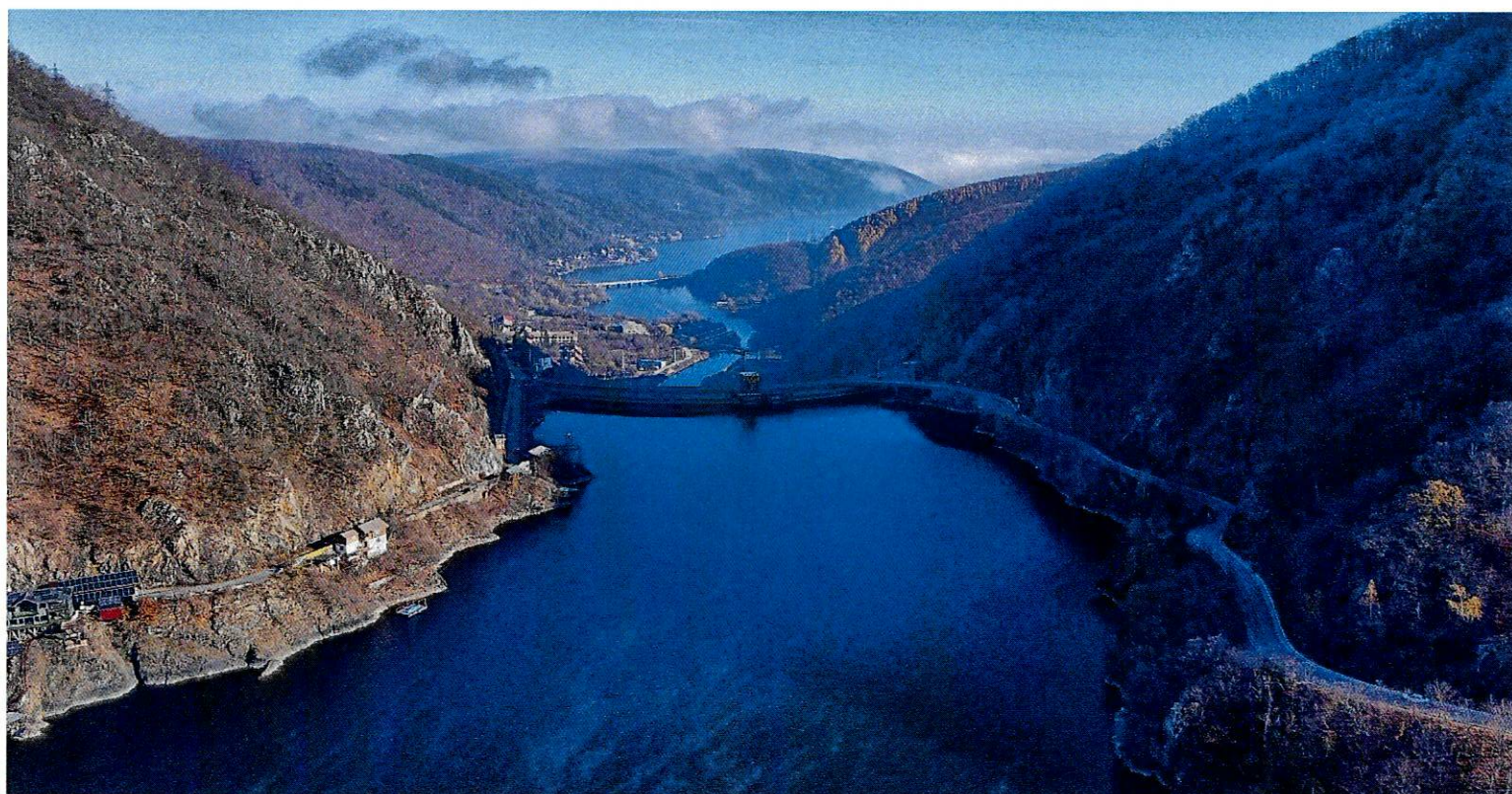




HIDROELECTRICA

**Consolidated Report of the Management Board
of Societatea de Producere a Energiei Electrice
în Hidrocentrale „Hidroelectrica” S.A.
for Q3 2025**



14 November 2025



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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.

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Identification data of Hidroelectrica

Report date: 14 November 2025

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

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

Phone: +40 21 303 25 00

Unique registration code with the Trade Registry: 13267213

Fiscal Registration Code: RO13267213

Registration number with the Trade Registry: J2000007426409

Legal Entity Identifier (LEI) Code: 787200ISRQX09PRB732

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 Q3 2025 Management Board Report

Hidroelectrica Group recorded lower operational and financial results in the first nine months of 2025 compared to the same period in 2024 and below the level of the initially approved budget. Nevertheless, the results exceed the targets set in the revised budget, approved and adjusted to current market conditions, confirming the Group's ability to maintain operational and financial discipline even in a challenging environment.

The restrictive operating context, marked by unfavorable hydrological conditions, led to a 23% decrease in net electricity production compared to the same period of the previous year and partially eroded the cost advantage of own-generation.

Revenues were 7% lower than in the same period of 2024, and margins tightened: the operating margin stood at 39%, while the net margin reached 35%. These developments reflect a reconfiguration of the revenue structure, with an increasing contribution from the supply segment.

- **In the first nine months of 2025, the Group delivered results in line with the revised budget, approved on 31 October 2025 and adjusted to the new market conditions, with gross profit exceeding the target by 5%. This demonstrates the Group's resilience and ability to sustain performance in the context of challenging market environment.**
- **Net electricity production decreased by 23% compared to the same period of the last year**
- **Revenue decreased by 7% compared to the same period of 2024**
- **Operating margin of 39%, decreased by 30% compared to the same period of last year**
- **Net margin of 35%, decreased by 30% compared to the same period of 2024**
- **Net profit decreased by 34%, to RON 2,314 million from RON 3,532 million**
- **Earnings per share decreased by 34%, to 5.14 RON/share from 7.85 RON/share**

In this context, Hidroelectrica Group applied a prudent commercial policy, actively managed price and volume risks, and dynamically calibrated the production–procurement mix, maintaining a solid financial position and results aligned with the revised budget approved on 31 October 2025. The supply portfolio expanded rapidly, confirming the Group's repositioning toward a hybrid model with a stronger commercial anchor and a broader customer base. Market purchases increased, with market risk managed through phased contracting and commercial discipline. Robust liquidity and low leverage enable the financing of the investment plan. Operational efficiency, optimization of the production–procurement mix, development of RES and storage projects to reduce the structural exposure to hydrological variability and strengthen long-term resilience, as well as predictability in governance, remain key priorities for the Group going forward.

In summary, the results for the quarter reflect:

- financial and operational performance below potential, driven mainly by unfavorable hydrological conditions; this environment led to a significant decrease in electricity production, affecting both revenues and profit margins

- a visible strategic transition toward a hybrid model integrating generation, trading, and supply, aimed at reducing vulnerability to seasonality and market fluctuations and ensuring greater long-term stability
- increasing pressure on margins, primarily due to the higher share of the supply segment and the larger volume of purchases on the DAM
- solid financial stability, accompanied by early signs of the strategic adjustments needed to maintain this position over the long term
- a governance and management context undergoing change, influenced by PNRR requirements and by the reorganization of the company's leadership
- a continuous effort to maintain investor confidence through transparent communication, prudent decision-making, and strategic repositioning, all aimed at ensuring the company's continuity and market stability.

Operational KPIs		9M 25	9M 24	Change (%)
Gross electricity production, out of which:	<i>GWh</i>	8,732	11,348	-23%
Electricity production from hydro (gross)	<i>GWh</i>	8,542	11,130	-23%
Net electricity production, out of which:	<i>GWh</i>	8,473	11,053	-23%
Electricity production from hydro (net)	<i>GWh</i>	8,289	10,840	-24%
Electricity production from wind	<i>GWh</i>	184	214	-14%
External Acquisition GWh	<i>GWh</i>	1,657	666	149%
Total Electricity sales GWh	<i>GWh</i>	10,130	11,719	-14%
Actual number of Hidroelectrica Employees		3,599	3,585	0.4%
Actual number of Group Employees		5,295	5,204	1.8%

Source: Hidroelectrica

Financial KPIs		9M 25	9M 24	Change (%)
Revenue	<i>RON million</i>	6,698	7,200	-7%
EBITDA	<i>RON million</i>	3,257	4,668	-30%
EBITDA Margin	%	49%	65%	-25%
Adjusted EBITDA	<i>RON million</i>	3,256	4,638	-30%
Adjusted EBITDA Margin	%	49%	64%	-25%
Operating Margin (Operating Profit/Revenue*100)	%	39%	55%	-30%
Net Margin (Profit for the period/Revenue*100)	%	35%	49%	-30%
Operating Profit	<i>RON million</i>	2,581	3,989	-35%
Net Profit	<i>RON million</i>	2,314	3,532	-34%
Earnings per share	<i>RON/share</i>	5.14	7.85	-34%

Source: Hidroelectrica

Revenues amounted to RON 6,698 million, decreasing by 7% compared to the same period last year, with an operating margin of 39% and a net margin of 35%, reflecting a decrease in the traditional competitive advantage derived from the low cost of own hydro production. The increased dependence on the wholesale energy market and the reconfiguration of the revenue structure, with a growing share of the supply segment, have influenced the margin levels.



