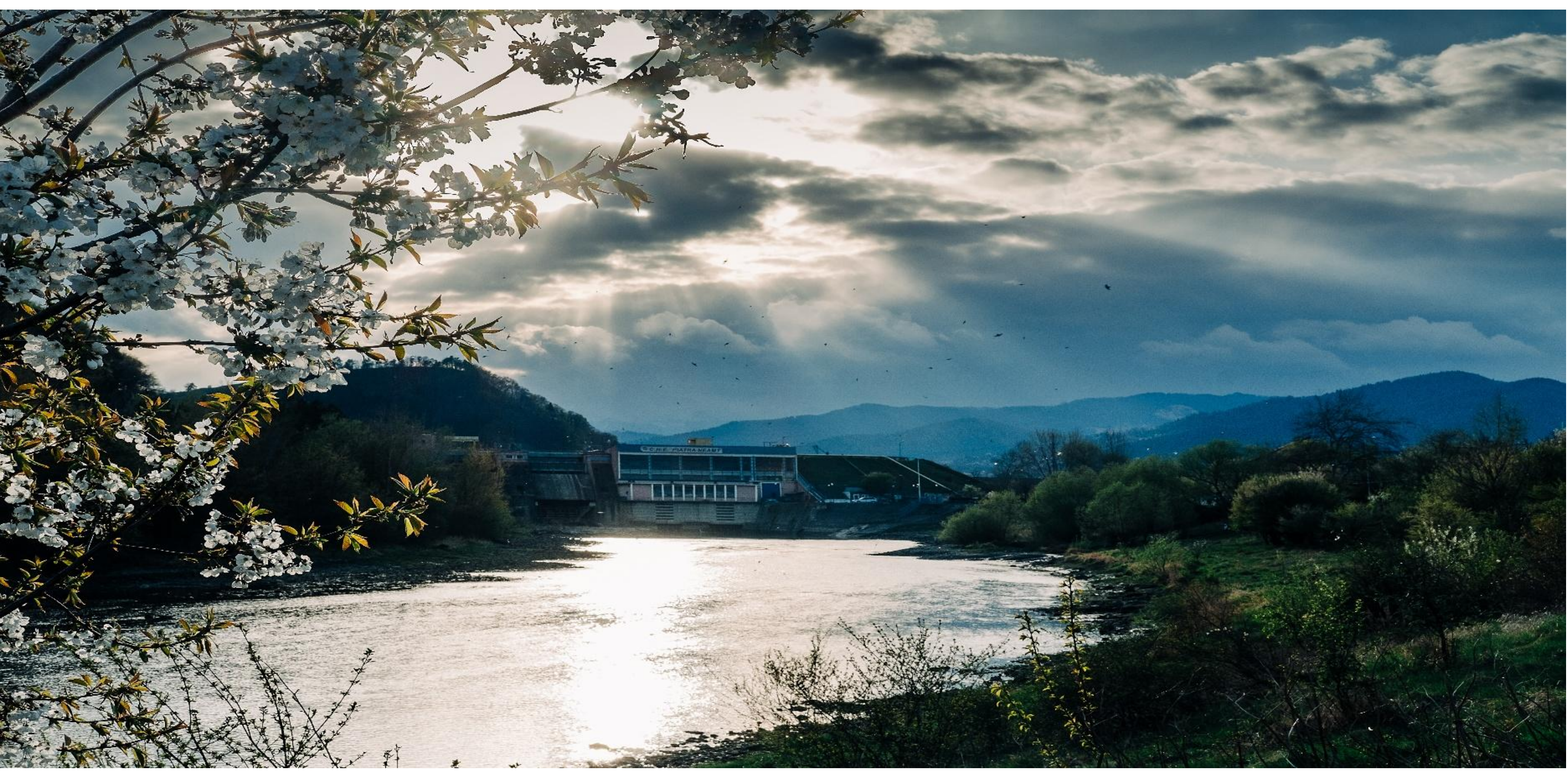
Consolidated Report of the Management Board of Societatea de Producere a Energiei Electrice în Hidrocentrale „Hidroelectrica” S.A.

for H1 2026



11 August 2026

Contents

Notes:

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

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

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

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

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

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

Identification data of Hidroelectrica

Report date: 11 August 2026

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

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

Phone: +40 21 303 25 00

Unique registration code with the Trade Registry: 13267213

Fiscal Registration Code: RO13267213

Registration number with the Trade Registry: J2000007426409

Legal Entity Identifier (LEI) Code: 787200IISRQX09PRB732

International Securities Identification Number (ISIN): RO4Q0Z5RO1B6

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

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

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

Summary of H1 2026 Management Board Report

Hidroelectrica Group recorded, in the first six months of 2026, operating and financial results significantly above those recorded in the same period of 2025, against the backdrop of normalized hydrological conditions, as well as the reconfiguration of the revenue structure as a result of the increased contribution of the supply segment. Revenues recorded a 40% increase in the first half of 2026 compared to the same period of last year, while the operating margin increased by 18% (or 7 percentage points), and the net margin increased by 16% (or 6 percentage points).

<u>**H1 2026 compared to H1 2025**</u>

- **Operating profit increased by 65%, to RON 2,893 million**
- **Net electricity production increased by 17%, to 7,070 GWh**
- **Revenues increased by 40%, to RON 6,047 million**
- **Operating margin of 48%, up 18% (or 7 pp)**
- **Net margin of 43%, up 16% (or 6 pp)**
- **Adjusted EBITDA increased by 51%, to RON 3,323 million**
- **Net profit increased by 62%, to RON 2,571 million**
- **Earnings per share increased by 62%, to RON 5.72/share, from RON 3.53/share.**

In this context, the Hidroelectrica Group applied a prudent commercial policy, actively managed price and volume risks and dynamically calibrated the production–purchase mix, maintaining a solid financial position and results in line with energy market developments.

The supply portfolio continued to grow, confirming the repositioning towards a hybrid model, with stronger commercial anchoring and an expanded customer base. Market purchases increased, with market risk being managed through phased contracting and commercial discipline. Operational efficiency, optimization of the production–purchase mix, RES development and storage projects, aimed at reducing structural exposure to hydrological variability and strengthening long-term resilience, remain priorities for the Group in the coming period.

Operational KPIs		**6M 26**	**6M 25**	**Change (%)**
Gross electricity production, out of which:	***GWh***	**7,277**	**6,263**	**16%**
Electricity production from hydro (gross)	*GWh*	7,143	6,127	17%
Net electricity production, out of which:	***GWh***	**7,070**	**6,068**	**17%**
Electricity production from hydro (net)	*GWh*	6,939	5,935	17%
Electricity production from wind	*GWh*	130	133	(2%)
External Acquisition GWh	***GWh***	**983**	**674**	**46%**
Total Electricity sales GWh	***GWh***	**8,052**	**6,742**	**19%**
Actual number of Hidroelectrica Employees		3,532	3,585	(1%)
Actual number of Group Employees		5,192	5,289	(2%)

Source: Hidroelectrica

Financial KPIs		**6M 26**	**6M 25**	**Change (%)**
Revenue	*RON million*	6,047	4,315	40%
EBITDA	*RON million*	3,335	2,201	51%
EBITDA Margin	*%*	55%	51%	8%
Adjusted EBITDA	*RON million*	3,323	2,200	51%

Financial KPIs		6M 26	6M 25	Change (%)
Adjusted EBITDA Margin	*%*	55%	51%	8%
Operating Margin (Operating Profit/Revenue*100)	*%*	48%	41%	18%
Net Margin (Profit for the period/Revenue*100)	*%*	43%	37%	16%
Operating Profit	*RON million*	2,893	1,751	65%
Net Profit	*RON million*	2,571	1,587	62%
Earnings per share	*RON/share*	5.72	3.53	62%

Source: Hidroelectrica

Revenues totalled RON 6,047 million, 40% above the level recorded in the same period of last year, with an operating margin of 48% and a net margin of 43%, reflecting the potential to leverage the traditional competitive advantage resulting from the lower cost of hydropower generation. The increased reliance on the wholesale energy market and the reconfiguration of the revenue structure, with a growing share of the supply segment, influenced margin levels.

Information for Q2 2026

Operational KPIs		Q2 26	Q1 25	Q2 25
Gross electricity production, out of which:	***GWh***	3,578	3,699	3,528
Electricity production from hydro (gross)	*GWh*	3,522	3,621	3,466
Net electricity production, out of which:	***GWh***	**3,462**	**3,608**	**3,414**
Electricity production from hydro (net)	*GWh*	3,408	3,531	3,352
Electricity production from wind	*GWh*	54	77	61
External Acquisition GWh	***GWh***	**625**	**357**	**478**
Total Electricity sales GWh	***GWh***	**4,087**	**3,966**	**3,901**
Actual number of Hidroelectrica Employees		3,532	3,562	3,585
Actual number of Group Employees		5,192	5,249	5,289

Source: Hidroelectrica

Financial KPIs		Q2 26	Q1 25	Q2 25
Revenue	*RON million*	2,918	3,129	2,447
EBITDA	*RON million*	1,628	1,707	1,335
EBITDA Margin	*%*	56%	55%	55%
Adjusted EBITDA	*RON million*	1,616	1,707	1,334
Adjusted EBITDA Margin	*%*	55%	55%	55%
Operating Margin (Operating Profit/Revenue*100)	*%*	48%	47%	45%
Net Margin (Profit for the period/Revenue*100)	*%*	43%	42%	41%
Operating Profit	*RON million*	1,413	1,480	1,108
Net Profit	*RON million*	1,264	1,307	998
Earnings per share	*RON/share*	2.81	2.91	2.22

Source: Hidroelectrica

As of 30 June 2026, the supply portfolio comprised 1,399,735 consumption sites (CS), recording an 83% increase compared to the same date of the previous year, when 766,256 CS were recorded. This increase of 633,479 CS reflects both the attraction of a significant number of new household customers and a strong expansion in the non-household segment.

Client type	No. CS* 30.06.2026	No. CS* 30.06.2025	Change (%)
Household	1,317,882	728,359	81%
Non-household	81,853	37,897	116%
Total	**1,399,735**	**766,256**	**83%**

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

Source: Hidroelectrica

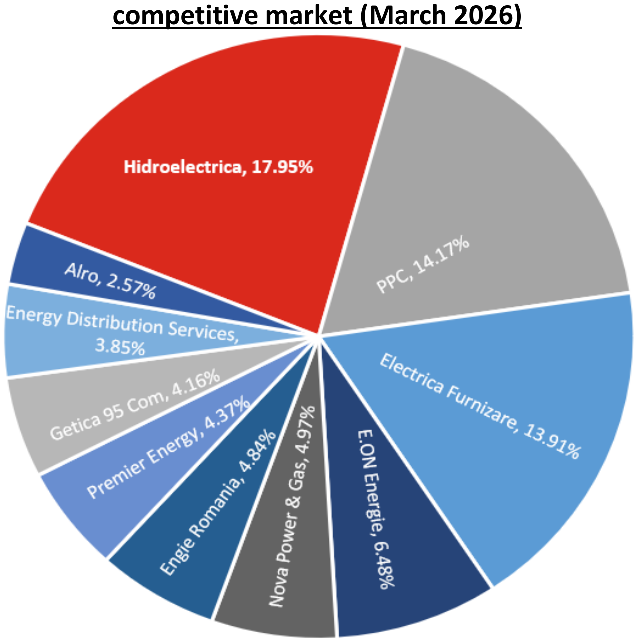
The evolution of the portfolio reflects the strengthening of the Company's position in the competitive electricity supply market, against the backdrop of the increased commercial attractiveness of its offers and the high level of interest shown by household and non-household customers in the services provided by the Company. From an operational perspective, the accelerated dynamics of the portfolio result in a significant increase in the volumes managed across the supply processes, with a direct impact on contracting, billing, consumption data management, customer relations and the handling of requests and complaints.

In this context, maintaining an adequate level of operational performance and quality indicators requires the continuation of measures aimed at strengthening administrative and operational capacity, including through the optimization of workflows, the development of IT infrastructure and the adaptation of available resources to the current and forecast level of activity.

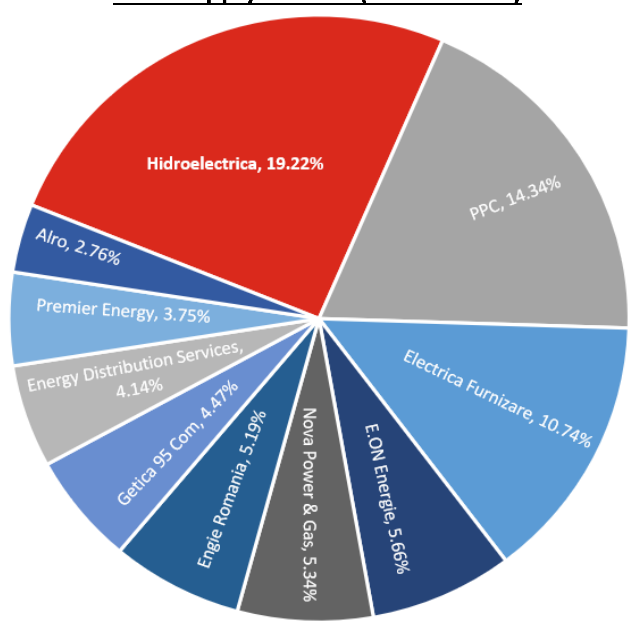
At the same time, the evolution of the portfolio highlights the need for the continuous implementation of operational scaling and digitalization measures, in order to support an efficient, predictable supply model focused on improving the quality of services provided to end customers.

In March 2026, according to the latest available ANRE monthly report, Hidroelectrica held a market share of 19.22% in the competitive segment and a market share of 17.95% in the overall electricity supply market, maintaining its first position in both categories as of the reporting date.

Market shares based on the quantity sold on the competitive market (March 2026)



Market shares based on the quantity sold on the total supply market (March 2026)



Source: ANRE Report on the Results of Monitoring the Electricity Market in March 2026

During the first six months of 2026, Hidroelectrica continued to actively pursue its strategic initiatives to diversify its renewable energy generation portfolio, with the objective of remaining a 100% green company. The activities carried out during this period included the identification, analysis and documentation of new investment opportunities, advancing in this respect the screening, due diligence and preliminary structuring processes for potential transactions, both for the acquisition of stakes in existing projects and for the development of new generation capacities. These initiatives were carried out in parallel with the implementation of projects within the operational portfolio, demonstrating a balanced approach between sustainable growth and the rigorous execution of projects already initiated, with a constant focus on adhering to the implementation schedule.

This integrated approach – exploring external growth opportunities and strengthening internal ones – has the potential to reinforce the Company's competitive advantage, diversify revenue sources and mitigate structural exposure to the seasonal and hydrological risks specific to hydropower generation.

H1 2026 Management Board Report

I. Group presentation

Societatea de Producere a Energiei Electrice în Hidrocentrale Hidroelectrica S.A. ("Hidroelectrica" or "the Company") is a joint stock company managed in a two-tier system that carries out its activity in accordance with the Romanian legislation, established under the Romanian Government Decision nr. 627 of 13 July 2000, registered in Romania at the Trade Register Office attached to the Bucharest Tribunal under no. J2000007426409, with headquarters located in Romania, Bucharest, 15-17 Ion Mihalache Boulevard, floors 10-15, District 1, having sole registration code RO13267213 and LEI code 787200IISRQXO9PRB732.

Starting from 12 July 2023, the regulated market on which the Company's shares are traded is the Bucharest Stock Exchange.

Organizational structure

Hidroelectrica is the largest electricity producer in Romania, the largest electricity supplier and the leading provider of system services in Romania, playing an essential role in the security of the National Power System ("NPS").

The Company owns and operates 188 hydropower plants and micro-hydropower plants (including five pumping stations) with a total installed hydropower generation capacity of approximately 6.3 GW and a wind farm with a total installed capacity of 108 MW.

The company has 7 hydroelectric branches and one branch that manages the Crucea wind farm, presented in the image below, the Iron Gates (Porțile de Fier) and Vâlcea being the most important for the Group in terms of their capacity to produce electricity and their share in the Group's total energy production.

*Hidroelectrica's branches; *PDF represents Porțile de Fier (Iron Gates)*
Source: Hidroelectrica

The Company has been committed to producing 100% renewable energy since its establishment and has played a key role in designing and developing technological and operational concepts that have become industry standards. At the same time, Hidroelectrica operates as a wholesale energy seller as well as a direct electricity supplier to end customers, including both residential (household) consumers and non-residential consumers (businesses across various industrial sectors such as automobile manufacturing, telecommunications, and construction, among others).

As a hydropower and wind energy producer, the Company leverages synergies between its generation and supply portfolios, while also capitalizing on the diversification of its energy mix by integrating other renewable sources, such as wind and solar energy, alongside hydropower.