HIDROELECTRICA

RON million

Financial indicators*	9M-2025 Actual	9M-2025 Initial Budget	Degree of achievement Initial B. (%)	9M-2025 Revised Budget	Degree of achievement B. Revised B. (%)
Total Revenue	7,078	7,666	92%	7,082	100%
Operating income	6,845	7,457	92%	6,852	100%
Financial income	233	209	111%	230	101%
Total expenses	4,363	4,562	96%	4,485	97%
Operating expenses	4,298	4,490	96%	4,410	97%
Financial expenses	65	72	90%	74	88%
Profit before tax	2,715	3,104	87%	2,597	105%

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

Source: Hidroelectrica

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

On 31 October 2025, the budget for the financial year was revised to reflect the context of an unfavorable hydrological year, which negatively affected production and operational results.

Q3 2025

Operational KPIs		Q3 25	Q3 24	Change (%)
Gross electricity production, out of which:	GWh	2,469	2,830	-13%
Electricity production from hydro (gross)	GWh	2,415	2,769	-13%
Net electricity production, out of which:	GWh	2,405	2,760	-13%
Electricity production from hydro (net)	GWh	2,354	2,701	-13%
Electricity production from wind	GWh	51	60	-15%
External Acquisition GWh	GWh	983	250	293%
Total Electricity sales GWh	GWh	3,388	3,010	13%
Actual number of Hidroelectrica Employees		3,599	3,585	0.4%
Actual number of Group Employees		5,295	5,204	1.8%

Source: Hidroelectrica

Financial KPIs		Q3 25	Q3 24	Change (%)
Revenue	RON million	2,382	2,050	16%
EBITDA	RON million	1,056	1,192	-11%
EBITDA Margin	%	44%	58%	-24%
Adjusted EBITDA	RON million	1,056	1,175	-10%
Adjusted EBITDA Margin	%	44%	57%	-23%
Operating Margin (Operating Profit/Revenue*100)	%	35%	47%	-26%
Net Margin (Profit for the period/Revenue*100)	%	30%	41%	-26%
Operating Profit	RON million	830	962	-14%
Net Profit	RON million	727	842	-14%
Earnings per share	RON/share	1.62	1.87	-14%

Source: Hidroelectrica

As of 30 September 2025, the supply portfolio included **941,364 consumption sites (CS)**, representing a **64% increase compared to the same date of the previous year**, when 601,273 CS were recorded. This growth of 340,091 CS reflects **both the acquisition of a significant number of new household customers and a strong expansion in the non-household segment**.

The evolution was supported by the announcement regarding the removal of energy capping prices starting 1 July 2025, which led to increased interest in changing suppliers before the expiration of the capping prices scheme. This context favoured customer migration, with visible effects in both market segments, though at a faster pace in the non-household segment, where cost optimization decisions are made more quickly and are directly influenced by market conditions.

Client type	No. CS* 30.09.2025	No. CS* 30.09.2024	Change (%)
Household	894,424	573,175	64%
Non-household	46,940	28,098	60%
Total	941,364	601,273	64%

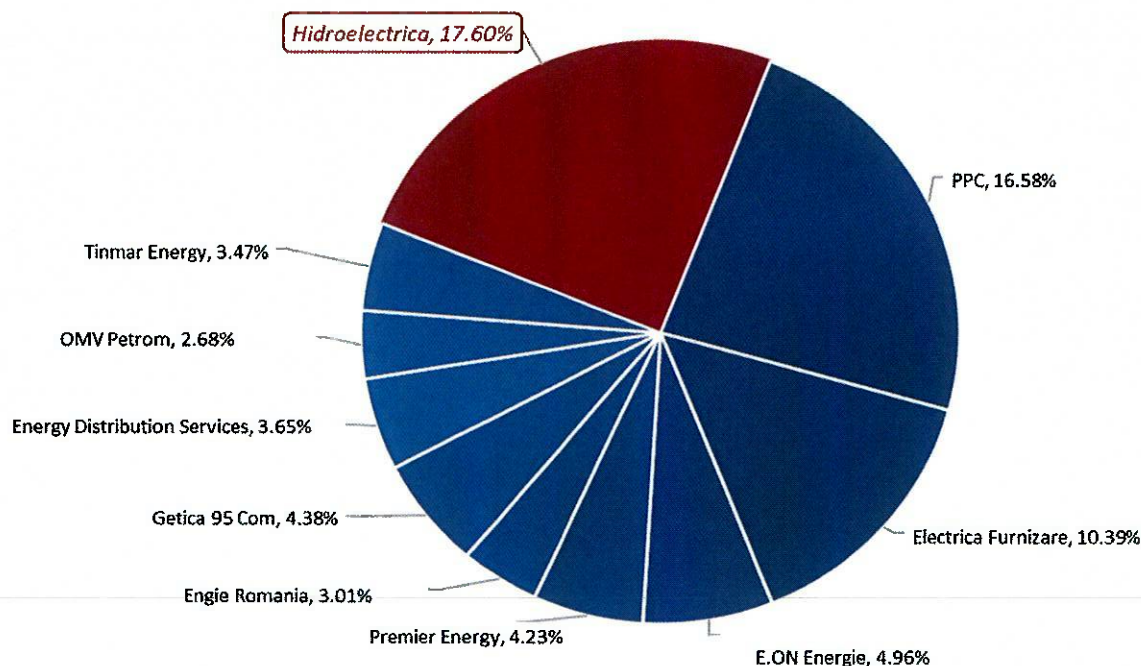
**The number of CS in the portfolio (excluding those directly supplied from the hydroelectric plant bars and those supplied from the transmission network/other non-concessionaire distribution operators)*

Source: Hidroelectrica

In July 2025, according to the ANRE monthly report, Hidroelectrica held a market share of 17.6% on the competitive segment and a market share of 16.31% on the total electricity supply market, **ranking in first position in both categories at the reporting date**.

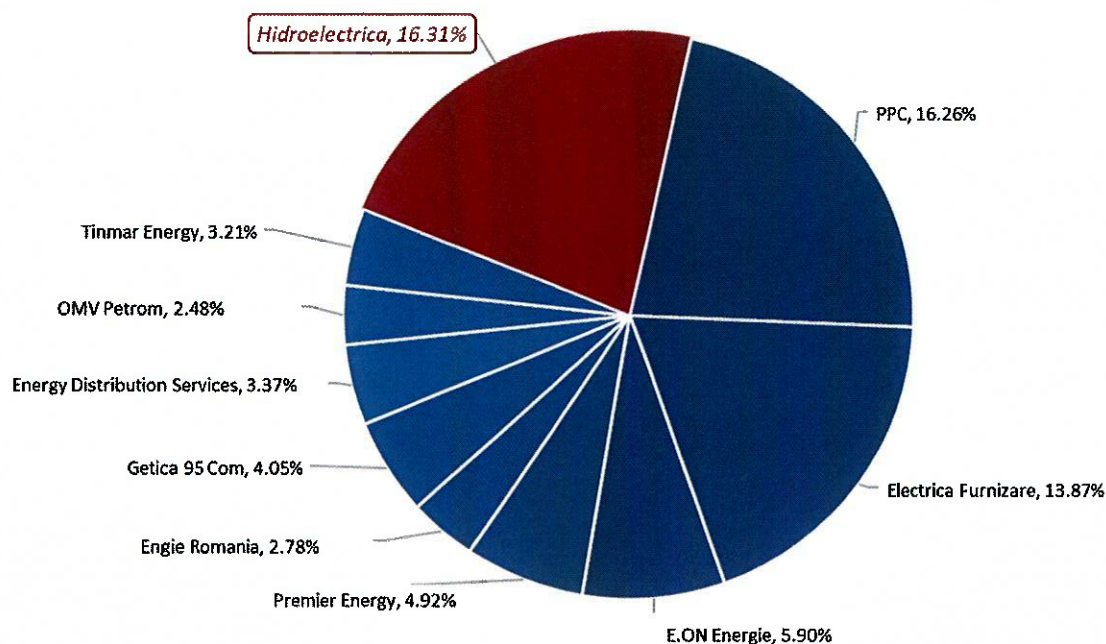
Additionally, in the period January – July 2025, Hidroelectrica registered a cumulative market share of 15.22% on the competitive segment and 13.86% on the total electricity supply market, respectively.

Market shares based on the quantity sold on the competitive market (July 2025)



Source: ANRE Report on the Results of Monitoring the Electricity Market in July 2025

Market shares based on the quantity sold on the total supply market (July 2025)



Source:

ANRE Report on the Results of Monitoring the Electricity Market in July 2025

Throughout the first nine months of 2025, Hidroelectrica actively continued its strategic initiatives to diversify its production portfolio from renewable sources, pursuing the objective of remaining a 100% green company. The activities carried out during this period included identifying, analyzing, and documenting new investment opportunities, thereby advancing the screening, due diligence, and preliminary structuring processes for potential transactions, both through the acquisition of stakes in existing projects and the development of new production capacities. These initiatives were conducted 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 underway, with a constant focus on adhering to the implementation schedule.