As of 30 June 2026, Hidroelectrica has the following subsidiaries (together, the “Group”):

Subsidiary	Activity	Registered Office	% participation at 30 June 2026	% participation at 30 June 2025
Hidroserv S.A. (“Hidroserv”)	Services (maintenance, repairs, construction)	Bucharest, Romania	100%	100%
Uzina de Construcții Mașini Hidroenergetice S.R.L. („UCMH”)	Manufacturing of engines and turbines	Resita, Romania	100%	100%

Source: Hidroelectrica

Hidroserv provides maintenance and repair services for the hydroelectric assets of the Group, ensuring the operation of hydroelectric installations. The company offers a wide range of technical services, including preventive and corrective maintenance, as well as specialized technical consulting. Since October 2016, Hidroserv has been undergoing insolvency proceedings, within which a reorganization plan was approved by the Creditors' Meeting in June 2020 and confirmed by the court-appointed judge. As of 23 October 2023, Hidroserv successfully fully repaid all registered debts by making early payments for the amounts allocated to the final quarters listed in the "Final list of claims.". As a result of the implementation of the reorganization plan, Hidroserv exited the insolvency procedure on 26 June 2025 and is in the process of initiating a new growth cycle.

UCMH is specialized in manufacturing equipment and mechanical components for hydropower plants and other energy installations. UCMH provides technical and production support to Hidroelectrica, contributing to the maintenance program and the rehabilitation and modernization program for hydropower equipment and infrastructure.

On 22 February 2023, the Company was declared the winner of the sale procedure for the ABC business lines and the Câlnicel platform, which were previously owned by U.C.M. Reșița S.A. In January 2024, following approval by the EGMS of Hidroelectrica, a new subsidiary was established: **Uzina de Construcții Mașini Hidroenergetice S.R.L.**, through which the business was taken over from U.C.M. Reșița S.A. The main activity of the new subsidiary is the manufacture of engines and turbines (NACE code 2811).

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

The Company's registred share capital of RON 4,498,025,670 is fully subscribed and paid-up, being divided into 449,802,567 freely transferable ordinary registered shares, each with a nominal value of RON 10/share, issued in dematerialized form, with ISIN code RO4Q0Z5RO1B6 and traded on the regulated market administered by BVB under the symbol "H2O", the Company’s free float representing 19.94% of the share capital.

Group's main activities

Generation of Electricity and System Services

The Group produces electricity through the operation of 188 hydropower plants and micro-hydropower plants (including five pumping stations) and 36 wind turbines of 3MW each, objectives strategically located in eight branches on the territory of Romania. The portfolio of hydroelectric power plants in operation consists of approx. 54% hydroelectric plants with accumulation, 46% run-of-river plants and less than 1% pumping capacities. The main generation capacity is represented by Iron Gates I and Iron Gates II, which together account for approximately 22.75% of the Group's installed capacity and 42.6% of its total electricity production over the last ten years.

Hidroelectrica entered the wind energy production sector through the acquisition of Crucea Wind Farm, which represented 4% of Romania's total wind capacity in 2022. Subsequently, the General Meeting of Shareholders approved the merger by absorption of this entity into Hidroelectrica, effective 31 December 2022.

The electricity produced by the company is traded on the wholesale energy markets as well as on the retail market (through its electricity supply activities for end consumers).

For the operation of its generation capacities, Hidroelectrica operates under License No. 332, issued on 24 July 2001 by the National Energy Regulatory Authority (ANRE) for the commercial operation of electricity generation capacities, renewed on 14.07.2026, in accordance with the specific regulations and rules applicable in the field.

Hidroelectrica is also the primary provider of system services in Romania, ensuring the stability and operational security of the National Energy System (NPS). The company supplies system services (also known as "technological system services") to Transelectrica S.A., the national transmission system operator, under the Electricity Supply License and associated conditions No. 2215, issued on 6 May 2020.

Through this regulated procedure overseen by ANRE, Transelectrica S.A. purchases technological system services from Hidroelectrica under a contract-based framework, ensuring the safe operation of the energy system and maintaining the quality of transmitted electricity in compliance with the applicable regulatory requirements.

Supply of electricity to end costumers

The electricity market for end consumers in Romania is liberalized, allowing all consumers to freely choose their electricity supplier at negotiated prices. The competitive electricity market provides consumers with the flexibility to select the supplier and offer that best meet their needs at a competitive price.

The supply tariff includes, in addition to the price of electricity, the costs of electricity transmission and distribution, the contribution to the support scheme for high-efficiency cogeneration and the cost of green certificates.

II. Key Events during the reporting period

GMS Meetings

On 23 December 2025, the **Hidroelectrica Management Board convened the Extraordinary General Meeting of Shareholders for 27 January 2026**, with the following main items on the agenda:

- (i) Establishment of the Joint Venture Company (JVC) – EDF (50%-50%); (ii) Approval of the Shareholders' Agreement (SHA) for the development of the Tarnița Pumped Storage Hydropower Plant (PSHPP).
- Procurement of legal advisory services in connection with the share capital increase process.
- Documentation for the certification of ownership rights over land plots (Maramureș and Bihor).
- Procurement of legal advisory services for the acquisition of the Frasin-Pângărați Pumped Storage Hydropower Plant (PSHPP).

All items on the agenda of the Extraordinary General Meeting of Shareholders (EGMS) were approved on the date of the meeting by the Company's shareholders, with the majority of votes cast.

On 26 March 2026, the Hidroelectrica **Management Board** convened the **Annual Ordinary General Meeting of Shareholders (OGMS) for 28 April 2026**, with the following main items on the agenda:

- Approval of the consolidated and separate financial statements, the Annual Report for 2025, the allocation of profit and distribution of dividends, the discharge of liability of the management bodies, approval of the remuneration report for the Management Board and the Supervisory Board, setting the relevant dates for the dividends, and acknowledgement of the annual evaluation report of the members of the Supervisory Board.

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

On 27 April 2026, **Hidroelectrica's Management Board** convened the **OGMS** for **29 May 2026**, with the following main items on the agenda:

- Approval of the 2026 Revenue and Expenditure Budget.
- Approval of the distribution of a special dividend from retained earnings.
- Approval of the Record Date, "Ex-Date" and Payment Date for the special dividend.

Subsequently, on 11 May 2026, a request submitted by the Ministry of Energy on behalf of the Romanian State, in its capacity as shareholder, was received, having as its object the introduction of new items on the agenda:

- Acknowledgement of the suspension of the mandate agreement of a member of the Supervisory Board, approval of the addendum and authorization of the representative of the majority shareholder to sign it.

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

On 25 June 2026, **Hidroelectrica's Management Board** convened the **OGMS and EGMS** for **30 July 2026**, with the following main items on the agenda:

OGMS:

- Approval of the Ministry of Energy's perspective on Hidroelectrica's investment strategy.

EGMS:

- Approval of the updated technical and economic indicators for the Siret Cosmești–Movileni HPP Development investment and the optimization of the investment objective.
- Information regarding the investment projects Jiu River HPP Development on the Livezeni–Bumbești sector and Floating Photovoltaic Panel System – Nufărul Pilot Project, as well as transactions with other public enterprises.

The resolutions of the OGMS and EGMS meetings held on 30 July 2026 are presented in the *Subsequent Events* section.

Selection process for Management Board members – CEO and CFO

On 20 March 2026, the announcement regarding the recruitment and selection of candidates for two positions as members of the Company's Management Board – CEO and CFO – was published, containing the requirements to be met by the candidates and the criteria for their evaluation/selection, in accordance with Article 35 (6) of Government Emergency Ordinance No. 109/2011 on the corporate governance of public enterprises, as subsequently amended and supplemented. The deadline for submitting applications was 20 April 2026.

On 29 May 2026, following the completion of the selection procedure for the members of Hidroelectrica's Management Board, the Supervisory Board approved, by a majority of the votes cast, the appointment of Mr Iulius-Dan Plaveti as President of the Management Board (Chief Executive Officer – CEO) and Mr Mihail-Dan Stan as Member of the Management Board (Chief Financial Officer – CFO), for a term of office until 7 November 2027.

On 11 June 2026, Mr Iulius-Dan Plaveti accepted the CEO mandate. Subsequently, on 25 June 2026, the Supervisory Board took note of Mr Mihail-Dan Stan's non-acceptance of the mandate as Member of the Management Board (Chief Financial Officer – CFO). Under these circumstances, the duties pertaining to the CFO position continue to be performed, on a temporary basis, by Mr Radu-Ioan Constantin, Member of the Management Board (Chief Administrative Officer – CAO).

Other key events

Signing of the Contract for the Construction of Tudor Vladimirescu PV Power Plant

On 25 May 2026, Hidroelectrica signed the EPC contract for the construction of the Tudor Vladimirescu Photovoltaic Power Plant (PVPP), Brăila County, awarded to Enevo Group SRL following an open tender procedure. The project, with a value of RON 151.2 million, will have an installed capacity of 45.94 MWp and an estimated annual production of 59.21 GWh, representing an important step in the Company's strategy to diversify its renewable energy generation portfolio.

Signing of the Contract for the Refurbishment of Râul Mare Retezat HPP

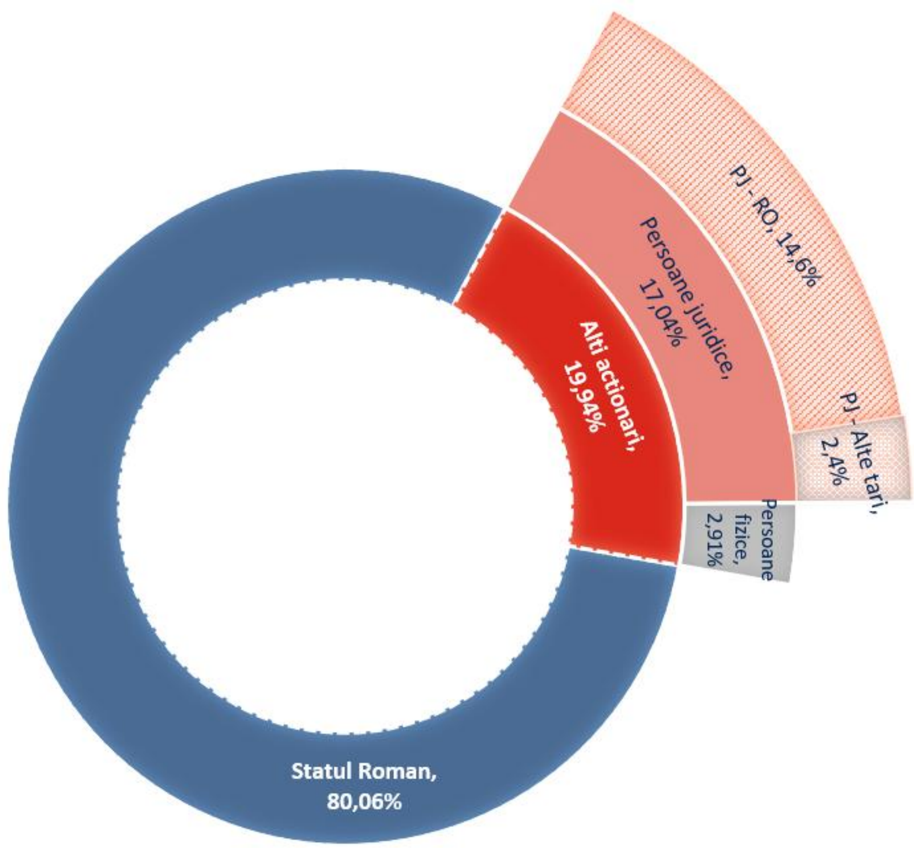
On 21 May 2026, Hidroelectrica signed the contract for the refurbishment of the Râul Mare Retezat Hydropower Plant, one of the Company's most important modernization projects, with a value of EUR 188.5 million, excluding VAT. The contract was awarded to the consortium Andritz Hydro GmbH – COBRA Instalaciones y Servicios S.A., and the investment will enable the recovery of approximately 135 MW of available capacity through the modernization of the main equipment and the implementation of modern technological solutions, contributing to increased operational efficiency and strengthened energy security.

Signing of the Contract for the Turnkey Implementation of the "Țara Hațegului Photovoltaic Park" Project

On 19 February 2026, Hidroelectrica signed the contract for the turnkey implementation of the "Țara Hațegului Photovoltaic Park" project, with a value of RON 24.4 million, excluding VAT, awarded to the consortium ELECTRO-ALFA INTERNATIONAL S.A. – GENERAL ME.EL ELECTRIC S.R.L. The project aims to develop a photovoltaic park with an installed capacity of 8.9 MWp and an estimated annual production of approximately 11 GWh, representing a further step in the Company's strategy to expand its renewable energy generation capacity.

III. Shareholders Structure and Share Price Evolution

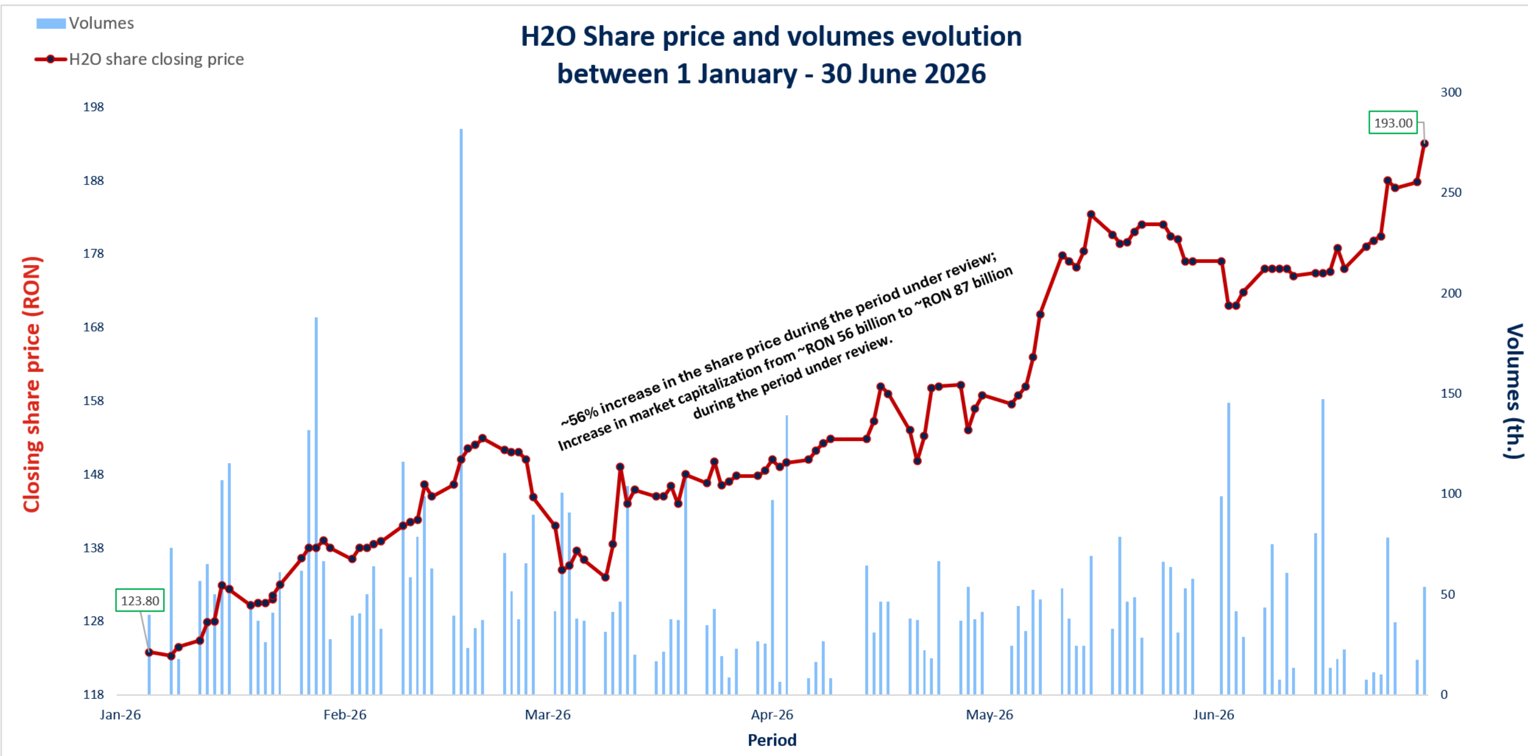
Shareholder structure as at 30 June 2026



Shareholder	Ownership	Percentage of ownership in the share capital
Romanian State through Ministry of Energy	360,094,390	80.0561%
Legal persons	76,629,537	17.0363%
Individuals	13,078,640	2.9076%
Total	**449,802,567**	**100.0000%**

Source: Depozitarul Central, Hidroelectrica

During the period 1 January – 30 June 2026, according to information published by the BVB, Hidroelectrica shares recorded a minimum closing price of RON 123.8 (8 January 2026) and a maximum closing price of RON 193 (30 June 2026), with an average price of RON 154.66.



Source: BSE, Hidroelectrica

As of 30 June 2026, Hidroelectrica ranked 3rd in the BVB trading ranking for the one-year period, while, as of the same date, the Company ranked first in terms of market capitalization among Romanian companies listed on the BVB, recording a market capitalization of RON 86.8 billion.

Subsequent to 30 June 2026, the all-time high closing price reached RON 220/share, recorded on 3 July 2026, translating into a market capitalization of RON 98.96 billion, equivalent to approximately EUR 18.8 billion.