This integrated approach—exploring external growth opportunities and consolidating internal ones—has the potential to strengthen the company's competitive advantage, diversify revenue sources, and mitigate the structural exposure to seasonal and hydrological risks specific to hydropower production.

Furthermore, in the context of the announcement regarding the elimination of price capping, the company anticipated an increase in demand for supply services, adopted a proactive stance, and began purchasing a significant portion of its required energy from the Day-Ahead Market (PZU), dynamically adapting to market developments.

Q3 2025 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 13267213 and LEI code 787200IISRQX09PRB732. The telephone/Fax number if the Company is +40 21.303.25.00.

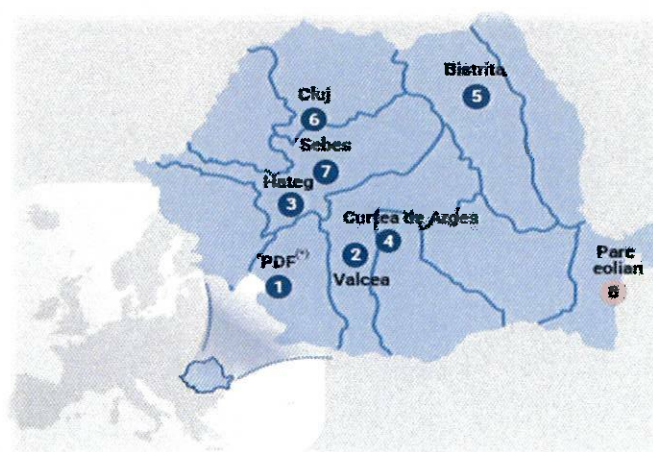
Starting from 12 July 2023, the regulated market on which the Company's shares are traded is the Bucharest Stock Exchange.

Organizational structure

Hidroelectrica is the main electricity producer in Romania and the main system service provider in Romania, with an essential role in the security of the National Power System ("NPS").

The Company owns and operates 188 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 September 2025, Hidroelectrica has the following subsidiaries (together, the "Group"):

Subsidiary	Activity	Registered Office	% participation at 30 September 2025	% participation at 31 December 2024
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	Reșița, 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 25 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 Călnicel 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 registered 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".

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 production capacity is represented by the Iron Gates I and the Iron Gates II, accumulating approximately 23% of the installed capacity and 40% of the total electricity production in 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, valid until 24 July 2026, in accordance with industry regulations and standards.

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

Preliminary Key Operational Indicators' publication

- On 10 February 2025, Hidroelectrica published preliminary key operational indicators for Q4/12M 2024.
- On 29 April 2025, Hidroelectrica published preliminary key operational indicators for Q1 2025.
- On 29 July 2025, Hidroelectrica published preliminary key operational indicators for Q2 2025.
- On 29 October 2025, Hidroelectrica published preliminary key operational indicators for Q3 2025

OGMS Meetings

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

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

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

- Approval of the Revenue and Expenditure Budget of S.P.E.E.H. Hidroelectrica S.A. for 2025.
- Approval of the ratification and confirmation of the acts and/or actions undertaken and/or performed by KPMG Audit SRL, in its capacity as financial auditor, for the purpose of providing limited assurance on the sustainability reporting, in accordance with the requirements of Directive (EU) 2022/2464 on corporate sustainability reporting ("CSRD") and Delegated Act no. 5303/2023 on the European Sustainability Reporting Standards ("ESRS"), supplementing the CSRD Directive and transposed into national legislation by Ministry of Finance Order no. 85/2024 ("OMFP 85/2024"), for the financial year ended 31 December 2024, based on the contract and applicable legal and professional regulations, up to and including the date of this resolution.

- Revocation of the Supervisory Board members due to non-attributable causes, in order to fulfill the milestone no. 121 of the Romania's National Recovery and Resilience Plan, in accordance with the provisions of art. 36.10 of the Mandate Agreement (secret ballot).
- Election of provisional members of the Supervisory Board (secret ballot).
- Approval of the duration of the mandate of the interim members of the Supervisory Board elected in accordance with item 5, for a period of 5 months, in accordance with the provisions of GEO no. 109/2011 on the corporate governance of public enterprises, as subsequently amended and supplemented.
- Establishing the gross fixed monthly remuneration of the interim members of the Supervisory Board elected in accordance with item 5, in the amount established in accordance with the Resolution of the Ordinary General Meeting of Shareholders no. 10/28.03.2023.
- Approval of the form of the Mandate Agreement to be concluded with the provisional members of the Supervisory Board elected according to item 5, in the form proposed by the Ministry of Energy.
- Mandating the representative of the Ministry of Energy in the OGMS to sign, on behalf of and for the Company, the mandate agreements of the provisional members of the Supervisory Board.
- Approval of the initiation of the selection procedure for the vacant Supervisory Board positions, in accordance with GEO no. 109/2011 on the corporate governance of public enterprises, as amended and supplemented. The selection procedure will be conducted by the Ministry of Energy, as the supervisory public authority.

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

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

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

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

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

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

Appointment of provisional Supervisory Board members (secret ballot),

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

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

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

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

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

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

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

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

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

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

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

- Informing the General Meeting of Shareholders of S.P.E.E.H. Hidroelectrica S.A. regarding the Supervisory Board's approval of the updated General Estimate as of 01.09.2024, based on prices valid at 31.08.2024, and the technical-economic indicators of the investment objective "Pașcani Hydropower Development."
- Approval of the new technical-economic indicators of the investment objective "Răstolița Hydropower Development," in line with the values resulting from the documentation "Optimisation and update of the technical-economic indicators of the Răstolița Hydropower Development investment objective" – 2025 edition, prepared by the Hidroelectrica Design Department.
- Approval of the implementation of the investment objective "Refurbishment of Râul Mare Retezat HPP," according to the new technical-economic indicators resulting from the updated General Estimate and technical-economic indicators.
- Approval of the documentation required to obtain the Ownership Right Attestation Certificate for the land within the Portile de Fier I Hydrotechnical Node premises, owned by S.P.E.E.H. Hidroelectrica S.A.
- Approval of the documentation required to obtain the Ownership Right Attestation Certificate for the land within the MHC Bara Mare – Intake and Compensation Basin premises, owned by S.P.E.E.H. Hidroelectrica S.A.
- Informing the General Meeting of Shareholders of S.P.E.E.H. Hidroelectrica S.A. regarding the conclusion of the service procurement contract for "Renewal of SAP IS-U, S4HANA Subscriptions, SAP Support Services."
- Informing the General Meeting of Shareholders of S.P.E.E.H. Hidroelectrica S.A. regarding the conclusion of certain transactions with other state-owned enterprises, pursuant to Art. 52 of Government Emergency Ordinance no. 109/2011 on the corporate governance of public enterprises, as subsequently amended and supplemented.

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

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

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

During the meeting on 8 September 2025, the OGMS decided the following:

For item 1 on the agenda, respectively:

- Revocation of a provisional member of the Supervisory Board following the expiration of their mandate on 09.09.2025 (secret ballot),

The OGMS revokes Mr. Marius Persinaru.

For item 7 on the agenda, respectively:

- Extension by 2 months of the mandate duration for 2 (two) provisional members of the Supervisory Board,

The OGMS extends the duration of the mandates for the following persons – members of the Supervisory Board:

- Mrs. Anca Mitu
- Mr. Ciprian-Mihail Ene

Items 2-6 were rejected at the meeting date by the company's shareholders, with the majority of votes cast, and the remaining items (1.1, 9, and 10) were approved at the meeting date by the company's shareholders, with the majority of votes cast.

On 29 September 2025, the **Management Board convened the OGMS for 31 October 2025**. Following the request of the shareholder, the Romanian State, through the Ministry of Energy, to supplement the agenda, the main points submitted for approval, according to the supplemented convening notice, were the following:

- Approval of the Rectified Revenue and Expense Budget of S.P.E.E.H. Hidroelectrica S.A for the year 2025, according to the Substantiation Note presented to the shareholders.
- The Ordinary General Meeting of Shareholders is informed regarding the Report of the Supervisory Board of S.P.E.E.H. Hidroelectrica S.A. for the first half of 2025.
- Revocation of the provisional members of the Supervisory Board of S.P.E.E.H. Hidroelectrica S.A, starting 9 November 2025, as a result of the expiration of their mandate (secret ballot).
- Election of provisional members of the Supervisory Board of S.P.E.E.H. Hidroelectrica S.A, starting 9 November 2025 (secret ballot).
- Establishing the mandate duration for the provisional members of the Supervisory Board elected under item (4), for a period of 5 months, or until the finalization of the selection procedure carried out in accordance with the provisions of GEO (Government Emergency Ordinance) no. 109/2011 regarding corporate governance of public enterprises, with subsequent modifications and additions, if the selection is finalized before the mentioned term.
- Establishing the gross fixed monthly remuneration for the provisional members of the Supervisory Board elected according to item (4), in accordance with the Decision of the Ordinary General Meeting of Shareholders of S.P.E.E.H. Hidroelectrica S.A. no. 10/28.03.2023.
- Approval of the form of the mandate contract to be concluded with the provisional members of the Supervisory Board elected according to item (4), in the form proposed by the Ministry of Energy.
- (8.) Mandating the representative of the majority shareholder, the Ministry of Energy, in the OGMS to sign, in the name and on behalf of the Company, the mandate contracts for the provisional members of the Supervisory Board elected under item (4).