IV. Financial Results at and for the period of six months ended on 30 June 2026

1. Financial Indicators

RON million

Indicators	6M 26	6M 25	Change (%)
Revenue	6,047	4,315	40%
EBITDA	3,335	2,201	51%
Operating Profit	2,893	1,751	65%
Profit for the period	2,571	1,587	62%
Basic and diluted earnings per share	5.72	3.53	62%

Source: Hidroelectrica

Indicators	Calculation method	30 June 2026
Current liquidity indicator	Current assets/Current liabilities	2.15
Degree of indebtedness	Borrowed capital/Own capital x 100	1.17
Degree of indebtedness	Borrowed capital/capital employed x 100	1.16
Trade Receivables turnover	Average Trade Receivable balance/Revenue x 180	79.96
Non-current assets turnover	Revenue/Non-current assets	0.31

Source: Hidroelectrica

Informations for Q2 2026

Indicators	Q2 26	Q1 26	Q2 25
Revenue	2,918	3,129	2,447
EBITDA	1,628	1,707	1,335
Operating Profit	1,413	1,480	1,108
Profit for the period	1,264	1,307	998
Basic and diluted earnings per share	2.81	2.91	2.22

Source: Hidroelectrica

2. Net Debt/ (Cash) Adjusted

RON million	30 June 2026
Bank borrowings	171
Lease liabilities	69
Cash and cash equivalents	(1,039)
Short-term Investments (investments in corporate bonds and deposits)	(3,549)
Adjusted Net Debt/(Cash)	(4,349)
Adjusted EBITDA	3,323
Adjusted Net Debt/(Cash) to Adjusted EBITDA Ratio	(1.31)

Source: Hidroelectrica

3. Breakdown of revenue

		6M 26	6M 25	Change (%)
Generation Energy Sold (Net)	*GWh*	7,070	6,068	17%
External Acquisitions	*GWh*	983	674	46%
Total Energy Sale	***GWh***	**8,052**	**6,742**	**19%**
Wholesale Energy Sold	*GWh*	3,402	3,235	5%
Average price - wholesale	*RON/MWh*	615	522	18%
Wholesale Revenue	***RON million***	**2,093**	**1,687**	**24%**
Quantity of electricity-Supply	*GWh*	4,274	3,260	31%
Average supply price (without pass through costs)	*RON/MWh*	522	431	21%
Supply Revenue related to active energy	***RON million***	**2,233**	**1,405**	**59%**
Transferred costs (pass trough)	***RON million***	**1,392**	**891**	**56%**
Quantity of electricity - Balancing	*GWh*	140	110	27%
Balancing average price	*RON/MWh*	1,370	1,532	(11%)
Balancing Revenue	***RON million***	**192**	**169**	**14%**
System Services (STS) Revenue	***RON million***	145	101	44%
Other revenues from customer contracts, out of which:	***RON million***	**(7)**	**62**	**(111%)**
Positive imbalances revenue*	*RON million*	(42)	(18)	133%
Power reduction services revenue	*RON million*	24	43	(44%)
Redistribution of additional revenues	*RON million*	21	32	(34%)
Revenue	***RON million***	**6,047**	**4,315**	**40%**

** The quantity of positive imbalances recorded in the six-month period ended 30 June 2026 is 233 GWh (three-month period ended 30 June 2025: 136 GWh)*
Source: Hidroelectrica

Energy Produced and Sold (Net)

In the first half of 2026, net electricity production amounted to 7,070 GWh, up 17% compared to H1 2025. This increase was mainly due to the hydrological conditions in the first quarter of 2026, against the backdrop of hydrological conditions characterized by a normal average Danube flow, 13% higher than that recorded in the first quarter of 2025. This resulted in a 37% increase in net production in Q1 2026 compared to the same period of 2025.

Wholesale market revenues

Wholesale market revenues in the first half of 2026 increased by 24% compared to H1 2025, mainly driven by the sale of electricity on the Day-Ahead Market (DAM) during the February–June 2026 period.

In the context of the Company's strategy to consolidate and develop its supply activity, in the first half of 2026, commercial activity was primarily focused on supporting and strengthening the supply segment. In this context, wholesale sales activity on the markets operated by OPCOM and BRM, except for sales carried out on the DAM and Intraday Market (IDM), accounted for a lower share of overall commercial activity, reflecting the Company's strategic priorities for this period.

The heightened price volatility, amplified by the geopolitical context (the conflict in Ukraine and tensions in the Strait of Hormuz), exerted considerable upward pressure on oil, natural gas and emission allowance prices. This also influenced the average selling price achieved on the wholesale market in the first half of 2026, with wholesale market revenues increasing by 24% compared to H1 2025.

Revenues from Supply

Supply revenues increased by 59% to RON 2,233 million in the first six months of 2026, from RON 1,405 million in the same period of 2025. This evolution reflects both the optimization of the supply portfolio structure and commercial strategy, as well as an increase in the customer base and the quantity of electricity sold.

In order to remain competitive in an environment characterized by increasing pressure on commercial margins and increased consumer mobility, the Company continuously adjusted the structure of its commercial offers, aiming both to maintain the attractiveness of its own products and to retain its existing customer portfolio.

Balancing revenues

Balancing revenues increased by 14%, to RON 192 million recorded in the first six months of 2026, from RON 169 million recorded in the same period of 2025. The increase was driven, on the one hand, by a 27% increase in the volume of electricity, partially offset by an 11% decrease in the selling price in the first six months of 2026 compared to the same period of 2025.

System services revenues

System services revenues increased by 44%, to RON 145 million recorded in the first six months of 2026, from RON 101 million recorded in the same period of 2025.

Other revenues from contracts with customers

Other revenues from contracts with customers recorded negative values of RON 7 million in the first six months of 2026, compared to RON 62 million in the same period of 2025. The evolution of these revenues is influenced by the behaviour of other participants in the electricity market in terms of imbalance management, reflected in positive imbalances at negative prices. At the same time, power reduction services recorded in the generation segment decreased by RON 19 million compared to the same period of 2025.

Informations for Q2 2026

		Q2 26	Q1 26	Q2 25
Generation Energy Sold (Net)	*GWh*	3,462	3,608	3,414
External Acquisitions	*GWh*	625	357	478
Total Energy Sale	***GWh***	**4,087**	**3,966**	**3,901**
Wholesale Energy Sold	*GWh*	1,692	1,710	2,104
Wholesale Revenue	***RON million***	**987**	**1,106**	**1,089**
Average price - wholesale	*RON/MWh*	583	647	517
Quantity of electricity-Supply	*GWh*	2,140	2,134	1,656
Supply Revenue related to active energy	***RON million***	**1,105**	**1,127**	**751**
Average supply price (without pass through costs)	*RON/MWh*	**516**	**528**	**453**
Pass through costs	***RON million***	**685**	**707**	**424**
Quantity of electricity - Balancing	*GWh*	56	84	55
Balancing average price	*RON/MWh*	1,441	1,156	1,497
Balancing Revenue	***RON million***	**95**	**97**	**82**

System Services (STS) Revenue	***RON million***	**74**	**71**	**60**
Other revenues from customer contracts, out of which:	***RON million***	**(28)**	**21**	**41**
Positive imbalances revenue*	*RON million*	**(44)**	**1**	**(13)**
Power reduction services revenue	*RON million*	**14**	**38**	**36**
Redistribution of additional revenues	*RON million*	**13**	**10**	**15**
Revenue	***RON million***	**2,918**	**3,129**	**2,447**

Source: Hidroelectrica

4. Operating Expenses

	6M 2026	**6M 2025**	**Change**
Costs breakdown	*RON million*	*RON million*	*%*
Turbinated water	266	228	17%
Employee benefits expenses	509	471	8%
Transport and distribution of electricity	1.146	736	56%
Electricity purchased	364	225	61%
Green certificates expenses	244	162	51%
Depreciation and amortization	441	440	0%
Adjustments for depreciation and amortization	(12)	(1)	-
Impairment loss on trade receivables, net	38	2	-
Repair, maintenance, materials and consumables	69	51	36%
Tax for electricity producers	0	120	(100%)
Other operating expenses	167	152	10%

Source: Hidroelectrica

Turbinated water

Turbinated water expenses increased by 17%, to RON 266 million in the six-month period ended 30 June 2026, from RON 228 million in the same period of 2025. This increase was driven by the increase in the quantity of electricity produced in the first six months of 2026 compared to the same period of 2025, as a result of improved hydrological conditions compared to the same period of the previous year.

Employee benefits

Employee benefit expenses increased by 8%, to RON 509 million in the six-month period ended 30 June 2026, from RON 471 million in the same period of 2025. This increase was mainly driven by salary increases resulting from negotiations with the employees’ trade union, applicable starting from May 2025.

Electricity transmission and distribution

Electricity transmission and distribution expenses increased by 56%, to RON 1,146 million in the six-month period ended 30 June 2026, from RON 736 million in the six-month period ended 30 June 2025. This increase in electricity transmission and distribution expenses was mainly driven by a 31% increase in the volume of electricity supplied, as well as by an average increase of 3% in distribution tariffs, starting from 1 January 2026.

Purchased electricity

Electricity purchased increased by 61% in the six-month period ended 30 June 2026, to RON 364 million, from RON 225 million in the same period of 2025. This evolution was mainly due to the increase in the quantity of electricity required for the supply segment, as a result of the increase in the number of customers.

Green certificates expenses

Green certificate expenses increased by 51%, to RON 244 million in the six-month period ended 30 June 2026, from RON 162 million in the six-month period ended 30 June 2026. This increase in expenses was mainly driven by the increase in the volume of electricity supplied in H1 2026 compared to the same period of the previous year.

Tax for electricity producers

The tax for electricity producers was abolished starting from 1 July 2025; consequently, in the first half of 2026, this expense was zero.

Other operating expenses

Other operating expenses increased by 10%, to RON 167 million in the six-month period ended 30 June 2026, from RON 152 million in the six-month period ended 30 June 2025. This increase mainly reflects the impact of higher taxes and professional services expenses.

Informations for Q2 2026

	Q2 26	**Q1 26**	**Q2 25**
Costs breakdown	*RON million*	*RON million*	*RON million*
Turbinated water	132	134	129
Employee benefits expenses	272	237	252
Transport and distribution of electricity	559	587	354
Electricity purchased	155	209	130
Green certificates expenses	114	130	79
Depreciation and amortization	221	220	220
Adjustments for depreciation and amortization	(12)	0	(1)
Impairment loss on trade receivables, net	(10)	49	(29)
Repair, maintenance, materials and consumables	47	22	27
Tax for electricity producers	0	0	104
Other operating expenses	80	87	77

Source: Hidroelectrica

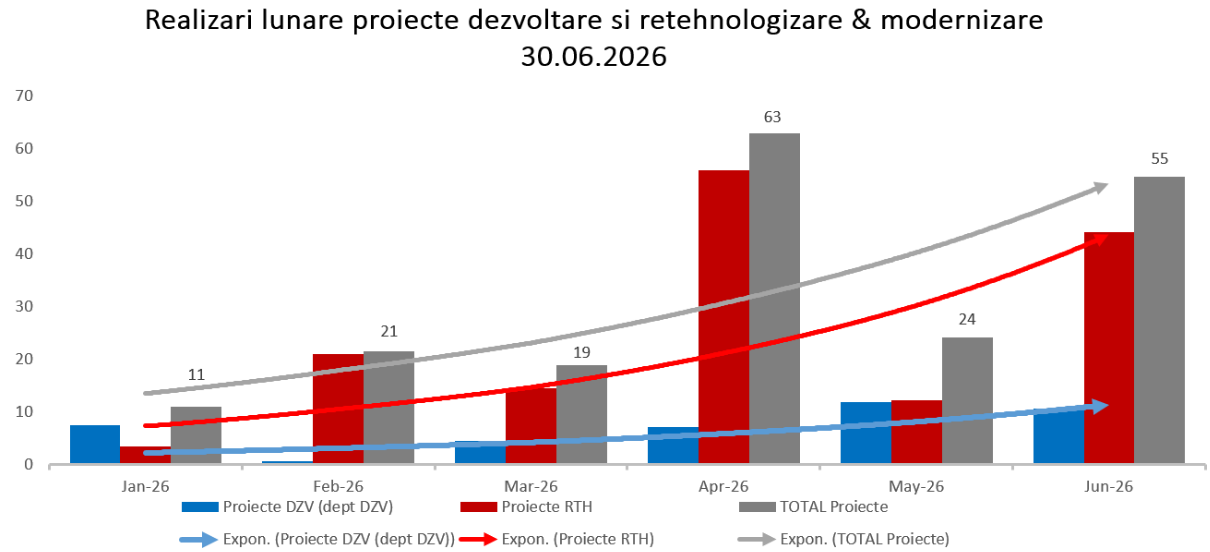
5. Investment activity

	6M 26	6M 25	Change
	RON million	*RON million*	%
TOTAL INVESTMENTS, out of which:	**276**	**136**	**102%**
Refurbishment CAPEX	151	56	168%
Maintenance CAPEX	69	33	108%
Standalone equipment and machinery	13	11	18%
Development Project CAPEX	42	35	19%

Source: Hidroelectrica

The investments presented above are financed from own sources.

RON million



Sursa: Hidroelectrica

For 2026, Hidroelectrica has allocated a budget of RON 355 million for the implementation of development projects (hydro, photovoltaic, wind and battery storage). In the first six months of 2026, investments made in development projects amounted to RON 42 million, recording an increase of RON 7 million compared to the same period of the previous year.

<u>Investments in Refurbishment Projects (CAPEX for Refurbishment)</u>

The refurbishment activity, in line with Hidroelectrica's Investment Strategy, aims to fulfil the programme for the promotion and implementation of modernization and refurbishment projects for hydropower facilities. This activity is carried out through the preparation and promotion of refurbishment and modernization projects for power plants, hydropower units, installations and their related substations, as well as through the continuation of projects already underway, at various investment stages (procurement, design, execution, acceptance, monitoring during the warranty period, etc.).

Hidroelectrica's proposed budget for refurbishment and modernization projects in 2026 amounts to RON 655 million, of which RON 475 million is allocated to refurbishment projects and RON 180 million to modernization projects.

As of 30 June 2026, RON 151 million was invested in refurbishment and modernization projects, representing an increase of 168% compared to the amounts recorded in the same period of the previous year. The summary of the status of the refurbishment/modernization projects is presented as follows:

1. Refurbishment Projects

The proposed budget for 2026, with a total value of RON 475 million, is allocated to the following objectives:

- **Refurbishment of Stejaru HPP –** two contracts are currently underway, aimed at continuing the implementation of the investment objective:
  - Pressure node (butterfly valve house) – works in progress (Electromontaj);
  - HU 1÷4 – works in progress (Hidroserv);
- **Refurbishment of Vidraru HPP Development –** contract in progress (Electromontaj and Koncar); environmental monitoring (contract in progress); consultancy and technical assistance services (contract in progress);
- **Refurbishment of Râul Mare Retezat HPP –** contract in progress, signed in May 2026 with the consortium formed by Cobra Instalaciones y Servicios SAU and Andritz Hydro (associate);
- **Refurbishment of Petrimanu, Lotru Aval and Jidoaia pumping stations –** contract in progress;
- Rehabilitation works for the Romanian lock within Iron Gates I Hydropower and Navigation System (SHEN) – works contract in progress with DSD Noel GmbH for the collars of the mitre gate at the downstream end of the lock;
- **Refurbishment of Vadu pumping station –** award procedure under preparation.

In addition to the refurbishment objectives presented above, the following investment objectives are at **various stages of implementation**:

- **Refurbishment of Mărișelu HPP** – the technical refurbishment solutions are currently being reassessed, with a view to updating the feasibility study and identifying the optimal technical solution. At the same time, in July, the market research procedure was initiated through the publication of the notice on SEAP;
- **Refurbishment of Brădișor HPP** – in June 2026, the new technical and economic indicators of the investment objective were approved, with the documentation for the award procedure to be prepared.

2. Modernization Projects

The proposed budget for 2026, with a total value of RON 180 million, is mainly allocated to the following objectives:

- **Modernization of Vaduri HPP: HU No. 2, 110 kV Substation and Mechanical and Electrical Equipment of the Power Plant and Dam –** contract in progress (Hidroserv and UCMH);

- **Modernization of HU2 at Remeți HPP, including the 110 kV Substation, the power plant's related general installations, pressure node and Drăgan Dam** – contract in progress (Hidroserv and UCMH);
- **Modernization of HU2 at Arcești HPP and replacement of the automation and monitoring system related to HU1 auxiliary services** – contract in progress (UCMH and Hidroserv);
- **Modernization of the 110 kV, 20 kV and 6.3 kV electrical substations at Târgu Jiu HPP and Vădeni HPP** – contract completed at the beginning of 2026;
- **Modernization works for the electrical installations related to the hydromechanical equipment and the hydraulic actuation system of the Gogoșu spillway dam** – works in progress (DSD Noel GmbH); an addendum was concluded to extend the contractual deadline until the end of 2026;
- **Modernization of the VIR actuation system at Iron Gates I HPP** – contract in progress (Hidroserv SA);
- **Modernization of the SCADA system for the Olt Hydropower Development (DHE Olt)** – contract in progress (consortium formed by Enevo Group SRL and Eximprod Engineering SRL).

In addition to the refurbishment and modernization objectives presented above, the following projects are at various stages of the procurement procedures:

- **Refurbishment of Gogoșu HPP –** award procedure in progress;
- **Installation and commissioning of HU1 and its auxiliary installations at Iron Gates II Hydropower Plant –** award procedure completed, contract signed in July 2026;
- **Refurbishment of the 6 kV substation at Vânători HPP –** award procedure cancelled; the General Cost Estimate and the technical and economic indicators were updated, and the investment objective is subject to reapproval;
- **Modernization of the 110 kV substation at Moroieni HPP, the 6.3 kV and 110 kV substations at Dobrești HPP, and the 6.3 kV and 20 kV substations at Scropoasa HPP** – award procedure cancelled; the General Cost Estimate and the technical and economic indicators were updated, and the investment objective is subject to reapproval;
- **Modernization of the electrical substations at: 110 kV Golești HPP, Merișani HPP and Băiculești HPP; 6.3 kV and 110 kV Budeasa HPP** – award procedure cancelled (no bids were submitted);
- **Modernization of the electrical substation at Gilău I HPP** – award procedure cancelled (no bids were submitted);
- **Modernization of 8 pumping stations located behind the dykes (Bratia, Topolog, Olanu, Bistrița, Teslui, Teslui-Fărcașele, Olteț, Poganu)** – award procedure in the process of being launched;
- **Modernization of automation, protection, general services and security systems of the Upper Olt hydropower plants** – award procedure cancelled; a market research procedure was carried out.

<u>Investments in Maintenance (CAPEX for Maintenance)</u>

In the first six months of 2026, capitalized maintenance investments in hydrotechnical structures, equipment and administrative buildings amounted to a total of RON 69 million, representing an increase of 108% compared to RON 33 million recorded in the same period of 2025.

1. **Investments in Capitalized Maintenance Works – Hydrotechnical Structures**

In the first six months of 2026, works amounting to a total of RON 15.43 million were carried out at facilities within the Bistrița, Cluj, Curtea de Argeș, Hațeg and Iron Gates branches, representing an increase of 135% compared to the works performed as of 30 June 2025, amounting to a total of RON 6.58 million.

Intervention works on structures are complex in nature and fall entirely under the provisions of Law No. 10/1995 on quality in construction and require technical expert assessments and technical designs, obtaining the relevant endorsements and authorizations, as well as the execution of works by companies certified to perform construction works.

2. **Investments in Capitalized Maintenance Works – Equipment**

In H1 2026, equipment maintenance works (CAPEX) amounting to a total of RON 53.15 million were carried out at facilities within seven Hidroelectrica branches. Compared to the level recorded as of 30 June 2025, of RON 26.40 million, the value of works performed increased by 101%.

The Maintenance and Hydrotechnical Structures Department has in its portfolio the investment project "Structural rehabilitation (metal structure, mechanical parts, seals and embedded parts), related installations (gate body heating, guide heating and lubrication), anticorrosive protection of the double-hook gates at the Iron Gates I spillway dam", with a contractual completion deadline in 2031. For 2026, a budget of RON 28.6 million is proposed. The project is progressing in accordance with the agreed execution schedule.

3. **Investments in Capitalized Maintenance Works – Rehabilitation of Administrative Buildings**

For 2026, rehabilitation works for administrative buildings (CAPEX) are estimated at a total value of RON 13.6 million.

In the first six months of 2026, works were carried out at the Bistrița and Vâlcea branches, amounting to a total of RON 0.82 million, representing an increase of 109% compared to the same period of 2025, when the value of works performed amounted to RON 0.39 million.

As of 30 June 2026, requests have been submitted to the Design Department for the preparation of the technical and economic documentation required to carry out intervention works at administrative headquarters, warehouses and intervention facilities.

Investments in Development Projects (CAPEX for Projects)

1. **Ongoing Investments**

The proposed budget for 2026 for ongoing investments amounts to a total of RON 202 million, allocated to the following objectives:

- **Pașcani HPP Development** – project in progress, subsequent contracts are on schedule, with no significant constraints or conditions that could jeopardize the project completion date;
- **Răstolița HPP Development** – contract in progress, with construction works being carried out at sites that do not require deforestation or removal of land from the forestry fund. Screening Decision No. 15698 of 27

April 2026 was obtained for “Works to ensure safety in order to prevent accidents/collapses within the Răstolița HPP Development. First emergency intervention”. Constraints arise from the suspension of the environmental agreement by the court. As a result of the suspension of the environmental agreement, Government Decision No. 327/2025 regarding the removal from the forestry fund of the land required for the implementation of the project was also suspended. Litigation is ongoing regarding the determination of the expiry of Building Permit No. 304/1990. Another constraint that should be highlighted arises from the fact that the contractor, Hidroconstrucția, is undergoing insolvency proceedings, while its limited technical and economic capacity significantly affects the mobilization of the resources required for the timely execution of the planned works;

- **Surduc-Siriu HPP Development** – contracts in progress for construction works and equipment related to the Surduc Dam, pressure node and headrace. Environmental Agreement No. 3/14 April 2026 was issued for the Surduc Dam; the procurement procedure for the Nehoiașu II HPP equipment and the extension of the 110 kV substation was resumed (previously cancelled twice due to the lack of bids). Constraints: depending on the outcome of the court proceedings involving Declic Association and the Independent Centre for the Development of Environmental Resources Association regarding the authorization for the continuation of construction works;
- **Jiu River HPP Development on the Livezeni-Bumbești segment** – contracts for the connection of Dumitra HPP, Bumbești HPP and Livezeni SHPP to the National Power System (SEN) are in progress. The technical expert assessments for equipment and structures were received. The preparation of the technical documentation required to obtain the Building Permits for the investment objective was initiated. The documentation for the removal from the forestry fund of the land related to the connection installation of Dumitra HPP was prepared. The cadastral documentation for the registration of the expropriation corridor for the connection of Dumitra HPP and Livezeni SHPP to the SEN, as well as the documentation for the registration of the land related to the Bumbești pressure node, was prepared.

On 28 April 2026, the consortium leader, Romelectro S.A., entered bankruptcy proceedings. Following this date, Hidroelectrica ensured the takeover of site security and the supply of the electricity required at the construction site. Potential constraints that may affect the investment completion deadline: ongoing litigation with Bankwatch Association and Ecolegal, which seek the annulment/suspension of Environmental Agreement No. 2/17 June 2025;

- **Olt River HPP Development through the gorge on the Cornetu-Avrig sector (Lotrioara-Câineni-Racovița) –** contracts for the preparation of the studies and documentation required to obtain the environmental agreement (SEICA, EA and RIM) are in progress. The endorsement of the Ministry of Culture was issued, with the water management endorsement and environmental agreement to be issued subsequently.

In parallel, the technical and economic indicators are being reassessed, taking into account the offers received and the conditions that arose during the process, in accordance with the endorsements received. At present, works cannot be resumed until the environmental agreement and the Government Decision regarding expropriations are obtained, these documents being required for the issuance of the Building Permit.

The project is also affected by the overlap with the route of the A1 Motorway in the Lotrioara and Câineni areas, as well as by the presence of railway bridges downstream of the tailrace channel of Racovița HPP, which condition the completion of part of the works.

At the same time, for the connection to the National Power System in the Lotrioara and Câineni areas, there are limitations regarding the evacuation of the electricity produced. The technical solutions required to ensure the evacuation of the entire capacity are complex and involve significant investments, which are to be carried out by Hidroelectrica;

- **Cerna-Belareca HPP Development** – the urban planning certificate was extended until February 2027. An environmental agreement and a water management endorsement issued in 2025 are in place. Ongoing activities include steps to obtain the Building Permit, connection to the SEN, acquisition of land and market research for the procurement of construction and installation works;
- **Bistra-Poiana Mărului HPP Development** – project in progress, with remaining works to be executed for the Ruieni and Râul Alb heads. In April 2026, the contract for the expropriation documentation was signed and the steps for preparing the documentation were initiated; however, Composesoratul Bucova blocked access to the land for the performance of measurements;
- **Cerna-Motru-Tismana Hydrotechnical and Energy Complex – Stage II** – Environmental Agreement No. 2/09 March 2026 was obtained. The new technical and economic indicators are in the process of approval by the General Meeting of Shareholders. Steps are underway for the authorization and contracting of the remaining works to be executed;
- **Vânători HPP** – modernization and safety works for the headrace channel, contract in progress, according to schedule;
- **Rehabilitation of measuring and control equipment at the Cerna, Târgu Jiu and Vădeni dams** – contract in progress, according to schedule.

2. **New Investments**

For 2026, Hidroelectrica intends to allocate a budget of RON 153 million for the development of photovoltaic projects and energy storage capacities, as part of its strategy to expand and modernize its activities. These initiatives support the integration of complementary renewable energy generation solutions and contribute to strengthening the Company's resilience in the context of fluctuations in hydrological resources, intensified by the effects of climate change.

These investments mark a new stage in the development of Hidroelectrica's portfolio, by expanding the traditional hydropower-based model towards a more balanced operational structure, which includes the diversification of energy generation technologies and their complementing with electricity storage systems. Consolidating a flexible and adaptable energy structure supports both the strategic objectives of modernization and sustainable growth, as well as the mitigation of risks generated by the variability of hydrological conditions.

- **Tudor Vladimirescu PV Power Plant (Pi 45.94 MWp, Em 59.21 GWh/year)** – in May 2026, the turnkey contract for the design and construction of the photovoltaic park was signed and the notice to proceed was issued. At the same time, the decision of the Ministry of Agriculture and Rural Development (MADR) regarding the removal of the 48 ha area from agricultural use was obtained. The technical documentation required to obtain the Building Permit is currently being prepared;
- **Țara Hațegului Photovoltaic Park – Hunedoara County (Pi 8.9 MWp, Em 11.83 GWh/year)** – the design and construction contract is in progress. The establishment authorization for the Țara Hațegului PV Power Plant was issued in May 2026;
- **Floating Photovoltaic Panel System – Nufărul Pilot Project (Pi 10 MWp, Em 13.48 GWh/year)** – the notice to proceed with the execution of works was issued in March 2026. The turnkey contract for the

implementation of the floating photovoltaic panel system is currently in progress, according to schedule. The establishment authorization for NUFĂRUL Ipotești was issued in May 2026;

- **Development of the photovoltaic potential within the electricity generation plants located on the middle and lower sectors of the Olt River – ROOFTOP (650 W photovoltaic panels, 100 kW inverters and energy optimization, Pi 2,923.05 kWp, Em 3,711.23 MWh/year)** – the contract is in progress, according to schedule;
- **Battery Energy Storage System at Iron Gates II HPP (storage capacity of 256 MWh)** – the procurement procedure for the design and execution works was challenged before the National Council for Solving Complaints (CNSC). The challenge is currently under resolution;
- **Li-ion Battery Energy Storage System at Crucea NORD Wind Farm (nominal storage capacity of 72 MWh)** – turnkey contract in progress, according to schedule;
- **Photovoltaic Park and Battery Energy Storage System – Bistra-Poiana Mărului HPP Development – Zervești Polder** – the technical and economic documentation received a favourable endorsement from CTE-HE under Endorsement No. 65/02.06.2026; the documents required to launch the procurement procedure are currently being prepared.

Continuing the development of its renewable energy generation capacities, Hidroelectrica aims to expand its investment portfolio through new projects integrating complementary green energy generation technologies and energy storage systems. Currently, the Company has under evaluation and approval a series of projects in the pre-investment phase, including:

- **Floating photovoltaic panel system in HPPs on the Lower Olt sector –** Update and optimization with BESS storage systems – PiCEF (total development) = 100 MWp, Ep = 124.7 GWh/year; Pi/Nominal Energy of the storage system (total development) = 200 MW/800 MWh. The Design Department of SPEEH Hidroelectrica S.A. prepared the Feasibility Study “Floating photovoltaic panel system in HPPs on the Lower Olt sector – Update and optimization with BESS storage systems”, which received a favourable endorsement from CTE-HE. The investment project is currently undergoing approval.
- **Energy storage system at Retezat HPP** – Pi = 90 MW and a storage capacity of 360 MWh; the Design Department of SPEEH Hidroelectrica S.A. prepared the Feasibility Study “Battery Energy Storage System at Retezat HPP”, which received a favourable endorsement from CTE-HE. The investment project was approved. The technical documentation is currently being prepared by the Design Department.
- **Energy storage system at Ruieni HPP** – Pi = 50 MW and a storage capacity of 200 MWh; the Design Department of SPEEH Hidroelectrica S.A. prepared the Feasibility Study “Battery Energy Storage System at Ruieni HPP”, which received a favourable endorsement from CTE-HE. The investment project was approved. The technical execution documentation is currently being prepared.
- **Tudor Vladimirescu BESS** – Pi = 30 MW and a storage capacity of 120 MWh. The concept note was approved, and the feasibility study that will serve as the basis for the approval of the investment objective by the Company’s executive management is currently being prepared.

By integrating energy storage capacities and photovoltaic sources into its existing infrastructure, Hidroelectrica strengthens its position as a leader in renewable energy generation and diversifies its asset portfolio, increasing its capacity to ensure the continuity and security of electricity supply. At the same time, the Company contributes to maintaining the stable and secure operation of the National Power System, strengthening its resilience to variations in natural conditions and volatility in the energy market.

The execution of investments is significantly influenced by factors external to the Company, particularly factors of a procedural, administrative and legislative nature. These factors do not reflect Hidroelectrica's operational capacity, but rather the applicable regulatory framework and the complexity of the strategic projects under implementation.

Development, refurbishment and modernization projects are experiencing implementation delays and, in some cases, are suspended or even discontinued due to constraints and conditions that are beyond the Company's control and are not attributable to project managers or contract managers. The main causes include:

- Delays in obtaining environmental agreements for certain major investment objectives (e.g. Surduc-Siriu HPP Development, Cornetu–Avrig HPP Development, Cerna–Motru–Tismana – Stage II), which required the rescheduling of activities and the revision of implementation timelines;
- Suspension or annulment of certain environmental agreements issued by MMAP (e.g. Răstolița HPP Development, Bumbești–Livezeni HPP Development), with a direct impact on the continuation of works;
- Unfavourable resolution of certain disputes pending before the courts, as well as the suspension of the execution of certain works by presidential ordinance, situations currently undergoing legal clarification;
- Extension of procurement procedures as a result of the additional ex-ante verification stages carried out by A.N.A.P., which led to delays in contract signing, while also contributing to ensuring the compliance and transparency of the procurement process;
- Cancellation of certain procurement procedures due to the lack of bidders, bids exceeding the values approved through the General Cost Estimate, or bids that do not comply with the established commissioning deadlines;
- Challenges to procurement procedures by bidders (e.g. Tudor Vladimirescu PV Power Plant, Battery Energy Storage System at Iron Gates II HPP), resulting in delays in the award of works contracts;
- Resolution of challenges within a significantly longer timeframe than the estimated procedural duration, with an impact on project implementation schedules;
- Delays in the adoption of the Government Decisions required for the expropriation of land related to certain investments (Cosmești-Movileni HPP Development, Cornetu-Avrig HPP Development, Cornereva Intake Valve House Platform within the Cerna-Belareca HPP Development), resulting in delays in handing over the sites to contractors;
- Overlap of investment projects with other road or railway infrastructure projects, generating additional constraints on execution;
- Difficulties encountered in relation to certain contractors undergoing insolvency or bankruptcy proceedings, affecting compliance with execution schedules and the continuity of contracts;
- Lack of bids in certain procurement procedures and the limited market response to requests for tenders;
- The absence of the general designer, as a result of its bankruptcy, affects the coordination and integration of design solutions, with an impact on compliance with implementation deadlines and on the correlation between the design stages and the execution of works.

Despite these constraints, the investment plan maintains its implementation prospects. The measures adopted to mitigate their impact – including the rescheduling of activities, relaunching of procurement procedures, updating of technical documentation and strengthening of cooperation with the competent authorities – create the premises for accelerating the pace of investment implementation in 2026.

6. Cashflow

	6M 2026	6LM 2025	Change
	RON million	*RON million*	%
Net cash from operating activities	2,649	1,967	35%
Net cash from investing activity	29	1,400	(98%)
Net cash used in financing activities	(2,826)	(3,691)	(23%)
Net increase/(decrease) in cash and cash equivalents	(148)	(323)	54%
Cash and cash equivalents at 1 January	1,188	1,582	(25%)
Cash and cash equivalents at 30 June	1,039	1,258	(17%)

Source: Hidroelectrica

Net cash from operating activities

Net cash from operating activities amounted to RON 2,649 million in the six-month period ended 30 June 2026, compared to RON 1,967 million in the six-month period ended 30 June 2025. This increase was mainly due to the increase in cash generated from operating activities as a result of higher sales under conditions of high profitability.

Net cash from investing activity

Net cash from investing activities amounted to RON 29 million in the six-month period ended 30 June 2026, compared to RON 1,400 million in the six-month period ended 30 June 2025. This decrease mainly reflects the reduction in net proceeds from deposits placed for investment purposes, as well as the increase in payments for the acquisition of property, plant and equipment, in the context of the acceleration of the investment programme.

Net cash used in financing activities

Net cash used in financing activities amounted to RON (2,826) million in the six-month period ended 30 June 2026, compared to net cash used in financing activities of RON (3,691) million in the six-month period ended 30 June 2025.