Information regarding the OGMS resolutions from 31 October 2025, can be found in the [Subsequent Events](#) chapter.

Appointment of the President of the Supervisory Board and establishment of the advisory committees' composition

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

Nomination and Remuneration Committee

1. George Marius Toniuc – President
2. Silviu-Razvan Avram – Member
3. Carmen Radu – Member
4. Ciprian-Mihail Ene – Member
5. Ana-Barbara Bobirca – Member

Audit Committee

1. Carmen Radu – President
2. George-Marius Toniuc – Member
3. Silviu-Razvan Avram – Member
4. Anca Mitu – Member
5. Ana-Barbara Bobirca – Member

Risk Management Committee

1. Silviu-Razvan Avram – President
2. Marius Persinaru – Member
3. George-Marius Toniuc – Member
4. Ana-Barbara Bobirca – Member
5. Ciprian-Mihail Ene – Member

Governance and Sustainability Committee

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

Changes in the structure of the executive management – the Management Board

During the meeting held on 19 September 2025, the Supervisory Board, together with Mr. Károly Borbély – President of the Management Board/CEO, and Mr. Marian Fețița – Member of the Management Board/CFO, agreed to the mutual termination of their mandate contracts, effective as of the same date. The decision was adopted by the Supervisory Board in the interest of the company and all its shareholders, taking into account the obligations arising from PNRR Milestone 121, the context established by the European Commission Decision C(2025) 3490/28.05.2025, as well as Hidroelectrica's status as an issuer listed on a regulated market.



Also during the 19 September 2025 meeting, the Supervisory Board decided, as a result of the two vacancies within the Management Board and in order to ensure governance stability and business continuity, that the CEO responsibilities be assumed by Mr. Bogdan-Nicolae Badea, Management Board member, and the CFO responsibilities by Mr. Radu-Ioan Constantin, Management Board member. At the same time, the Supervisory Board committed to finalising the selection procedures for the vacant positions by 28 November 2025.

Additional information can be found in the [Subsequent Events](#) section.

Other key events

Completion of tender for Li-ion storage system at Crucea Nord

On 7 April 2025, Hidroelectrica announced the completion of the tender for the procurement procedure of the Li-ion battery storage installation at the Crucea Nord Wind Farm, by signing the contract with the winning bidder, namely the association formed by Prime Batteries Technology SRL and Enevo Group S.R.L. The installation will be mounted within the Crucea Substation at the Crucea Nord Wind Farm, owned and operated by Hidroelectrica, which has an installed capacity of 108 MW.

The main purpose of the investment is to reduce internal imbalances at the wind farm in Hidroelectrica's portfolio, provide balancing services for the national energy system, improve the performance of wind turbines, and decrease the wear and tear on the turbines' electromechanical systems.

The contract price is 80 million RON (excluding VAT), and the implementation term is 12 months from the contract signing date.

After the commissioning of the storage installation, the nominal power of the installation will be 36 MW, with a nominal storage capacity (energy) of 72 MWh.

Contract for photovoltaic project at power plants on the middle and lower sector of the Olt river

On 9 May 2025, Hidroelectrica announced the signing of the works contract for the turnkey completion of the objective "Capitalizing on the photovoltaic potential within the electricity production plants located on the middle and lower sector of the Olt river."

The contract was awarded following a competitive procedure, with the designated winner being Servelect SRL with the subcontractor Electroplus SRL.

The main purpose of the investment is to increase the renewable electricity production capacity by installing photovoltaic systems on the roofs of the 20 hydropower plants owned by Hidroelectrica, located on the middle and lower sector of the Olt river.

The contracted value is 9 million RON (excluding VAT), with a completion term of 24 months (4 months for design and 20 months for execution).

The photovoltaic system consists of 620 W photovoltaic panels, 100 kW type inverters, and energy optimizers, with an installed panel power of: 2,955.58 kW, and the energy produced will be: 3,710.87 MWh/year.



This investment marks a first for the company, being the first project to install photovoltaic panels within Hidroelectrica.

The pursued objectives are the use of the region's photovoltaic potential by building systems for producing electricity from renewable sources (SPER), reducing CO2 emissions, correlated with the reduction of network losses (NL) with an effect on optimizing production costs and making the operation and capitalization of the produced electricity more efficient, as a result of the synergy between using the production capacity from photovoltaic sources and the hydro sources at the location.

Closing of the insolvency procedure for S.S.H. Hidroserv S.A.

In accordance with the Decision pronounced on 25 June 2025, by the Bucharest Tribunal, in file no. 36365/3/2016, the court closed the insolvency procedure against the debtor S.S.H. Hidroserv S.A., a subsidiary of Hidroelectrica, through re-insertion into the economic circuit. We recall that on 10 October 2016, S.S.H. Hidroserv S.A. entered the general insolvency procedure, in accordance with the provisions of Law no. 85/2014.

Market Maker Services

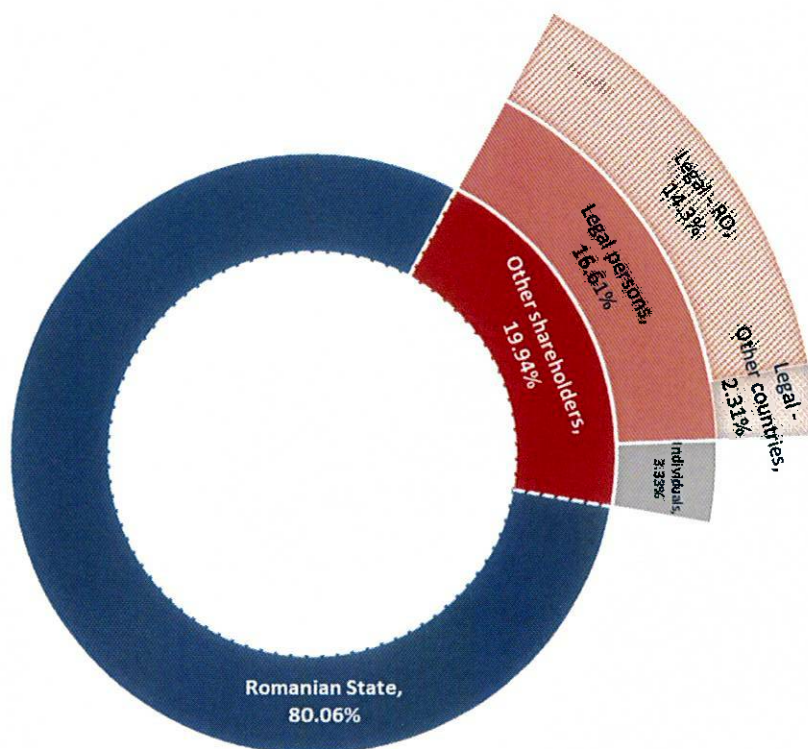
Starting from 7 March 2025, Hidroelectrica benefits from Market Maker services offered by BRK Financial Group, a participant in the BSE trading system, which has assumed the role of supporting the shares' liquidity. Thus, the provider will display firm buy and sell quotes for a minimum of 11,000 shares, for at least 90% of the trading session, at a maximum spread of 2.5%.