Informations for Q2 2026

	Q2 2026	Q1 2026	Q2 2025
	RON million	*RON million*	%
Net cash from operating activities	910	1,689	984
Net cash from investing activity	1,264	(1,235)	3,233
Net cash used in financing activities	(2,800)	(26)	(3,664)
Net increase/(decrease) in cash and cash equivalents	(576)	428	553
Cash and cash equivalents at 1 January	1,616	1,188	705
Cash and cash equivalents at 31 March	1,039	1,616	1,258

Source: Hidroelectrica

7. Financial position

RON million	30 June 2026 unaudited	31 December 2025 audited	Change %
Assets			
Non-current assets			
Property, plant and equipment	19,299	19,429	(1%)
Intangible assets	34	36	(6%)
Restricted cash	53	23	130%
Other non-current assets	300	374	(20%)
Total non-current assets	**19,686**	**19,863**	**(1%)**
Current assets			
Inventories	139	124	12%
Trade receivables	1,883	1,698	11%
Investments in deposits	3,549	3,732	(5%)
Cash and cash equivalents	1,039	1,188	(13%)
Restricted cash	49	32	53%
Other current assets	261	65	302%
Total current assets	**6,921**	**6,839**	**1%**
Total assets	**26,607**	**26,702**	**0%**
Equity and liabilities			
Equity			
Share capital	5,527	5,527	0%
Revaluation reserve	10,857	11,084	(2%)
Other reserves	1,018	1,030	(1%)
Retained earnings	3,044	4,539	(33)%
Total equity	**20,446**	**22,180**	**(8%)**
Liabilities			
Non-current liabilities			
Bank borrowings	73	118	(38%)
Lease liabilities	58	62	(6%)
Current tax liabilities	185	192	(4%)
Deferred income	-	8	0%
Deferred tax liabilities	1,382	1,397	(1%)
Employee benefits	140	140	1%
Provisions	1,032	1,009	2%
Trade payables	21	15	40%
Other payables	47	58	(19%)
Total non-current liabilities	**2,939**	**2,999**	**(2%)**
Current liabilities			
Bank borrowings	98	95	3%
Lease liabilities	11	10	10%
Trade payables	907	777	17%
Contract liabilities	45	48	(6%)
Current tax liabilities	240	181	33%
Deferred income	5	6	(17%)
Employee benefits	132	156	(15%)

RON million	30 June 2026 unaudited	31 December 2025 audited	Change %
Provisions	42	104	(60%)
Other payables	1,743	146	1,094%
Total current liabilities	**3,222**	**1,523**	**112%**
Total liabilities	**6,161**	**4,522**	**36%**
Total equity and liabilities	**26,607**	**26,702**	**0%**

Source: Hidroelectrica

Trade receivables

The balance of trade receivables increased by 11%, to RON 1,883 million as of 30 June 2026, from RON 1,698 million as of 31 December 2025, mainly driven by the increase in sales in the supply segment and changes in customers' payment behaviour through the postponement of payments beyond their due dates.

Investments in deposits

The balance of investments in deposits decreased by 5%, to RON 3,549 million as of 30 June 2026, from RON 3,732 million as of 31 December 2025. This decrease was mainly driven by the reduction in cash available for placement in deposits, as a result of the payment of dividends related to 2025.

Other current assets

Other current assets outstanding as of 30 June 2026 increased by 302%, to RON 261 million, from RON 65 million as of 31 December 2025. This increase was mainly driven by advance payments for the purchase of electricity, as well as for local taxes and duties related to the 2026 financial year, including the tax on special constructions.

Current income tax liabilities

The balance of current income tax liabilities increased by 33%, to RON 240 million as of 30 June 2026, from RON 181 million as of 31 December 2025.

Employee benefits

Short-term employee benefits outstanding as of 30 June 2026 decreased by 15%, to RON 132 million, from RON 156 million as of 31 December 2025. This decrease was driven by the payment in January 2026 of obligations related to salary entitlements for December 2025, which also included contributions related to additional entitlements under the collective labour agreement.

Provisions

The balance of long-term provisions increased by 2%, to RON 1,032 million as of 30 June 2026, from RON 1,009 million as of 31 December 2025. This increase was mainly due to the update of decommissioning provisions in 2026.

Other current liabilities

The balance of other current liabilities increased to RON 1,743 million as of 30 June 2026, from RON 146 million as of 31 December 2025. This increase mainly reflects the liability related to the special dividend approved for distribution, payable on 30 September 2026.

V. Litigation

Litigation with Hidroconstrucția SA

Potential exposure: RON 32.8 million as of 30 June 2026 and 31 December 2025
Claimant: Hidroconstrucția SA
Case No. 44443/3/2016, currently Case No. 11314/3/2021
Subject matter of the case: Claims – recovery of costs generated by the suspension of construction works related to certain investment projects under execution.

Hidroconstrucția SA claims the recovery of costs generated by the suspension of construction works carried out prior to Hidroelectrica entering insolvency proceedings. The Group maintains that such claims are unfounded, considering Hidroelectrica's insolvency proceedings and the fact that the claimant lost its right to pursue the claims because it did not register them in the schedule of creditors.

In March 2018, the court of first instance dismissed Hidroconstrucția SA's claims. This decision was appealed by Hidroconstrucția SA. The Group also appealed the decision, as it provided for administrative fees to be borne by Hidroelectrica.

In April 2019, the Court of Appeal referred the case back to the court of first instance for retrial. The case was reopened by the court of first instance (Case No. 11314/3/2021).

In April 2022, the court ordered the preparation of an expert report in the field of hydrotechnical construction and an accounting expert report by independent experts. The expert report in the field of hydrotechnical construction was prepared in the case, with both parties raising objections to its content. The court partially admitted the objections raised by the parties, and the next hearing, scheduled to allow the expert to respond to the admitted objections and in view of the absence of the accounting expert report, was set for 17 June 2026.

At the hearing held on 17 June 2026, the court ordered the adjournment of the case in order to allow Hidroconstrucția to review the objections submitted by Hidroelectrica. The next hearing was scheduled for 11 November 2026.

Litigation relating to complex investment projects is presented in the Annex to this report.

VI. Risk Management

Strategic Risk Management at Company Level

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

Climate Risks and Infrastructure Adaptation

The increasing frequency of extreme weather events highlights the impact of climate change on economic activities. Hidroelectrica implements proactive measures, such as programmes aimed at reducing the risk of water shortages and floods, strengthening dam safety, investments in new generation capacities and the modernization of critical infrastructure. Integrating climate considerations into decision-making processes is essential for maintaining operational resilience.

Sustainability of Production Assets

Hydropower developments play an essential role in the country's energy security. Hidroelectrica invests in their modernization and refurbishment, aiming to extend their useful life, increase efficiency and implement modern remote-control solutions (SCADA). The strategy also targets the development of new projects, in parallel with ensuring the maintenance of existing infrastructure.

Exposure to Energy Price Volatility

Price fluctuations in energy markets influence the Company's revenues and margins. Hidroelectrica applies measures to mitigate price risk, including forward contracts, optimization of generation based on hydrological conditions and control of operating costs.

Cybersecurity

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

Regulatory and Energy Policy Risks

Hidroelectrica is exposed to legislative changes and decisions by public authorities, which may significantly affect its operational activities and financial results. The Company maintains an ongoing dialogue with the relevant authorities, aiming to adapt rapidly to changes in national and European regulatory policies.

Environmental Compliance

The Company operates under strict regulations regarding environmental protection and water management. Activities are carried out in accordance with environmental permits, while the development of new capacities involves complex assessments, particularly in the proximity of protected natural areas. Ongoing dialogue with environmental authorities supports compliance and the mitigation of related risks.

Health, Safety, and Environment (HSE)
The Company continues to act responsibly, with the objective of zero accidents and compliance with all legal requirements. Hidroelectrica continuously monitors HSE risks, conducts training sessions and promotes an organizational culture based on safety, responsibility and sustainability.

Credit risk is presented in the Explanatory Notes to the Financial Statements attached to this report.

VII. Subsequent Events

GMS Meetings

During the OGMS and EGMS meetings held on 30 July 2026, all items on the agenda were approved by the Company's shareholders, by a majority of the votes cast/held, as applicable. Information regarding the items on the agenda is available in the *Key Events* ***during the Reporting Period*** section.

Legislation with Impact

In the first half of August 2026, the legislative framework approved for unlocking strategic hydropower projects located in protected areas (PL-x No. 14/2023 / Government Emergency Ordinance No. 25/2026) will enter into force, following the publication of the Constitutional Court's decision in the Official Gazette on 7 August 2026. This legislative act amends Government Emergency Ordinance No. 57/2007 and allows for the accelerated completion of major investments within the national portfolio, such as the Răstolița (92% completed, 35.2 MW), Jiu Gorge (90% completed, 65 MW) and Pașcani (80% completed, 12 MW) hydropower developments. The regulation removes environmental administrative barriers by requiring the authorities to revise the boundaries of protected sites within 60 days, which will lead to a direct increase in total installed capacity over the short and medium term, optimizing the renewable energy generation profile and strengthening the fundamental value of the Company's assets.

Impact on Hidroelectrica following the revision of turbinated water tariffs by the National Administration "Romanian Waters"

Law No. 155/20 July 2026 amending and supplementing certain normative acts in the water sector introduced legislative changes regarding the increase in turbinated water tariffs, as well as their estimated impact on the Company's cost structure.

According to Article IV (1) and (2) of Law No. 155/20 July 2026, the following phased mechanism for updating the system of contributions, tariffs and penalties has been introduced:

a) starting from the date the Law enters into force, the contribution per MWh applicable to economic operators generating electricity through hydropower plants, irrespective of installed capacity, using water for power generation and demonstrating the technical impossibility of installing equipment for measuring water flows or volumes, will be indexed by 7.32%, corresponding to the Consumer Price Index (CPI) for 2025;
b) starting from 1 January 2027, a 2.00% increase will be applied to the contributions, tariffs and penalties under the economic mechanism for each category of water users, except for the contribution applicable to irrigation – surface and groundwater;

c) starting from 1 January 2028, a 4.00% increase will be applied to the contributions, tariffs and penalties under the economic mechanism for each category of water users, except for the contribution applicable to irrigation – surface and groundwater;
d) starting from 1 January 2029, a 3.70% increase will be applied to the contributions, tariffs and penalties under the economic mechanism for each category of water users, except for the contribution applicable to irrigation – surface and groundwater.

In addition, in January of each year, the operator will notify beneficiaries of the new contribution level resulting from the CPI adjustment and the application of the phased annual increases mentioned above.

According to the Company's estimates, based on the National Bank of Romania's forecasts for average annual inflation, the gradual increase in turbinated water tariffs could reach approximately 35% cumulatively by the end of 2029, resulting in an estimated 6–9% increase in total costs, depending on the level of hydropower generation in each year. In an average hydrological year, the turbinated water tariff, currently at RON 37/MWh and accounting for approximately 16–17% of the Company's total costs, could increase to approximately 22–23% of total costs by 2029.

<u>Other significant events</u>

Starting in July 2026, the Danube River flow recorded levels significantly below the multiannual averages, falling below 1,400 m³/s on the Baziaș – Iron Gates II section, at the point of entry into Romania. Against the backdrop of emerging adverse hydrological conditions and considering the measures adopted at government level regarding water resource management and, where applicable, the phased limitation of water consumption, Hidroelectrica is closely monitoring the hydrological situation and will assess the potential impact on electricity generation depending on the duration and severity of these conditions.

<u>Hidroelectrica's Management Board</u>

Iulius- Iulius-Dan PLAVETI
Chairman of the Board

Bogdan-Nicolae BADEA	**Radu Ioan CONSTANTIN**	**Ianas RADOI**
Management Board Member	Management Board Member	Management Board Member

Management Statement

Based on the information available, we confirm that the Condensed Interim Consolidated Financial Statements prepared for the six month period ended 30 June 2026, in accordance with International Accounting Standard IAS 34 – Interim Financial Reporting as adopted by the European Union, as well as the Consolidated Management Board Report for the first Semester of 2026, prepared in accordance with the provisions of Law no. 24/2017 on issuers of financial instruments and market operations, as republished, and ASF Regulation no. 5/2018, provide a true and fair view of the assets, liabilities, financial position and profit and loss of the Hidroelectrica Group, and present accurate and complete information regarding the Group's performance, as available at the date of this report.

Hidroelectrica's Management Board

Iulius- Iulius-Dan PLAVETI
Chairman of the Board

Bogdan-Nicolae BADEA	**Radu Ioan CONSTANTIN**	**Ianas RADOI**
Management Board Member	Management Board Member	Management Board Member

Glossary of terms and definitions

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

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

Litigation Regarding Complex Investments

CRT NO.	INVESTMENT OBJECTIVE	FILE NUMBER	SUBJECT OF THE FILE	COURT	THE NEXT TRIAL TERM	PARTIES TO THE FILE: PARAT	PARTIES TO THE FILE: CLAIMANT
1	**AHE LIVEZENI BUMBESTI**	The file no. 40314/3/ 2013**	The execution contract no. 21DI/26.01.2004 regarding the achievement of the investment objective Hydropower development of the Jiu river on the Livezeni-Bumbesti sector	**Bucharest Court of Appeal**	**23.10.2026**	Hidroelectrica S.A.	The association of Romelectro S.A., Hidroconstructia S.A. and ISPH Project Development S.A.
		The file no. 653/33/ 2025	Suspension of environmental agreement no. 2/17.06.2025 until the ruling of the court of first instance in the case no. 805/33/2025	**HCCJ**	**29.10.2026**	MMAP Hidroelectrica SA	Bankwatch Romania Association-Cluj Branch
		File no. 805/33/ 2025	Cancellation of environmental agreement no. 2/17.06.2025	**Court of Appeal of Alba Iulia**	**09.09.2026**	MMAP Hidroelectrica SA	Bankwatch Romania Association - Cluj Branch
		The file no. 958/33/ 2025	Suspension of environmental agreement no. 2/17.06.2025 until the final settlement of the file no.805/33/2025	**Cluj Court of Appeal**	**Solution of 17.06.2025: rejects the request for suspension as unfounded**	MMAP Hidroelectrica S.A.	Bankwatch Romania Association - Cluj Branch
		The file no. 1004/42/ 2025	Suspension and cancellation of the environmental agreement no. 2/17.06.2025	**Ploiesti Court of Appeal**	14.07.2026 rejects the request for suspension of the execution of the environmental agreement and the request for summons for the annulment of the agreement, as unfounded. Rejects the exceptions invoked by MMAP and Hidroelectrica	MMAP Hidroelectrica S.A.	Ecolegal Association
		File no.72/1/202 6	Request for relocation of file 958/33/2025	**HCCJ**	**12.02.2026 - admits the request for relocation and moves the trial of the case to the Court of Appeal of Alba Iulia**	Bankwatch Romania Association - Cluj Branch, MMAP	Hidroelectrica SA

CRT NO.	INVESTMENT OBJECTIVE	FILE NUMBER	SUBJECT OF THE FILE	COURT	THE NEXT TRIAL TERM	PARTIES TO THE FILE	
						PARAT	CLAIMANT
2	**AHE RASTOLITA**	The file no. 476/289/2023	Cancellation of title deed no. 12968/28.10.2022 issued in favor of Banffy Josika Imre Laszlo	**Reghin Court**	The court ordered the suspension of the case until the final judgment of the case no. 3584/289/2020, (NB: file 3584/289/2020 is the subject of this Report)	Banffy Eva Maria Rozalia Helena Johana Banffy Josika Imre Laszlo Local Commission for the Establishment of the Private Property Right on Rastolita Land Local Commission for Establishing the Private Property Right on Vatava Land County Commission for Establishing the Private Property Right on Mures Land	Hidroelectrica S.A.
		File no.5945/2/2022	Partial annulment of GD no. 1284/2007 and GD no. 1143/2007	**HCCJ**	An appeal was filed against Hidroelectrica. Deadline : 29.10.2026	The Government of Romania through the General Secretariat of the Government speaker: MMAP	Hidroelectrica S.A.

CRT NO.	INVESTMENT OBJECTIVE	FILE NUMBER	SUBJECT OF THE FILE	COURT	THE NEXT TRIAL TERM	PARTIES TO THE FILE	
						PARAT	CLAIMANT
		The file no. 3584/289/ 2020	Annulment of the minutes of possession issued in favor of Banffy Josika Imre Laszlo	**Mures Court**	An appeal was filed **on 22.08.2025, setting a trial deadline of 22.09.2026.**	Banffy Josika Imre Laszlo Local Commission for Establishing the Private Property Right on Rastolita Land Local Commission for Establishing the Private Property Right on Vatava Land County Commission for Establishing the Private Property Right on Mures Land Mayor of Rastolita commune	Hidroelectrica S.A.
		The file no. 454/117/ 2025	Annulment of the Environmental Agreement no. 6/2024 issued for AHE Rastolita	**Cluj Tribunal**	**22.09.2026**	Environmental Protection Agency Mures Hidroelectrica S.A. Calimani National Park Administration National Agency for Protected Natural Areas National Administration of Romanian Waters-Mures Water Basin Administration	Declic Association, Bankwatch Romania Association-Cluj Branch
		The file no. 365/33/ 2025	Suspension of the effects of GD no.327/2025 regarding the approval of the definitive removal from the national forest fund of the land with an area of 37.5263 ha, by the	**Cluj Court of Appeal**	14.09.2026	Government of Romania MMAP Ancillary intervener: Hidroelectrica	Declic Association

CRT NO.	INVESTMENT OBJECTIVE	FILE NUMBER	SUBJECT OF THE FILE	COURT	THE NEXT TRIAL TERM	PARTIES TO THE FILE	
						PARAT	CLAIMANT
			Compania de Producere a Energiei Electrice in Hidrocentrale"Hidroelectrica" - S.A., for the realization of the public utility work of national interest "Rastolita Hydropower Development"				
		The file no. 2176/117/ 2025	Finding the expiry of the Building Permit no. 304/1990 and the non-existence of the Annex no. 6703/1997, the definitive stop of the works at the Rastolita AHE.	**Cluj Tribunal**	**15.10.2026**	President of CJ Mures UAT Mures Hidroelectrica SA	Declic Association, Bankwatch Romania Association-Cluj Branch
		The file no. 552/33/ 2025	1. Suspension of GD no. 327/2025 until the final resolution of the case based on the provisions of Article 15 of Law no. 554/2004; 2. Request for annulment of GD no. 327/2025; 3. To oblige Hidroelectrica to restore the previous situation, respectively to reforest the deforested area at its own expense, as well as to take all the necessary technical and administrative measures to bring the affected land back to its previous natural state	**Cluj Court of Appeal**	On 05.12.2025, it was ordered **to suspend the case until the final resolution of the file no. 454/117/2025** having as object the annulment of the environmental agreement issued for Rastolita	Government of Romania MMAP Hidroelectrica SA	Declic Association, Bankwatch Romania Association-Cluj Branch
		File no.552/33/2025/a1	Appeal against the decision to suspend the effects of GD no. 327/2025	**HCCJ**	**Solution of 20.05.2025: dismisses the appeals as unfounded**	Government of Romania MMAP Hidroelectrica SA	Declic Association Bankwatch Romania Association-Cluj Branch
		File 97/33/2026	Request for revision against Decision no. 972/2025, pronounced in the file 3053/117/2025, which rejected the request to issue a presidential order to stop the works "remaining to be executed" at the Rastolita Hydropower Development until the final	**Court of Appeal of Suceava**	**Solution of 01.07.2026: rejects the request for revision**	President of CJ Mures UAT Mures Hidroelectrica SA	Declic Association Bankwatch Romania Association-Cluj Branch

CRT NO.	INVESTMENT OBJECTIVE	FILE NUMBER	SUBJECT OF THE FILE	COURT	THE NEXT TRIAL TERM	PARTIES TO THE FILE	
						PARAT	CLAIMANT
			resolution of the file no. 2176/117/2025				
		File no. 277/1/ 2026	Request for file relocation 97/33/2026	**HCCJ**	**Solution of 24.03.2026: admits the relocation request**	Declic Association Bankwatch Romania Association-Cluj Branch, President of CJ Mures, UAT Mures, Ministry of Energy	Hidroelectrica SA
3	**AHE COSMESTI-MOVILENI**	The file no. 17808/3/ 2019*	The partial cancellation of the Water Management Authorization no. 223/11.09.2018 regarding the "Movileni Hydropower Development-Movileni Accumulation Lake", Vrancea County, and the removal from the Chapter "The holder of the authorization is obliged" of the obligation regarding: (i). Item 8: "To take measures to ensure the sanitation of the surface of the water surface and to clean the floats by collecting and transporting them to specially arranged places.".	**Bucharest Court of Appeal**	**On 19.01.2026, the court rejected the request for summons** filed by Hidroelectrica by which we requested the cancellation of the obligation to sanitize the water gloss. With appeal within 15 days from the communication. The decision was communicated on 16.07.2026. An appeal was filed within the deadline.	ABA Siret	Hidroelectrica S.A.
4	**AHE SURDUC SIRIU**	The file no. 3757/117/ 2022	Refusal to settle the request for the issuance of demolition authorization works	**Cluj Court of Appeal**	05.11.2026	President of Covasna County Council Covasna County through the President of the Covasna County Council Hidroelectrica SA	Declic Association
		The file no. 4715/117/ 2025	Presidential Ordinance on the cessation of works of the Surduc Siriu AHE	**Court of Appeal of Alba Iulia**	**10.08.2026**	President of Covasna County Council	Declic Association

CRT NO.	INVESTMENT OBJECTIVE	FILE NUMBER	SUBJECT OF THE FILE	COURT	THE NEXT TRIAL TERM	PARTIES TO THE FILE	
						PARAT	CLAIMANT
						Covasna County through the President of the Covasna County Council Hidroelectrica S.A. The Mayor of Zagon Commune	
		The file no. 158/117/ 2026	Ascertainment of non-existence/cancellation/ascertainment of the expiry of the Building Permit no. 73/01.07.2024 and stopping the works until they enter into legality	**Cluj Tribunal**	**Solution of 23.04.2026: rejects the request**	President of the Buzau County Council Buzau County through the President of the Buzau County Council Hidroelectrica SA	Declic Association
		File no.464/33/2026	Suspension of Environmental Agreement no. 3/2026	**Cluj Court of Appeal**	**10.09.2026**	Ministry of Environment, Water and Forests, Hidroelectrica	Delic Association
		File no.1192/117/2026	the finding of non-existence/cancellation of the Building Permit no. 3/2022 and the suspension of the works until the final resolution of the file 1192/117/2026	**Cluj Tribunal**	**The solution for the request for suspension of 30.07.2026 - rejects the request for the trial deadline set for the request for annulment on 30.09.2026**	Hidroelectrica S.A. Mayor of Zagon Commune, Zagon Commune	Declic Association
		File no. 851/33/ 2026	suspension of the Environmental Agreement no.3/2026 of the AHE Surduc Siriu until the final resolution of the file no.619/33/2026	**Cluj Court of Appeal**	21.09.2026	Ministry of Environment, Water and Forests and Hidroelectrica	Declic Association
		File no. 619/33/ 2026	annulment of the Environmental Agreement no.3/2026 of the Surduc Siriu AHE	**Cluj Court of Appeal**	15.10.2026	Ministry of Environment, Water and	Declic Association

CRT NO.	INVESTMENT OBJECTIVE	FILE NUMBER	SUBJECT OF THE FILE	COURT	THE NEXT TRIAL TERM	PARTIES TO THE FILE	
						PARAT	CLAIMANT
						Forests and Hidroelectrica	
		The file no. 209/117/ 2026*	Suspension of the effects of the Building Permit no. 73/01.07.2024 until the final resolution of the file no. 158/117/2026; in the alternative, the stopping of the Surduc Nehoiasu adduction works until the resolution of the file no. 158/117/2026	**Cluj Tribunal**	**12.08.2026**	President of the Buzau County Council Buzau County through the President of the Buzau County Council Hidroelectrica SA	Declic Association
5	**AHE CERNA - BELARECA**	The file no. 6710/208/ 2025	Real estate claim	**Caransebes Court**	17.09.2026 at 11 a.m.	Visescu Ion Visescu Ioana	Hidroelectrica S.A.
		The file no. 6711/208/ 2025	Real estate claim	**Caransebes Court**	07.10.2026, 10 a.m.	Sorescu Lazar Sorescu Veronica	Hidroelectrica S.A.
		The file no. 6712/208/ 2025	Real estate claim	**Caransebes Court**	08.12.2026, 10 a.m.	Caniceanu Daniela Caniceanu Grigore	Hidroelectrica S.A.
		The file no. 7077/208/ 2025	Action for declaration	**Caransebes Court**	Deadline: not yet fixed	UAT Cornereva Commune	Hidroelectrica S.A.
		The file no. 7078/208/ 2025	Real estate claim	**Caransebes Court**	14.04.2027, 10 a.m.	Radoi Ana Iustina	Hidroelectrica S.A.
		The file no. 7079/208/ 2025	Real estate claim	**Caransebes Court**	28.10.2026, 10 a.m.	Bugarin Ana	Hidroelectrica S.A.
		The file no. 7080/208/ 2025	Real estate claim	**Caransebes Court**	09.12.2026, 10 a.m.	Radoi Ion	Hidroelectrica S.A.
		The file no. 7081/208/ 2025	Real estate claim	**Caransebes Court**	10.11.2026, 10 a.m.	Marcu Ana	Hidroelectrica S.A.
		The file no. 7082/208/ 2025	Action for declaration	**Caransebes Court**	06.10.2026, 10 a.m.	GO Romanian State Ministry of Public Finance	Hidroelectrica S.A.

Consolidated Interim Financial Statements

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

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
for the six month period ended
30 June 2026

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

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

	Note	30 June 2026 (reviewed)	31 December 2025 (audited)
Assets			
Non-current assets			
Property, plant and equipment		19,299,078	19,429,425
Intangible assets		33,902	36,249
Restricted cash	**11**	53,000	23,057
Other non-current assets	**14**	299,968	374,334
Total non-current assets		**19,685,948**	**19,863,066**
Current assets			
Inventories		138,927	123,808
Trade receivables	**13**	1,882,899	1,698,378
Investments in deposits	**12**	3,548,753	3,732,016
Cash and cash equivalents	**11**	1,039,428	1,187,734
Restricted cash	**11**	49,333	32,066
Other current assets	**14**	261,292	64,960
Total current assets		**6,920,632**	**6,838,962**
Total assets		**26,606,580**	**26,702,028**
Equity			
Share capital	**15**	5,526,898	5,526,898
Revaluation reserve		10,856,837	11,083,763
Other reserves		1,017,933	1,029,674
Retained earnings		3,043,878	4,539,471
Total equity		**20,445,546**	**22,179,806**
Liabilities			
Non-current liabilities			
Bank borrowings		73,039	118,358
Lease liabilities		57,923	61,511
Deferred income		185,236	192,389
Current tax liabilities		-	7,822
Deferred tax liabilities		1,381,815	1,396,869
Employee benefits		140,378	139,904
Provisions		1,031,786	1,009,132
Trade payables		21,266	14,901
Other payables	**16**	47,375	57,867
Total non-current liabilities		**2,938,818**	**2,998,753**

(continued on page 2)

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

	Note	30 June 2026 (reviewed)	31 December 2025 (audited)
Current liabilities			
Bank borrowings		97,616	94,957
Lease liabilities		10,670	10,136
Trade payables		907,207	777,323
Contract liabilities		44,887	48,392
Current tax liabilities	**10**	239,715	180,641
Deferred income		5,478	5,606
Employee benefits		131,918	155,541
Provisions		41,792	104,498
Other payables	**16**	1,742,933	146,374
Total current liabilities		**3,222,216**	**1,523,468**
Total liabilities		**6,161,034**	**4,522,221**
Total equity and liabilities		**26,606,580**	**26,702,028**

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

Iulius Dan PLAVETI	**Bogdan-Nicolae BADEA**	**Radu Ioan CONSTANTIN**	**Ianăș RĂDOI**
Chairman of the Management Board	Member of the Management Board	Member of the Management Board	Member of the Management Board
Petronel CHIRIAC			**Marian FETIŢA**
Finance Director			Accounting manager

		Six month period ended	
	Note	**30 June 2026 (reviewed)**	**30 June 2025 (reviewed)**
Revenue	**6**	6,046,751	4,315,368
Other income		18,716	23,465
Turbinated water	**7A**	(265,771)	(228,096)
Employee benefits expenses		(508,785)	(471,477)
Transport and distribution of electricity	**7C**	(1,145,888)	(736,140)
Electricity purchased	**7B**	(363,783)	(225,457)
Green certificates expenses	**7D**	(244,139)	(162,176)
Depreciation and amortization		(441,348)	(440,081)
Impairment on property, plant and equipment		12,244	1,094
Impairment loss on trade receivables, net		(38,483)	(2,390)
Repair, maintenance, materials and consumables		(69,251)	(50,778)
Tax for electricity producers	**7E**	(50)	(120,137)
Other operating expenses		(167,496)	(152,498)
Own work capitalized		60,670	421
Operating profit		**2,893,387**	**1,751,118**
Finance income	**8**	181,693	173,910
Finance costs	**8**	(25,780)	(36,489)
Net finance result		**155,913**	**137,421**
Profit before tax		**3,049,300**	**1,888,539**
Income tax expense	**10**	(478,248)	(301,100)
Profit for the period		**2,571,052**	**1,587,439**
Earnings per share			
Basic and diluted earnings per share (RON)	**9**	**5.72**	**3.53**
Other comprehensive income			
Impairment of property, plant and equipment recognized in revaluation reserve, net of tax		-	-
Total other comprehensive income		**-**	**-**
Total comprehensive income		**2,571,052**	**1,587,439**

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

Iulius Dan PLAVETI Chairman of the Management Board	**Bogdan-Nicolae BADEA** Member of the Management Board	**Radu Ioan CONSTANTIN** Member of the Management Board	**Ianăș RĂDOI** Member of the Management Board
Petronel CHIRIAC Finance Director			**Marian FETIŢA** Accounting manager

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

	Note	Three month period ended 30 June 2026 (not reviewed)	30 June 2025 (not reviewed)
Revenue	**6**	2,917,786	2,447,194
Other income		12,906	4,529
Turbinated water	**7A**	(131,747)	(128,922)
Employee benefits expenses		(272,000)	(251,896)
Transport and distribution of electricity	**7C**	(559,056)	(354,056)
Electricity purchased	**7B**	(154,935)	(130,280)
Green certificates expenses	**7D**	(114,368)	(78,730)
Depreciation and amortization		(220,952)	(220,499)
Impairment on property, plant and equipment		12,244	1,055
Impairment loss on trade receivables, net		10,312	28,749
Repair, maintenance, materials and consumables		(47,175)	(27,357)
Tax for electricity producers	**7E**	-	(104,399)
Other operating expenses		(80,331)	(77,393)
Own work capitalized		40,607	-
Operating profit		**1,413,291**	**1,107,995**
Finance income		88,736	95,588
Finance costs		(12,050)	(17,497)
Net finance result		**76,686**	**78,091**
Profit before tax		**1,489,977**	**1,186,086**
Income tax expense	**10**	(226,213)	(187,871)
Profit for the period		**1,263,764**	**998,215**
Earnings per share			
Basic and diluted earnings per share (RON)	**9**	**2.81**	**2.22**
Other comprehensive income			
Impairment of property, plant and equipment recognized in revaluation reserve, net of tax		-	-
Total other comprehensive income		**-**	**-**
Total comprehensive income		**1,263,764**	**998,215**

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

Iulius Dan PLAVETI	**Bogdan-Nicolae BADEA**	**Radu Ioan CONSTANTIN**	**Ianăș RĂDOI**
Chairman of the Management Board	Member of the Management Board	Member of the Management Board	Member of the Management Board

Petronel CHIRIAC	**Marian FETIŢA**
Finance Director	Accounting manager

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

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

	Attributable to owners of the Company				
	Share capital	**Revaluation reserve**	**Other reserves**	**Retained earnings**	**Total equity**
Balance at 1 January 2026 (audited)	**5,526,898**	**11,083,762**	**1,029,674**	**4,539,472**	**22,179,806**
Total comprehensive income for the period					
Profit of the period	-	-	-	2,571,052	**2,571,052**
Other comprehensive income for the period					
Impairment of property, plant and equipment recognized in revaluation reserve, net of tax	-	-	-	-	**-**
Total other comprehensive income for the period	-	**-**	**-**	-	**-**
Total comprehensive income for the period	**-**	**-**	**-**	2,571,052	**2,571,052**
Transactions with the owners of the Company					
Contributions and distributions					
Dividends	-	-	-	(4,305,314)	**(4,305,314)**
Total transactions with the owners of the Company	**-**	**-**	**-**	**(4,305,314)**	**(4,305,314)**
Other changes in shareholders' equity					
Transfer of revaluation reserve to retained earnings due to depreciation and disposals of property, plant and equipment	-	(226,925)	-	226,925	**-**
Other changes	-	-	(11,742)	11,742	**-**
Balance at 30 June 2026 (reviewed)	**5,526,898**	**10,856,837**	**1,017,933**	**3,043,878**	**20,445,544**

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

Iulius Dan PLAVETI Chairman of the Management Board	**Bogdan-Nicolae BADEA** Member of the Management Board	**Radu Ioan CONSTANTIN** Member of the Management Board	**Ianăș RĂDOI** Member of the Management Board
Petronel CHIRIAC Finance Director			**Marian FETIŢA** Accounting manager

	Note	Six months period ended 30 June 2026 (reviewed)	Six months period ended 30 June 2025 (reviewed)
Cash flow from operating activities:			
Profit for the period		2,571,052	1,587,439
Adjustments for:			
Depreciation of tangibles assets		436,940	438,040
Depreciation of intangible assets		4,408	2,041
Impairment on property, plant and equipment		(12,244)	(1,094)
Impairment loss on trade receivables, net		38,483	2,390
Write-down of inventories		(407)	(645)
Loss/(gain) on disposal of property, plant and equipment		13,106	(2,362)
Net foreign exchange gain		(1,828)	(1,649)
Interest income		(183,031)	(165,259)
Provisions for risk and charges		(62,706)	22,727
Interest expense		27,339	38,123
Income tax expense		478,248	301,101
		3,309,360	**2,220,850**
Changes in:			
Trade receivables		(223,004)	(64,678)
Inventories		(14,711)	(12,713)
Restricted cash		(47,209)	(8,575)
Other assets		(130,162)	(93,593)
Trade payables		172,531	102,386
Deferred income		(7,283)	2,192
Employee benefits		(23,148)	(54,448)
Other payables		43,022	73,022
Cash generated from operating activities		**3,079,396**	**2,164,446**
Interest paid		(4,685)	(6,972)
Income tax paid		(426,188)	(190,011)
Net cash from operating activities		**2,648,523**	**1,967,463**
Cash flow from investing activities:			
Payments for acquisition of property, plant and equipment		(344,261)	(119,859)
Payments for acquisition of intangible assets		(2,061)	(16,955)
Proceeds from the sale of property, plant and equipment		524	-
Payments for deposits held for investment purposes		(4,450,000)	(4,605,413)
Proceeds from deposits held for investment purposes		4,645,261	5,926,724
Interest received		179,230	215,509
Net cash generated from / (used in) investing activities		**28,693**	**1,400,006**

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

Cash flow from financing activities:			
Repayment of borrowings		(42,660)	(46,490)
Lease payments		(3,053)	(5,108)
Dividends paid		(2,779,808)	(3,639,276)
Net cash used in financing activities		**(2,825,521)**	**(3,690,874)**
Net increase/(decrease) in cash and cash equivalents		**(148,305)**	**(323,405)**
Cash and cash equivalents at 1 January	**11**	1,187,734	1,581,617
Cash and cash equivalents at 30 June	**11**	**1,039,428**	**1,258,212**

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

Iulius Dan PLAVETI	**Bogdan-Nicolae BADEA**	**Radu Ioan CONSTANTIN**	**Ianăș RĂDOI**
Chairman of the Management Board	Member of the Management Board	Member of the Management Board	Member of the Management Board

Petronel CHIRIAC
Finance Director

Marian FETIŢA
Accounting manager

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

1. REPORTING ENTITY AND GENERAL INFORMATION

(a) General information about the Group

Societatea de Producere a Energiei Electrice in Hidrocentrale Hidroelectrica S.A. ("the Company" or "Hidrolectrica") is a joint stock company, domiciled in Romania. The Company's registered office is 15-17 Ion Mihalache Blvd., Tower Center Building, 10-15 floors, Sector 1, Bucharest. The Company is registered at National Trade Register Officer with no. J2000007426409 and has unique registration code 13267213.