Annual Information Regarding Gender Balance

On 14 July 2025, the company informed interested parties regarding gender representation within its management structures. The Supervisory Board is composed of 7 non-executive members, of which 4 are male members and 3 are female members. The underrepresented gender of the non-executive members (female) represents 43%. **Thus, Hidroelectrica meets the objective stipulated in Art. 109³ lit. a) of Law 24/2017, respectively "*members of the underrepresented gender shall hold at least 40% of the non-executive director positions,*" as the proportion of the underrepresented gender among the non-executive members of the Supervisory Board is 43%.**

III. Shareholders Structure and Share Price Evolution

Shareholder structure as at 30 September 2025

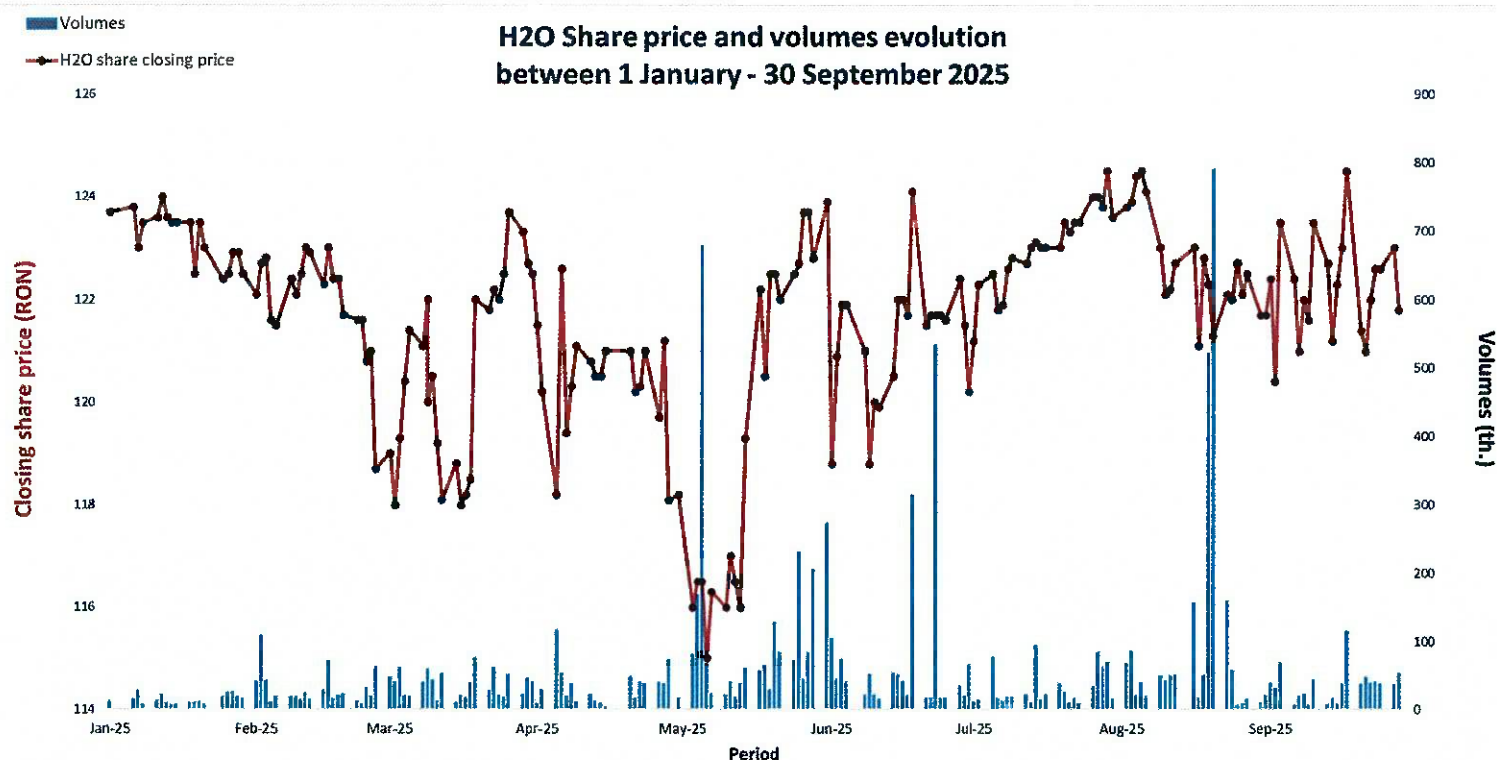


Shareholder	Ownership	Percentage of ownership in the share capital
Romanian State through Ministry of Energy	360,094,390	80.0561%
Legal persons	74,731,841	16.6144%
Individuals	14,976,336	3.3295%
Total	449,802,567	100.0000%

Source: Depozitarul Central, Hidroelectrica

During the period 1 January – 30 September 2025, according to information published by BSE, Hidroelectrica shares recorded a minimum closing price of RON 115 (on 8 May 2025) and a maximum closing price of RON 124.50 (on 19 September 2025), with an average price of RON 121.58.

H2O Share price and volumes evolution between 1 January - 30 September 2025



Source: BSE, Hidroelectrica

As of 30 September 2025, Hidroelectrica ranked third on the Bucharest Stock Exchange in terms of trading value over a one-year period. On the same date, the company held the top position among Romanian-listed companies by market capitalization, reaching a value of RON 55 billion.

IV. Financial Results at and for the period of three and nine months ended on 30 September 2025

1. Financial Indicators

Indicators	RON million		
	9M 25	9M 24	Change (%)
Revenue	6,698	7,200	-7%
EBITDA	3,257	4,668	-30%
Operating Profit	2,581	3,989	-35%
Profit for the period	2,314	3,532	-34%
Basic and diluted earnings per share	5.14	7.85	-34%

Source: Hidroelectrica

Indicators	Calculation method	30 September 2025
Current liquidity indicator	Current assets/Current liabilities	4.09
Degree of indebtedness	Borrowed capital/Own capital x 100	1.47
Degree of indebtedness	Borrowed capital/capital employed x 100	1.45
Trade Receivables turnover	Average Trade Receivable balance/Revenue x 270	68.62
Non-current assets turnover	Revenue/Non-current assets	0.34

Source: Hidroelectrica

Q3 2025

Indicators	RON million		
	Q3 25	Q3 24	Change (%)
Revenue	2,382	2,050	16%
EBITDA	1,056	1,192	-11%
Operating Profit	830	962	-14%
Profit for the period	727	842	-14%
Basic and diluted earnings per share	1.62	1.87	-14%

Source: Hidroelectrica

2. Net Debt/ (Cash) Adjusted

RON million		30 September 2025
Bank borrowings		236
Lease liabilities		74
Cash and cash equivalents		(1,039)
Short-term Investments (investments in corporate bonds and deposits)		(2,687)
Adjusted Net Debt/(Cash)		(3,416)
Adjusted EBITDA		3,256
Adjusted Net Debt/(Cash) to Adjusted EBITDA Ratio		(1.05)

Source: Hidroelectrica

3. Breakdown of revenue

		9M 25	9M 24	Change (%)
Generation Energy Sold (Net)	GWh	8,473	11,053	-23%
External Acquisitions	GWh	1,657	666	149%
Total Energy Sale	GWh	10,130	11,719	-14%
Wholesale Energy Sold	GWh	4,565	6,953	-34%
Wholesale Price	RON / MWh	528	467	13%
Wholesale Revenue	RON million	2,409	3,244	-26%
Quantity of electricity-Supply	GWh	5,207	4,006	30%
Supply Prices (ex pass through)	RON / MWh	469	432	9%
Supply Revenue related to active energy	RON million	2,440	1,730	41%
Transferred costs (pass trough)	RON million	1,401	1,114	26%
Quantity of electricity - Balancing	GWh	130	398	-67%
Balancing Price	RON / MWh	1,519	1,667	-9%
Balancing Revenue	RON million	197	663	-70%
System Services (STS) Revenue	RON million	176	253	-30%
Other revenues from customer contracts, out of which:	RON million	75	196	-62%
Positive imbalances revenue*	RON million	(22)	(260)	-92%
Power reduction services revenue	RON million	54	392	-86%
Redistribution of additional revenues	RON million	37	62	-40%
Revenue	RON million	6,698	7,200	-7%

* The quantity of positive imbalances recorded in the three-month period ended 30 September 2025 is 229 GWh (three-month period ended 30 September 2024: 363 GWh)

Source: Hidroelectrica

Energy Produced and Sold (Net)

The energy produced and sold (net production) registered a decrease of approximately 23% in the first 9 months of 2025 compared to the similar period of the previous year; in the January-September 2025 period, this quantity was 8,473 GWh. The decrease was mainly a consequence of the hydrological conditions reflected by the Danube's flow rate, which registered a reduction of approx. 30% compared to the similar period of 2024.

Wholesale Market Revenues

Although the volume of energy sold on the wholesale market registered a 34% decrease in the first 9 months of 2025 compared to the same period in 2024, revenues from wholesale transactions decreased by only 26%, due to a 13% increase in the average selling price compared to the similar period in 2024.

Revenues from Supply

Revenues from supply increased by 41% to 2,440 million RON in the first nine months of 2025, from 1,730 million RON in the same period of 2024. This evolution reflects both an increase in the customer base and the efficiency of adjusting the commercial policy in difficult competitive conditions.



Against the backdrop of decreasing internal production, the expansion of the supply segment constitutes a strategic repositioning: the company is shifting from an “asset-centric” profile (high margins, hydrological volatility) to a “client-centric” one (revenue stability, but greater exposure to market and operational risk and integration with trading activities).

The strategic significance of such an evolution stems from:

- Hydrological risk diversification: A larger share of supply mitigates dependence on hydrology and seasonality. Revenues become less correlated with hydrology, but more exposed to the acquisition price and the efficiency of trading activities.
- Commercial anchoring: A larger portfolio of clients (household and non-household) means recurring demand and long-term negotiating power, facilitating forward contracting and optimization of the average energy cost.
- Platform for RES integration: Supply creates demand that can be strategically covered through acquisitions and/or development of new production capacities, structurally reducing price risk and exposure to the spot market.

The reduction in selling prices practiced by the company was mainly influenced by the high volatility of the electricity market, which generated significant fluctuations in the tariff levels applicable to final consumers. Another relevant factor is the change in the fiscal framework applicable to energy producers, by reducing the value threshold from which the tax on supplementary income is applied, which indirectly contributed to easing the pressure on prices in the supply chain.