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

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

As of 30 June 2026, the Romanian State through the Ministry of Energy owns 360,094,390 shares, representing 80.0561% of the share capital and of the total voting rights. The rest of the shares are traded on the Bucharest Stock Exchange as follows: 76,458,964 shares, representing 16.9983% of the share capital are owned by legal persons and 13,249,213 shares representing 2.9456% of the share capital by individuals.

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

List of subsidiaries

As of 30 June 2026 and 31 December 2025 Hidroelectrica has the following subsidiaries:

Subsidiary	Activity	Registered Office	% participation at 30 June 2026	% participation at 31 December 2025
Hidroserv S.A.	Services (maintenance, repairs, construction)	Bucharest, Romania	100%	100%
Uzina de Construcții Mașini Hidroenergetice S.R.L.	Manufacturing of engines and turbines	Resita, Romania	100%	100%

Hidroserv S.A. entered the insolvency proceedings in October 2016. In 2020, a reorganization plan of the subsidiary was approved by the Assembly of Creditors and confirmed by the insolvency judge. On 25 June 2025 the court proceedings related to insolvency have officially closed.

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

All revenue are generated in Romania.

(b) Regulatory environment

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

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

(c) Main operations of the Group

Electricity generation and system services

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

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

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

Electricity supply to end users

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

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

Starting 1 November 2021, due to the significant increase in energy prices on the international and national markets and the impact thereof on Romanian consumers, the Government implemented consumer support schemes, as follows: capping the electricity supply tariffs for household and non-household consumers until 30 June 2025. The difference between the cap price and the regulated cost was partially covered through a subsidy from the State reducing the impact of the capping mechanism. Once the Group submitted the requests for the subsidy to be received from the State authorities as per applicable law, the subsidy and the related income is recorded (Note 6). The price cap schemes for electricity were eliminated starting 1 July 2025.

Green certificates (“GC”)

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

In the first semester of 2026, the Group received 3 green certificates for each MWh generated by the eligible micro-hydropower plant and 0.75 green certificates for each MWh generated by the wind farm. During the first semester of 2026, the Group generated from its own production portfolio a number of 4,228 GC from hydropower plants and 98,332 GC from wind power plant (CEE Crucea Nord) (first semester of 2025: 13,409 GC from hydropower plants and 99,946 GC from wind power plant (CEE Crucea Nord)).

The selling price must fall between the minimum and maximum values set by law:

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

As an electricity supplier, the Group is required to purchase a number of green certificates computed by multiplying the annual mandatory purchase quota of green certificates by the quantity (in MWh) of electricity supplied to end users. ANRE establishes the annual mandatory level of purchase obligations (quotas) for green certificates. The Group is eligible to receive green certificates for the production of Crucea Wind farm which are used to partially settle the obligation to comply with the mandatory annual quota. The difference is acquired by the Group to reach the quota and the Group recognizes the amount needed to acquire the green certificates for fulfilling the quota in "Trade payables".

Tax on electricity producers

The tax for electricity producers was computed as 100% of net monthly average selling price in excess of RON 400 per MWh. The tax on electricity producers was initially applicable until 31 March 2025. In February 2025, the Government issued a new Emergency Ordinance (OUG no. 6/27.02.2024) extending the applicability period of the tax for an additional 3 months until 30 June 2025.

Tax on Special Constructions

Starting with 1 January 2025, the tax on constructions was introduced through Government Emergency Ordinance (GEO) 156/2024, with subsequent amendments, calculated as 0,5%, of the net book value of eligible constructions held as of 31 December of the preceding year and constructions subject to concession contract. As of 30 June 2026 the Group has a prepayment of 24,448 thousand RON in relation to tax on special construction.

2. BASIS OF ACCOUNTING

These interim condensed consolidated financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2025. They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS Accounting Standards issued by IASB. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements.

The Group has prepared the interim condensed consolidated financial statements on the basis that it will continue to operate as a going concern.
These interim consolidated financial statements were authorized for issue by the Company's Management Board on 11 August 2026.

The Group also issues these interim condensed consolidated financial statements prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union issued by IASB in Romanian language approved at the same date with these interim condensed consolidated financial statements.

3. USE OF JUDGEMENTS AND ESTIMATES

In preparing these interim condensed consolidated financial statements, management has made judgements and estimates, including climate-related risks and opportunities, that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

The significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual consolidated financial statements.

4. CHANGE IN ACCOUNTING POLICY

The accounting policies in effect on December 31, 2025, remain largely unchanged. The IFRS amendments effective since January 1, 2026, did not have a material effect on the interim condensed consolidated financial statements.

IFRS 18 “Presentation and Disclosure in Financial Statements” will replace IAS 1 “Presentation of Financial Statements”. It applies for annual reporting periods beginning on or after January 1, 2027 and it introduces consequential amendments to IAS 7 “Statement of Cash Flows”. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements. Hidroelectrica is currently working to identify and assess the impacts of the new standard on the primary financial statements and notes.

5. OPERATING SEGMENTS

A. Basis for segmentation

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

The following summary describes the operations of each reportable segment:

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

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

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

B. Information about operating segments

Six month period ended 30 June 2026 (reviewed)	**Electricity generation**	**Electricity supply**	**Total for reportable segments**	**Inter-segment eliminations**	**Consolidated total**
External revenue	2,467,641	3,579,110	6,046,751	-	6,046,751
Inter-segment revenue	1,274,793	-	1,274,793	(1,274,793)	-
Segment revenue	**3,742,434**	**3,579,110**	**7,321,544**	**(1,274,793)**	**6,046,751**
Segment profit before tax	**2,543,790**	**505,510**	**3,049,300**	**-**	**3,049,300**
Net finance income/ (cost)	157,527	(1,614)	155,913	-	155,913
Depreciation and amortization	(440,541)	(807)	(441,348)	-	(441,348)
Impairment loss on property, plant and equipment	12,244	-	12,244	-	12,244
Electricity purchased	(21,746)	(1,599,634)	(1,621,380)	1,257,597	(363,783)
Green certificates expenses	-	(261,335)	(261,335)	17,196	(244,139)
Employee benefits expenses	(494,751)	(14,034)	(508,785)	-	(508,785)
Turbinated water	(265,771)	-	(265,771)	-	(265,771)
Tax for electricity producers	(50)	-	(50)	-	(50)
Transport and distribution of electricity	(29,211)	(1,116,677)	(1,145,888)	-	(1,145,888)
Other expenses	(197,532)	(77,698)	(275,230)	-	(275,230)

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

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

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

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

Inter-segment revenue includes mainly the value of electricity produced and transferred within the same entity from producer portfolio (generation segment) to supplier portfolio (supplier segment) of RON 1,235,753 thousand for the six months ended 30 June 2026 (six months ended 30 June 2025: RON 766,273 thousand).Inter-segment revenue is calculated based on a methodology approved by the Management Board in 2021. The methodology used for computing transfer price between segments is based on the average electricity production cost in the last 12 months ending 2 months prior to the calculation month, plus an internal margin.

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

6. REVENUE

A. Revenue from contracts with customers

The Group generates revenue from:

	Six months ended	
	30 June 2026 (reviewed)	**30 June 2025 (reviewed)**
Wholesale of electricity	2,319,738	1,937,815
Electricity supplied to final consumers (retail sales)	3,579,110	2,275,304
System services	144,577	101,355
Maintenance services	3,326	894
Total	**6,046,751**	**4,315,368**

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

The majority of the Group's supply revenue in the first semester of 2026 represent sales to non-household consumers (approx. 65% of volume, 64% in the first semester of 2025), for which readings are performed at the end of each month, data sent by the distribution operators. Also, approximately 77% (72% in the first semester of 2025) of the volume supplied to household consumers in the six month period ended 30 June 2026 is determined based on meter readings at the end of the period, and the rest is based on estimates of the consumption, all data sent by the distribution operators. Group assesses that the risk of revenue adjustment subsequent to period end that could result from the difference between the meter readings and the estimated volumes would have a limited impact on the financial statements.

For the six month period ended 30 June 2026, the Group produced 7,070 GWh (six month period ended 30 June 2025: 6,068 GWh), and sold 8,051 GWh (six month period ended 30 June 2025: 6,742 GWh). From total quantity sold, 4,274 GWh were supplied to end users in the six month period ended 30 June 2026 (3,260 GWh in the six month period ended 30 June 2025).

The overall increase of revenue from wholesale of electricity by 381,923 thousand RON as compared with the first semester from 2025 is generated by the increase of the quantity sold by 379 GWh mainly on Day Ahead Market, as well as increased prices on main markets. The overall increase of revenue from electricity supplied to final consuments (retail sales) is mainly due to increased quantities supplied by 1,097 GWh as compared with the similar period from 2025.

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

Currently, the Group has contracts with customers mainly for periods up to 12 months. Individual client who represent more than 10% of the Group's revenue are as follows (Note 20.c):

- Transelectrica SA, the electricity system operator - system services and production of electricity for system balancing (latter included in wholesale of electricity);
- OPCOM SA, - electrivity market operator – sales of energy on the markets directly operated by OPCOM – mainly the day-ahead market.

Timing of revenue recognition:

	Six months ended	
	30 June 2026 (reviewed)	**30 June 2025 (reviewed)**
Revenue transferred over time	6,043,425	4,314,474
Revenue transferred at a point in time	3,326	894
Total	**6,046,751**	**4,315,368**

7. OPERATING EXPENSES

A. Turbined water

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

B. Electricity purchased

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

In the first semester of 2026 the Group purchased 978 GWh (first semester of 2025: 674 GWh) for RON 363,783 thousand (first semester of 2025: RON 225,457 thousand). The increase in electricity purchases in the first semester of 2026 is mainly due to a higher quantity of electricity purchased for the supply segment.

C. Transport and distribution of electricity

	Six months ended	
	30 June 2026 (reviewed)	**30 June 2025 (reviewed)**
Injection of electricity produced in the national system	25,680	20,138
Distribution of electricity supplied	918,634	576,421
Transport of electricity supplied	201,573	139,581
Total	**1,145,888**	**736,140**

Tariffs for transport and distribution of electricity are regulated. The 55% increase in transport and distribution costs in the first six months of 2026 compared to the same period in 2025 is driven mainly by the increase in the volume of electricity supplied by 31%, as well as an average increase by 3% in distribution tariffs effective from 1 January 2026.

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

D. Green certificates expenses

In the first semester of the year 2026, the Group incurred costs of RON 244,139 thousands (first semester of 2025: RON 162,176 thousands) cost of green certificates purchased for the supply segment under the legal obligation to purchase green certificates from renewable energy producers, based on annual targets or quotas established by law, which apply to the quantity of electricity purchased and supplied to final consumers.

E. Tax for electricity producers

The tax for electricity producers is computed as 100% of net monthly average selling price in excess of RON 400 per MWh (450/MWh till 31 March 2024). The tax on electricity producers was applicable until 31 March 2025.

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

Starting with 1st of July 2025 the tax for electricity producers is not applicable anymore, thus it resulted in a decrease of the expense of 120,087 thousand RON as compared with the period ended 30 June 2025.

8. FINANCE RESULT

	Six months ended	
	30 June 2026 (reviewed)	**30 June 2025 (reviewed)**
Interest income	183,031	165,260
Other finance income	(1,338)	8,650
Finance income	**181,693**	**173,910**
Interest expense	(4,685)	(6,747)
Unwinding of non-current provisions	(22,654)	(31,376)
Gain or (loss) from foreign exchange differences	1,559	1,634
Finance expenses	**(25,780)**	**(36,489)**
Net finance result	**155,913**	**137,421**

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

9. EARNINGS PER SHARE

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

	Six months ended	
	30 June 2026 (reviewed)	**30 June 2025 (reviewed)**
Profit for the period attributable to the owners of the Company	2,571,052	1,587,439
Profit attributable to ordinary shareholders	**2,571,052**	**1,587,439**
Issued ordinary shares at 1 January	449,802,567	449,802,567
Weighted average number of ordinary shares at 30 June	**449,802,567**	**449,802,567**
Earnings per share (basic and diluted) RON/share	**5.72**	**3.53**

10. INCOME TAX

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

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

(a) Income tax expense for the period for the six months ended 30 June 2026

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

The Group's consolidated effective tax rate for the six month period ended 30 June 2026 was 15.68% (six month period ended 30 June 2025: 15.94%).

(b) Current tax liabilities

As at 30 June 2026 the outstanding amount payable is RON 239,715 thousand (31 December 2025: RON 188,462 thousand) and represents mainly tax liabilities for the second quarter 2026.

(c) Potential consequences on income tax

The Group may have potential consequences on corporate income tax that may result in case of payment to shareholders of dividends from realized revaluation reserves transferred to retained earnings which, according to tax law, are taxed at the time of change of destination, to the extent they were previously tax deducted. Thus, the distribution of dividends from such reserves will generate additional income tax. The Group retained earnings at 30 June 2026 include such realized revaluation reserve, which in case of distribution would generate additional income tax expense for the Group of RON 31,423 thousand (31 December 2025: RON 27,229 thousand).

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

The potential tax effect of revaluation reserves taxable at change in destination/distribution (at 16% tax rate) that were not yet transferred to retained earnings, amount to RON 342,344 thousand at 30 June 2026 (RON 346,537 thousand at 31 December 2025).

11. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

Cash and cash equivalents

	30 June 2026 (reviewed)	**31 December 2025 (audited)**
Bank accounts	893,887	1,005,233
Bank deposits with a maturity below 3 months	140,495	179,928
Petty cash	156	158
Cash equivalents	4,890	2,415
Total	**1,039,428**	**1,187,734**

As at 30 June 2026, restricted cash in total amount of RON 102,333 thousand includes a collateral deposit of RON 53,057 thousand (31 December 2025: RON 23,057 thousand) at Banca Comerciala Romana for issuance of bank guarantee in favor of OPCOM in relation to the transactions on day-ahead market and mainly collateral deposit of RON 21,016 thousand (31 December 2025: RON 25,615 thousand) at CEC Bank for expropriations in relation to overhaul projects.

12. INVESTMENTS IN DEPOSITS

	30 June 2026 (reviewed)	**31 December 2025 (audited)**
Bank deposits with maturity less than 1 year held for investment purposes	3,548,753	3,732,016
Total	**3,548,753**	**3,732,016**

Bank deposits are short-term deposits with maturity between 3 to 12 months held for investment purposes rather than for short term cash commitments. The average interest rate on term deposits was 6.64 % per year in the first semester of 2026 (first semester of 2025: 6.50 % per year).

13. TRADE RECEIVABLES

	30 June 2026 (reviewed)	**31 December 2025 (audited)**
Trade receivables – generation segment (wholesale)	353,295	212,558
Trade receivables – supply segment (retail)	1,840,557	1,749,816
Impairment allowance	(310,953)	(263,996)
Total	**1,882,899**	**1,698,378**

The unbilled revenues included in trade receivables amounts to RON 946,526 thousand gross at 30 June 2026, representing 43% of total gross trade receivables (RON 685,844 thousand at 31 December 2025, representing 35% of total gross trade receivables), out of which RON 678,711 thousand gross relate to supply segment (RON 595,652 thousand as at 31 December 2025).

Of the invoiced receivables balance at 30 June 2026, RON 114,976 thousand represent trade receivables for which settlement agreements were signed (31 December 2025: RON 182,739 thousand). Trade receivables ageing analysis is disclosed in Note 17. Trade receivables due from related parties are disclosed in Note 20.

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

14. OTHER ASSETS

	30 June 2026 (reviewed)		31 December 2025 (audited)	
	Current	Non-current	Current	Non-current
Payments made in connection with uncertain tax treatments	-	563	-	63,612
Prepayments	183,463	293,505	55,150	305,961
Value added tax receivable	1,337	-	1,950	-
Other assets	92,160	5,900	23,693	4,761
Impairment loss on other assets	(15,668)	-	(15,833)	-
Total	**261,292**	**299,968**	**64,960**	**374,334**

Payments made in connection with uncertain tax treatments

The Group recognized these payments as an asset based on IFRIC 23 *Uncertainty over Income Tax Treatments* because they will either be refunded if the Group is successful in the litigations related to the contingent liability or they will be used to pay the potential liability in case of loss of the dispute. In May 2026, the court issued the final decision in favour of the Group, the amount of RON 63,612 thousands being due to collection in current period. As of June 30, 2026 the Group presented the related receivable in amount of RON 63,612 thousand as current assets under line “Other assets”.

Current prepayments as of June 30, 2026, include expenses for local taxes and levies, as well as expenses for taxes on special constructions amounting to RON 79,848 thousand, and current prepayments for services amounting to RON 101,101 thousand.

Non-current payments in advance mainly represent advance payment for the AHE Vidraru overhaul contract signed in June 2024. In addition, the balance as of 30 June 2026 include advance payment for CHE Stejaru and Lotru pumping stations for which related contracts were signed in 2025.

15. EQUITY

a) Share capital

At 30 June 2026, the authorized, subscribed share capital of the Company is divided into 449,802,567 ordinary shares (31 December 2025: 449,802,567 ordinary shares) with a nominal value of RON 10 per share. The shareholders are entitled to dividends and each share grants a voting right.

	30 June 2026		31 December 2025	
Shareholders	**Number of shares**	**%**	**Number of shares**	**%**
Ministry of Energy	360,094,390	80.0561%	360,094,390	80.0561%
Legal persons	76,458,964	16.9983%	75,600,136	16.8074%
Individuals	13,249,213	2.9456%	14,108,041	3.1365%
Total	**449,802,567**	**100%**	**449,802,567**	**100%**

b) Dividends

On 28 April 2026, the Shareholder General Meeting approved the distribution of dividends from the 2025 profit of RON 3,305,314 thousand, representing 100% of the 2025 eligible for distribution net profit in the statutory separate financial statements of the Company.

The value of the distributed dividends per share is 7.348365 RON/share (2025: 8.988897 RON/share).

On 29 May 2026, the Shareholder General Meeting approved the distribution of special dividends from the realized reevalution reserve presented under retained earnings RON 1,000,000 thousand, due to be paid on 30 September 2026.

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

Liabilities in relation to dividends include:

	30 June 2026	31 December 2025
Dividends payable	1,008,969	6,452
Tax on dividends withheld from shareholders	520,732	285
Total	**1,529,701**	**6,737**

16. OTHER PAYABLES

	30 June 2026 (reviewed)		31 December 2025 (audited)	
	Current	Non-current	Current	Non-current
Payables to the State	105,519	-	53,989	-
Performance deposits from suppliers	16,529	47,236	10,357	57,758
Performance deposits from clients	46,172	-	45,505	-
Liabilities in relation to dividends (Note 15)	1,529,701	-	6,736	-
Other	45,012	139	29,787	109
Total	**1,742,933**	**47,375**	**146,374**	**57,867**

At 30 June 2026, payables to the State represent mainly VAT payable of RON 88,021 thousand (31 December 2025: VAT payable of RON 49,448 thousand).

Starting from the second quarter of 2024, the Group requires potential end customers with counterparty risk to provide multiple payment guarantee options, including the establishment of monetary guarantees. In this regard, guarantee deposits are opened by customers, with the deposit amount based on the estimated contractual value of the electricity supplied for a period up to three months, and these deposits remain valid for the entire contractual period. At the end of the contractual period, these guarantees are realized either by offsetting them against the final invoices or by reimbursement.
As of 30 June 2026 and 31 December 2025, liabilities in relation to dividends represent financial liabilities, while the other categories represent non-financial liabilities.

17. FINANCIAL INSTRUMENTS – Fair Values and Risk Management

(a) Accounting classifications and fair values

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

(b) Financial risk management

Credit risk

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

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

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

Exposure to credit risk

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

	30 June 2026 (reviewed)	31 December 2025 (audited)
Trade receivables	1,882,899	1,698,378
Cash and cash equivalents	1,039,428	1,187,734
Restricted cash	102,333	55,124
Investments in deposits	3,548,753	3,732,016
Total	**6,573,413**	**6,673,252**

Trade receivables

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

The following table provides information about the exposure to credit risk and expected credit loss (ECL) for trade receivables as at 30 June 2026:

	Expected weighted average loss rate	Gross carrying amount	Impairment loss allowance	Net trade receivables
Not past due	2.10%	1,295,363	(27,395)	1,267,969
Past due - from 0 to 3 months	15.85%	218,806	(34,700)	184,106
Past due - from 3 to 6 months	55.88%	62,440	(34,891)	27,549
Past due - from 6 m to 1 year	91.15%	63,163	(57,616)	5,547
Past due - more than 1 year	100.00%	147,974	(147,974)	-
Total		**1,787,746**	**(302,576)**	**1,485,171**
Customers analyzed individually		406,106	(8,377)	397,728
Total trade receivables		**2,193,852**	**(310,953)**	**1,882,899**

The following table provides information about the exposure to credit risk and expected credit loss (ECL) for trade receivables as at 31 December 2025:

	Weighted average loss rate	Gross carrying amount	Impairment loss allowance	Net trade receivables
Not past due	2.04%	964,353	(19,498)	944,856
Past due - from 0 to 3 months	15.61%	118,051	(18,454)	99,597
Past due - from 3 to 6 months	55.76%	54,937	(30,633)	24,304
Past due - from 6 months to 1 year	89.37%	64,054	(58,124)	5,930
Past due - more than 1 year	100.00%	137,287	(137,287)	-
Total	**-**	**1,338,682**	**(263,996)**	**1,074,686**
Customers analyzed individually		623,692	-	623,692
Total trade receivables	**-**	**1,962,374**	**(263,996)**	**1,698,378**

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

Loss rates for the first semester of 2026 are based on the actual credit loss experienced over the past ten quarters considering the evolution of the supply segment and the delays in invoicing the electricity supplied (31 December 2025: last nine quarters).

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

The Group has guarantees received from customers of RON 588,493 thousand at 30 June 2026 (RON 591,806 thousand at 31 December 2025) in the form of bank letters of guarantee. Under client guarantees are included as of 30 June 2026, cash deposits of RON 46,172 thousands (31 December 2025: 45,505 thousands) (see Note 16). Bank letter of guarantee and cash deposits are taken into consideration when computing the expected credit loss reducing the basis considered for the calculation (see Note 16).

18. COMMITMENTS

18.1 Contractual commitments

The Group has the following contractual commitments:

	30 June 2026	31 December 2025
Acquisition of tangible and intangible assets	3,696,521	2,516,721

In 2025, the Company signed the contracts for overhaul of CHE Stejaru (RON 496,723 thousand) and high power pumps stations Lotru (RON 497,758 thousand). In June 2024, Hidroelectrica signed the contract for refurbishment works of AHE Vidraru with the Consortium formed of ELECTROMONTAJ (Consortium Leader) and Koncar – Engineering Co. Ltd. total contractual value being of RON 937,709 thousand. In May 2026, was signed the contract for the refurbishment of CHE Raul Mare – Reteza in total value of RON 989,000 thousands and the turnkey solution for CET Tudor Vladimirescu.

18.2 Guarantees

The Group issued performance guarantees amounting to RON 649,306 thousand as at 30 June 2026 (31 December 2025: RON 704,812 thousand), mainly in connection with the obligations assumed under the CAPEX contracts and the obligations to deliver electricity and in relation to payment obligations related to electricity purchase transactions on the day-ahead and intra-day markets.

19. CONTINGENCIES

19.1 Litigation, claims and tax uncertainties

The main litigation involving the Group as at 30 June 2026 is disclosed below. Other contingent liabilities as at 31 December 2025 were solved in the Group's favor before 30 June 2026.

Litigation with Hidroconstructia SA

Potential exposure: RON 32,832 thousand as at 30 June 2026 and 31 December 2025
Plaintiff: Hidroconstructia SA
File no. 44443/3/2016, currently File no. 11314/3/2021
Subject-matter: Claims - the equivalent value of the costs generated by the cessation of construction works related to investment projects in progress.

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

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

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

In April 2022, the Court requested an expertise report in hydrotechnical constructions and an accounting expertise report to be performed by independent experts. The expert's report has been finalized and both parties have filed objections against the findings of the expert, with the next hearing date being set on 17 June 2026.

On 17 June 2026, the court ordered the postponement of the trial of the case, in order to give the possibility to the company Hidroconstructia to study the objections filed by Hidroelectrica.

The next trial term was set on 11 November 2026.

19.2 Fiscal environment

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

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

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

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

In 2025, the Company was notified by the fiscal authorities of the commencement of a general tax audit covering the period from 2019 to 2024, covering income tax and VAT. The tax audit is currently in progress, under regular communication. As of this stage, no findings have been concluded.

19.3 Decommissioning obligations

The Group identified decommissioning obligations in relation to its hydro-power facilities. Management estimates that, except for the assets abandoned or switched to post-utilisation upon management decisions, and except for its wind farm, for which decommissioning provisions are recognised, the occurrence of events that would require abandonment or switching to post-utilisation of other assets in the public domain or hydro-power plants owned by the Group by the end of the concession contract (28 years from 31 December 2025) is unlikely, considering the long useful life of dams, which can be significantly extended over 100 years by maintenance and improvements.

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

20. RELATED PARTIES

a) Ultimate controlling party

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

b) Transaction with key management personnel

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

Management Board remuneration	**30 June 2026 (reviewed)**	**30 June 2025 (reviewed)**
Expenses recognized during the period		
Fixed component	872	1,972
Variable component accrual	-	-
Reversal of overaccrual of the previous year	(4,734)	(35)
Total	**(3,862)**	**1,937**
Payments made in the period		
Fixed component	872	1,972
Variable component (for the previous year)	4,708	7,855
Total	**5,580**	**9,827**

The Management Board consists of 5 members appointed for a period of four years, currently one positions being open.

Remuneration of executive directors consists of a fixed monthly salary limited to six times the average monthly gross salary for the last 12 months prior to appointment published by National Institute of Statistics (INS) for the Company's activity code (CAEN) according to the classification of activities in the national economy, and a variable component calculated on the basis of the financial and non-financial performance indicators, negotiated and approved by the general meeting of shareholders. The variable remuneration cannot exceed the cap value as defined under HG 109/2011 with subsequent amendments.

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

- Financial indicators: capital expenditure rate, net profit margin, dividend payout rate, leverage, accounts receivable turnover rate, net turnover growth rate.
- Operating indicators: Carrying out the execution schedule for rehabilitation/ modernization works (%) = carrying out the schedule contracted annually/ planned contract schedule for the current year; Carrying out the design according to the annual design plan (%); Carrying out the equipment maintenance programme for planned works (%), powerplants availability; average training hours per employee.
- Services indicators: customer retention rate for supply operations (%); market share of the supply business in the competitive segment (%); customer satisfaction score for supply operations (%).
- Corporate governance indicators: number of investor events; number of Board meetings; defining risk management policies.

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

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

Supervisory Board remuneration

	Six months period ended	
	30 June 2026 (reviewed)	**30 June 2025 (reviewed)**
Expenses recognized during the period		
Fixed component	853	1,272
Variable component accrual	-	-
Reversal of overaccrual of the previous year	(991)	(51)
Total	**(138)**	**1,221**
Payments made in the period		
Fixed component	853	1,272
Variable component (for the previous year)	924	1,726
Total	**1,777**	**2,998**

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

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

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

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

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

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

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

Supplier	**Purchases (without VAT) in six months period ended 30 June 2026 (reviewed)**	**Payables (including VAT) 30 June 2026 (reviewed)**
Administratia Nationala Apele Romane	311,295	88,222
Transelectrica (Romanian Electricity System Operator)	725,752	166,946
OPCOM (Romanian Electricity Market Operator)	8,694	2,694
Distributie Energie Electrica Romania	342,483	48,666
Others	855,343	277,722
Total	**2,243,567**	**584,250**

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

Supplier	**Purchases (without VAT) in six months period ended 30 June 2025 (reviewed)**	**Payables (including VAT) 31 December 2025 (audited)**
Administratia Nationala Apele Romane	222,048	98,226
Transelectrica (Romanian Electricity System Operator)	309,494	152,173
OPCOM (Romanian Electricity Market Operator)	62,117	683
Distributie Energie Electrica Romania	185,470	45,448
Others	312,120	64,514
Total	**1,091,249**	**361,044**

Client	**Sales (without VAT)**	**Receivables - gross**	**Allowance**	**Receivables - net**
	six months ended 30 June 2026 (reviewed)		**30 June 2026 (reviewed)**	
Transelectrica (Romanian Electricity System Operator)	508,303	103,921	-	103,921
OPCOM (Romanian Electricity Market Operator)	1,123,883	-	-	-
ALRO SA	248,627	67,744	-	67,744
Rompetrol Rafinare	22,482	2,304	-	2,304
Compania Municipala Termoenergetica	39,465	7,822	-	7,822
Others	216,357	52,735	(25,054)	27,681
Total	**2,159,117**	**234,526**	**(25,054)**	**209,472**

Client	**Sales (without VAT)**	**Receivables - gross**	**Allowance**	**Receivables - net**
	six months ended 30 June 2025 (reviewed)		**31 December 2025 (audited)**	
Transelectrica (Romanian Electricity System Operator)	410,249	90,230	-	90,230
OPCOM (Romanian Electricity Market Operator)	185,408	428	-	428
Electrica Furnizare	150,441	25,785	-	25,785
Rompetrol Rafinare	128,359	32,178	-	32,178
Compania Municipala Termoenergetica	24,013	17,816	-	17,816
Others	124,268	168,584	(27,692)	140,892
Total	**1,022,738**	**335,021**	**(27,692)**	**307,329**

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

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

Bank balances	**Bank current accounts**	**Bank deposits**	**Bank current accounts**	**Bank deposits**
	30 June 2026 (reviewed)		**31 December 2025 (audited)**	
Exim Bank (Banca Românească)	68,419	564,658	120,779	1,167,145
CEC Bank	72,483	1,672,569	19,260	100,373
Total	**140,902**	**2,237,227**	**140,039**	**1,267,518**

Bank transactions	**Bank deposits placed**	**Interest income**	**Bank deposits placed**	**Interest income**
	Six months ended 30 June 2026 (reviewed)		**Six months ended 30 June 2025 (reviewed)**	
Exim Bank (Banca Romaneasca)	1,863,000	23,214	4,310,000	56,787
CEC Bank	1,000,000	21,031	150,000	2,760
Total	**2,863,000**	**44,245**	**4,460,000**	**59,547**

21. SUBSEQUENT EVENTS

Effective July 23, 2026, the tariff for processed water was updated in accordance with Law 155/20.07.2026, increasing by 7.32% from 37 RON/MWh to 39.71 RON/MWh produced. The legislation also stipulates an indexation based on a fixed, predefined percentage starting in January of each year, to which the consumer price index from the previous year is added.

Iulius Dan PLAVETI	**Bogdan-Nicolae BADEA**	**Radu Ioan CONSTANTIN**	**Ianăș RĂDOI**
Chairman of the Management Board	Member of the Management Board	Member of the Management Board	Member of the Management Board

Petronel CHIRIAC
Finance Director

Marian FETIŢA
Accounting manager

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Shape the future
with confidence

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Societatea de Producere a Energiei Electrice in Hidrocentrale Hidroelectrica S.A. and its subsidiaries (together "the Group") for the half year ended 30 June 2026, which comprise the interim condensed consolidated statement of financial position as of 30 June 2026, the interim condensed consolidated statements of profit or loss and other comprehensive income, the cash flow statement and the interim condensed consolidated statement of changes in equity for the six months period then ended and related explanatory notes.

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

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim condensed financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Autoritatea pentru Supravegherea Publică a Activităţii de Audit Statutar (ASPAAS)
Firma de audit: ERNST & YOUNG ASSURANCE SERVICES S.R.L.
Registrul Public Electronic: FA77

On behalf of,

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

Autoritatea pentru Supravegherea Publică a Activităţii de Audit Statutar (ASPAAS)
Auditor financiar: Lupea Alexandru
Registrul Public Electronic: AF273

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

Bucharest, Romania
11 August 2026