Secondly, developments in the wholesale market, in previous reporting periods, characterized by an imbalance between supply and demand in favor of the latter, led to the formation of an available energy surplus, with the effect of lowering trading prices. This market context allowed competitive suppliers to access energy at lower costs, which directly influenced the level of resale prices in the retail segment.

To remain competitive in an environment characterized by increased pressure on commercial margins and high consumer mobility, the company adjusted the structure of its commercial offers accordingly, aiming both to maintain the attractiveness of its own products and to build loyalty within the existing client portfolio.

Balancing Revenues

Balancing revenue decreased by 70%, to RON 197 million in the first nine months of 2025 from RON 663 million in the same period of 2024. The decrease is due to a 67% reduction in the volume of energy sold and a 9% reduction in selling price in the first nine months of 2025 compared to the same period in 2024. The decrease in volumes was influenced by the trend in the balancing market, which recorded a 50% reduction in Romania during the first seven months of 2025 compared to the same period in 2024. In addition, intensified competition on the balancing market, particularly from wind and solar producers with storage capacities, was another factor contributing to the decline in revenues.

System services revenue

System services revenue decreased by 30%, to RON 176 million in the first nine months of 2025 from RON 253 million in the same period of 2024. The decrease in revenues is driven, similarly to the balancing market, by the reduction in demand and by intensified competition.

Other revenues from customer contracts

Other revenues from customer contracts decreased by 62%, to RON 72 million in the nine-month period ended 30 September 2025, from RON 196 million in the same period of 2024. The evolution of these revenues is influenced by the behavior of the other participants in the electricity market regarding the management of imbalances. The increase in prices recorded on the market for positive imbalances resulted in a RON 238 million increase in Group revenues from positive imbalances during the first nine months of 2025 compared to the same period of 2024. At the same time, revenues from power reduction services recorded in the generation segment decreased by RON 338 million compared to the same period of the previous year.

Q3 2025

		Q3 25	Q3 24	Change (%)
Generation Energy Sold (Net)	GWh	2,405	2,760	-13%
External Acquisitions	GWh	983	250	293%
Total Energy Sale	GWh	3,388	3,010	13%
Wholesale Energy Sold	GWh	1,330	1,317	1%
Wholesale Price	RON / MWh	543	576	-6%
Wholesale Revenue	RON million	722	758	-5%
Quantity of electricity-Supply	GWh	1,947	1,518	28%
Supply Prices (ex pass through)	RON / MWh	532	395	34%
Supply Revenue related to active energy	RON million	1,035	600	73%
Transferred costs (pass trough)	RON million	510	391	30%
Quantity of electricity - Balancing	GWh	20	113	-82%
Balancing Price	RON / MWh	1,441	1,885	-24%
Balancing Revenue	RON million	28	214	-87%
System Services (STS) Revenue	RON million	74	62	19%
Other revenues from customer contracts, out of which:	RON million	13	25	-48%
Positive imbalances revenue*	RON million	(4)	(11)	-64%
Power reduction services revenue	RON million	11	34	-68%
Redistribution of additional revenues	RON million	5	2	150%
Revenue	RON million	2,382	2,050	16%

* The quantity of positive imbalances recorded in the three-month period ended 30 September 2025 is 93 GWh (three-month period ended 30 September 2024: 62 GWh)

Source: Hidroelectrica

4. Operating Expenses

	9M 2025	9M 2024	Change
<i>Costs breakdown</i>	<i>RON million</i>	<i>RON million</i>	<i>%</i>
Turbinated water	318	414	-23%
Employee benefits expenses	707	594	19%
Transport and distribution of electricity	1.144	907	26%
Electricity purchased	597	107	459%
Green certificates expenses	260	197	32%
Depreciation and amortization	661	674	-2%
Impairment loss on property, plant and equipment and intangible assets, net	(1)	(5)	-81%
Impairment loss on trade receivables, net	35	56	-39%
Repair, maintenance, materials and consumables	86	37	131%
Tax for electricity producers	123	219	-44%
Other operating expenses	220	177	24%

Source: Hidroelectrica

Turbinated water

Turbinated water expenses decreased by 23%, to RON 318 million in the nine-month period ended 30 September 2025 from RON 414 million in the same period of 2024. This decrease was caused by the decrease in the quantity of energy produced in the first nine months of 2025 as compared to the same period in 2024 as a result of unfavorable hydrological conditions.

Employee benefits expenses

Employees benefits expenses increased by 19% to RON 707 million in the nine-month period ended 30 September 2025, from RON 594 million in the same period of 2024. This increase was primarily driven by salary adjustments resulting from negotiations with the employees' union, effective from July 2024 and May 2025. Additionally, the rise reflects an increase in the Group's average number of employees, mainly due to the acquisition of UCM Reșița in March 2024.

Transport and distribution of electricity

Electricity transport and distribution expenses increased by 26% to RON 1,144 million in the nine-month period ended 30 September 2025, from RON 907 million in the same period of 2024. This increase in transport and distribution costs is driven mainly by a 30% increase in the volume of electricity supplied, as well as an average 13% rise in distribution tariffs effective from 1 January 2025.

Electricity purchased

The electricity purchased increased by 459% to RON 597 million in the nine-month period ended 30 September 2025, from RON 107 million in the same period of 2024. This evolution is mainly due to the increase in the quantity of electricity required for the supply segment, considering the hydrological deficit recorded in 2025.

Green certificates expenses

The green certificates expenses increased by 32% to RON 260 million in the nine-month period ended 30 September 2025, from RON 197 million in the same period of 2024. This increase is mainly due to the higher volume of electricity supplied in 2025.

Tax for electricity producers

Tax for electricity producers decreased by 44% in the nine months ended 30 September 2025 to RON 123 million from RON 219 million in the same period of 2024. The decrease is mainly attributable to the removal of the tax, effective 1 July 2025.

Other operating expenses

Other operating expenses decreased by 31% to RON 177 million for the nine months ended 30 September 2024, from RON 259 million for the nine months ended 30 September 2023. This increase mainly reflects the impact of the introduction of the tax on special constructions, amounting to RON 38 million and the changes in other expenses included in this indicator.

Q3 2025

	Q3 2025	Q3 2024	Change
<i>Costs breakdown</i>	<i>RON million</i>	<i>RON million</i>	<i>%</i>
Turbinated water	90	103	-13%
Employee benefits expenses	235	224	5%
Transport and distribution of electricity	408	308	32%
Electricity purchased	372	60	523%
Green certificates expenses	98	85	15%
Depreciation and amortization	221	226	-2%
Impairment loss on property, plant and equipment and intangible assets, net	0	(4)	-104%
Impairment loss on trade receivables, net	32	55	-41%
Repair, maintenance, materials and consumables	35	12	188%
Tax for electricity producers	3	129	100%
Other operating expenses	68	34	101%

Source: Hidroelectrica

5. Investment activity

	9M 25	9M 24	Change
	<i>RON million</i>	<i>RON million</i>	<i>%</i>
Development Project CAPEX	71	83	-14%
Refurbishment CAPEX	123	40	208%
Maintenance CAPEX	57	53	8%
Standalone equipment and machinery	20	14	44%
TOTAL INVESTMENTS	271	189	43%

Source: Hidroelectrica

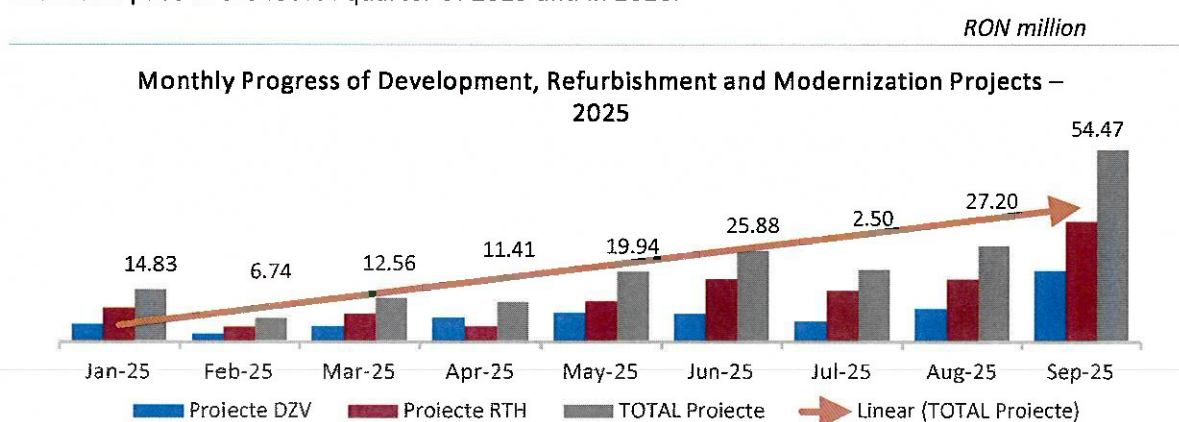
The investments outlined above are financed from internal resources.

The dynamic of investment execution is strongly influenced by factors external to the company, mainly procedural, administrative, and legislative, which do not reflect Hidroelectrica's operational capacity, but rather the regulatory context and the complexity of the strategic projects underway.

Investments in development, refurbishment, and modernization are affected by delays in their execution, or the suspension or even stoppage of some, caused largely by constraints and conditions independent of the efforts of project managers or contract managers, such as:

- Delays in issuing environmental permits for some major objectives (e.g., HPP Răstolița, HPP Pascani, HPP Surduc-Siriu), aspects that have required rescheduling and calendar adjustments.
- Suspension or cancellation of environmental permits issued by MMAP (Ministry of Environment, Waters and Forests) (e.g., HPP Rastolita, HPP Bumbesti-Livezeni).
- Unfavorable resolution of litigation pending in courts and the stoppage of works by presidential ordinance, situations currently undergoing legal resolution.
- Procurement procedures canceled due to a lack of bidders, due to bids exceeding the value allocated in the approved general estimate, or bids exceeding the established deadlines for commissioning.
- Extension of the duration of procurement procedures due to additional ex-ante verification stages carried out by A.N.A.P. (National Agency for Public Procurement), a fact that caused delays in signing contracts but ensures, in the medium term, compliant and transparent execution.
- Lack of Government Decisions regarding land expropriations.
- Overlap with other road or rail infrastructure projects.
- Restrictions regarding connection to the NPS, which are very costly and would remain exclusively the responsibility of Hidroelectrica SA.
- Contractors in insolvency or bankruptcy and the lack of a general designer leads to the impossibility of carrying out contracts according to schedules, as well as a lack of responses to quotation requests.

Despite these constraints, the investment plan maintains its integrity and realization prospects, and the remedial measures adopted (rescheduling, relaunching procedures, updating technical documentation, and intensifying dialogue with authorities) will allow for the acceleration of the execution pace in the fourth quarter of 2025 and in 2026.



Source: Hidroelectrica

Investments in Development Projects (CAPEX for Projects)

In the first 9 months of 2025, realized investments in development projects total RON 71 million, which is RON 12 million less than the same period of the previous year. The deviation stems mainly from various constraints and conditionalities associated with them, as well as from the typology and specifics of the schedules, which differ depending on the project stage.

1. Investments in progress: For 2025, Hidroelectrica has budgeted RON 188 million for the continuation of major development projects (hydro projects):

As of 30 September 2025, 9 projects were underway:

- **HPP Pașcani** – project in progress, subsequent contracts on schedule, without significant constraints or conditionalities that would jeopardize the project's completion date;
- **HPP Răstolița** – project constrained due to: unfavorable resolution of litigation pending in courts, works stopped by presidential ordinance, Hidroconstrucția SA - general contractor - in insolvency, lack of a general designer;
- **HPP Surduc-Siriu** – contracts underway for construction works and equipment (Surduc Dam, pressure node and adduction); lack of bids for equipment (Nehoiasu II HPP and 110 kV station) – which could generate delays on the project; constraints: dependent on the resolution of court actions with the Declic Association regarding the Authorization to continue construction works;
- **HPP of the Jiu River on the Livezeni-Bumbești sector** – project in progress, Water management permit obtained, EA, SEICA, RIM documentation prepared. Contracts underway for: SEN (National Energy System) connection for Dumitra HPP, preparation of cadastral documentation for land registration of the expropriation corridor for SEN connection of Dumitra HPP and Livezeni MHC (Micro-Hydropower Plant). Possible constraint that may influence the investment completion deadline: ongoing litigation with the Bankwatch Association requesting the cancellation of Environmental Permit 2/17.06.2025. Conditionalities: lack of bids from contractors for the NPS connection of Livezeni MHC;
- **Olt River Hydropower Development in the Defile Area, Cornetu–Avrig Sector (Lotrioara–Câineni–Racovița)** – contracts underway for SEICA, EA, RIM services. The project is undergoing updating and cost-benefit re-analysis, considering the offers received and the multitude of conditionalities and constraints: impossibility of obtaining the Building Permit in the absence of the Environmental permit and the absence of the expropriation GD (Government Decision); contracting/negotiating the remaining works is conditional on the revision of the Environmental Permit and the issuance of the expropriation GD; The project is partially located within 5 protected areas; Project overlap with the A1 Motorway (Lotrioara and Caineni), the railway bridges downstream of the Racovita HPP tailrace canal condition the completion of works on the tailrace canal section II; NPS Connection: power evacuation restrictions in the Olt Valley gorge, thus the NPS connection and full power evacuation solutions are very costly and remain solely the responsibility of Hidroelectrica.
- **HPP Cerna-Belareca** – project in progress, urbanism certificate, environmental permit, and water management permit have been obtained. In progress: steps for SEN connection, land acquisition, and procurement of construction and assembly works (non-binding requests for offers);

- **HPP Bistra-Poiana Mărului** – project in progress, remaining works for the Ruieni and Râul Alb heads. In progress: procurement preparation procedure for cadastral documentation for expropriation (Obtaining the Urbanism Certificate is conditional on the completion of expropriations);
- **Cerna-Motru-Tismana hydro-technical and energy complex, stage II** – contracts underway for EA, SEICA, RIM services, technical documentation prepared for obtaining the water management permit and technical expertise necessary for obtaining CONSIB approval. In progress: issuance of the Environmental Permit.
- **Vânători HPP** – contract in progress, according to schedule.

2. New investments in photovoltaic energy and energy storage projects, carried out in 2025, have a foreseen budget of RON 135 million. Hidroelectrica continues the structural transformation of its production portfolio, oriented towards complementary green energy technologies that are resilient to the hydrological variability caused by global warming. These projects mark another stage in Hidroelectrica's transition from a model predominantly based on hydropower to an extended portfolio of new green energy technologies, being hybrid, flexible, and adaptable, responding both to the objective of technological diversification and the need to mitigate systemic risks – especially the hydrological one.

- **PV Plant Tudor Vladimirescu – 45.94 MWp Project in progress;**
The procedure for awarding the contract for the turnkey execution of works is underway. On 29.09.2025, the ATR (Technical Connection Permit) was issued, and the connection contract is being issued.
- **Photovoltaic Park Țara Hațegului - Hunedoara County – 8.9 MWp**
Project in progress, the service contract for drafting technical-economic documentation has been completed; Clarification requests have been submitted by potential contractors, and answers have been provided to be uploaded to SEAP (Electronic Public Procurement System).
- **Floating photovoltaic panel system - Nufărul pilot project – 10 MWp**
Project in progress; The Building Permit has been obtained. It is currently in execution, according to the schedule: services for finalizing the technical project necessary for works execution, environmental monitoring services, preparatory works, etc.
- **Capitalizing on the photovoltaic potential within the electricity production plants located on the middle and lower sector of the Olt river – ROOFTOP – 2.9 MWp**
Project in progress; Commencement order from 26 May 2025, technical project submitted on 26 September 2025.
- **Storage installation with accumulator batteries at HPP Portile de Fier II – 64 MW/256 MWh**
In procurement procedure; Extension of the duration of procurement procedures due to additional ex-ante verification stages carried out by A.N.A.P.
- **Storage installation with Li-ion technology at Crucea NORD Wind Farm – 36 MW/72 MWh**
Project in progress; The building permit has been obtained, "turnkey" contract in progress, with a completion deadline of 23 March 2027.

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

Investments in Refurbishment Projects (CAPEX for Refurbishment)

The refurbishment activity, in accordance with Hidroelectrica's Investment Strategy, aims to fulfill the program of promoting and carrying out projects for the modernization and refurbishment of hydropower objectives. This materializes through the preparation and promotion of refurbishment and modernization projects for power plants, hydro-units, installations, and their related stations, as well as through the continuation of those already in progress, in various investment stages (procurement, design, execution, reception, monitoring during the warranty period, etc.).

The budget allocated for refurbishment and modernization projects in 2025 is RON 410 million, of which RON 267 million are intended for refurbishment projects, and RON 143 million are intended for modernization projects.

By 30 September 2025, RON 123 million were invested in refurbishment and modernization projects - a considerable increase (208%) compared to the 40 million RON achieved in the similar period of the previous year. The summary table of the status of refurbishment/modernization projects is as follows:

a) Refurbishment projects:

- **Stejaru HPP Refurbishment** - project in progress; HA5: Commissioned 2024, As-Built documentation being prepared, tests with Transelectrica for qualification of HA5 and HA6 for system technological services; Pressure node: contract in progress (Electromontaj - deadline: 30 May 2028); HA 1-4: *contract signed on 10.10.2025 (Hidroserv in association, deadline: 10 April 2031)*
- **Vidraru HPP Refurbishment** – project in progress; Contract in progress (Electromontaj and Koncar), deadline 28 December 2031 - according to schedule; Environmental monitoring (contract signed); Consultant procurement - in progress (offer opening 4 November 2025)
- **Mărișelu HPP Refurbishment** - Award procedure through open tender canceled due to lack of offers; Re-analysis of technical refurbishment solutions to update the Feasibility Study with the update of the feasibility study to optimize the technical solution
- **Râul Mare Retezat HPP Refurbishment** - award procedure through competitive negotiation canceled (2 bidders, offers over budget); the General Estimate was updated and the new technical-economic indicators were approved; award procedure resumed, open tender; procurement procedure resumed, offer submission deadline 10 December 2025
- **Brădișor HPP Refurbishment** - award procedure through competitive negotiation canceled (a single offer submitted with a value over budget); Preparation to resume the procurement procedure
- **Petrimanu, Lotru Aval, Jidoaia pumping stations Refurbishment** - award procedure through competitive negotiation in progress: final technical and financial proposals resulting from the negotiation stage were submitted (final value 98 million euro); Estimated final procedure report: 27-31 October 2025, after which the contract will be signed.

b) Modernization projects:

- **Vaduri HPP Modernization: HA no. 2, 110kV Station and Mechanical and Electrical Equipment for Plant and Dam** - Contract in progress (Hidroserv and UCMH), deadline 28 February 2027 - according to schedule
- **Modernizations at HA2 Remeți HPP, including the 110 kV Station, general installations related to the plant, pressure node, and Drăgan Dam** - Contract in progress (Hidroserv and UCMH), deadline 31 December 2027 - according to schedule
- **Modernization of HA2 Arcești HPP and replacement of the automation and monitoring system for HA1 internal services** - Contract in progress (UCMH and Hidroserv), deadline 31.12.2026 - according to schedule
- **Assembly and commissioning of HA 1 and its auxiliary installations from U.H.E. PF (Iron Gates) II** - award procedure canceled (1 bidder - offer over budget); preparation to resume the procurement procedure
- **Modernization of 110 kV station Stâncă HPP** - Contract completed: Commissioned – 26 September 2025
- **Modernization of electrical stations Moroieni HPP, Dobrești HPP, Scropoasa HPP** - award procedure in progress, in the offer submission stage - offer submission deadline 14 November 2025.
- **Modernization of electrical stations of: 110 kV Golești HPP, CHE Merișani HPP, Băiculești HPP; 6.3 and 110 kV Budeasa HPP** - award procedure canceled (two ethnically qualified bidders, both offers over budget); the General Estimate was updated and the new technical-economic indicators were approved; preparation to resume the procurement procedure is underway
- **6.3kV Station Vânători HPP** - award procedure canceled (no offers submitted) / preparation to resume the procurement procedure is underway
- **Modernization of electrical station Gilău I HPP** - award procedure canceled (no offers submitted) / preparation to resume the procurement procedure is underway
- **Modernization of 110/20/0.6 kV station at SHEN Porțile de Fier - Ostrovul Mare** - contract completed - in preparation for Reception upon completion of works and at Commissioning
- **Modernization of 110 kV, 20kV, and 6.3 kV electrical stations in Tg Jiu HPP and Vădeni HPP** - Contract in progress (Comranado) - technical project fully endorsed in CTE / works in progress according to schedule (deadline 31 January 2026)
- **Rehabilitation works on the Romanian lock within SHEN Porțile de Fier I** – works for maintaining and optimizing navigation infrastructure; Segment valve: contract completed, under warranty; Plane valve: contract completed, under warranty; Mitre gate collars: award procedure in progress - offer submission deadline 3 November 2025
- **Modernization works for electrical installations related to hydromechanical equipment and hydraulic actuation installation for the Porțile de Fier I spillway dam** - Contract completed, in warranty period (RTL - Reception at Termination of Works, Commissioning warranty tests performed)
- **Modernization works for electrical installations related to hydromechanical equipment and hydraulic actuation installation for the Gogoșu spillway dam** - Contract in progress (DSD Noel), deadline 25 July 2026 - according to schedule (works and receptions on spillway fields)
- **Modernization of VIR (fast-closing valve) actuation installation Porțile de Fier I HPP** - Contract in progress (Hidroserv), deadline 31 January 2027 - according to schedule
- **Modernization of automation, protection, general services, and security installations for Olt Superior hydropower plants** - Design services contract completed; DTE (Technical Execution

Documentation) endorsed in CTE; preparation for launching the procurement procedure is underway

- **Modernization of SCADA DHE Olt** - Contract signed (Enevo and Eximprod) - deadline 31 July 2027; 20% advance will be paid, Bank Guarantee Letter has been submitted

Maintenance Investments (CAPEX for Maintenance)

In the first 9 months of 2025, maintenance investments with capitalization (hydro constructions, equipment, and administrative buildings) total 57 million RON, a slight increase (8%) compared to the 53 million RON achieved in the similar period of 2024.

Maintenance works with capitalization – hydro-technical constructions. Achievements in the first 9 months, amounting to RON 14 million, decreased by 38% compared to January-September 2024. At 9 months, 41% of the works were completed, and 53% of the planned capitalized maintenance works for constructions were in progress. Intervention works on constructions are complex and fall entirely under the incidence of Law 10/1995 regarding quality in construction, requiring expert reports, technical projects, obtaining permits and authorizations, as well as the execution of works by certified construction companies.

Maintenance works with capitalization – equipment. Achievements in the first 9 months, amounting to RON 42 million, increased by 43% compared to January-September 2024. At 9 months, 33% of the works were completed, and 41% of the planned capitalized maintenance works for equipment were in progress.

At the same time, the Maintenance and Hydro-technical Constructions 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), anti-corrosion protection for double-hook gates Spillway Dam PF I"* with a contractual completion deadline in 2031. In 2025, budget resources amounting to RON 7.8 million were allocated. The project is progressing according to the assumed execution schedule. The technical rehabilitation project was endorsed by the beneficiary, and the dismantling of the first gate has begun. The estimated value achievement rate at the end of the year is 66% of the amount allocated for 2025.

Maintenance works with capitalization - rehabilitation of administrative buildings with capitalization, amounting to RON 0.5 million, are 15% lower than the January-September 2024 period. Contracts worth 1.3 million lei are contracted and in progress. Procurement is being prepared for 4 works; requests have been sent to the Design Department to prepare the technical-economic documentation for intervention works at the administrative headquarters.

6. Cashflow

	9M 2025	9M 2024	Change
	RON million	RON million	%
Net cash from operating activities	2,807	5,396	-48%
Net cash from investing activity	768	1,092	-30%
Net cash used in financing activities	(4,119)	(6,361)	-35%
Net increase/(decrease) in cash and cash equivalents	(543)	127	529%
Cash and cash equivalents at 1 January	1,582	408	288%
Cash and cash equivalents at 30 September	1,039	534	94%

Source: Hidroelectrica

Net cash from operating activities

Net cash from operating activities amounted to RON 2,807 million in the nine-month period ended 30 September 2025 as compared to net cash from operating activities of RON 5,396 million in the same period of 2024. This decrease is mainly due to the increase in the working capital by RON 1,464 million, influenced by the change in trade receivables, and the decrease in net profit by RON 1,218 million in the first nine months of 2025 compared to the same period of 2024. As a result, there is a 48% decrease in net cash from operating activities in the first nine months of 2025, compared to the same period of 2024.

Net cash from investing activity

Net cash from investing activities amounted to RON 768 million in the nine-month period ended 30 September 2025 as compared to the net cash from investing activities used of RON 1,092 million in the same period of 2024. This decrease was mainly driven by lower net cash inflows from investment-purpose deposits, as a result of lower operating results.

Net cash used in financing activities

Net cash used in financing activities amounted to RON 4,119 million in the nine-month period ended 30 September 2025, compared to net cash used in financing activities amounted to RON 6,361 million in the nine-month period ended 30 September 2024. The variation reflects a RON 2,245 million decrease in dividends paid during the first nine months of 2025 compared to the same period in 2024, following the lower profit recorded in the 2024 financial year versus 2023.

Q3 2025

	Q3 2025	Q3 2024	Change
	RON million	RON million	%
Net cash from operating activities	840	1,665	-50%
Net cash from investing activity	(632)	(1,694)	-63%
Net cash used in financing activities	(428)	(527)	-19%
Net increase/(decrease) in cash and cash equivalents	(219)	(555)	60%
Cash and cash equivalents at 1 July	1,258	1,089	15%
Cash and cash equivalents at 30 September	1,039	534	94%

Source: Hidroelectrica

7. Financial position

<i>RON million</i>	30 September 2025 unaudited	31 December 2024 audited	Change %
Assets			
Non-current assets			
Property, plant and equipment	19,449	19,848	-2%
Intangible assets	37	22	68%
Other non-current assets	275	277	-1%
Total non-current assets	19,784	20,147	-2%
Current assets			
Inventories	114	94	14%
Trade receivables	1,771	1,634	4%
Investments in deposits	2,687	3,476	-39%
Cash and cash equivalents	1,039	1,582	-20%
Restricted cash	37	21	43%
Other current assets	100	24	317%
Total current assets	5,747	6,830	-16%
Total assets	25,532	26,977	-5%
Equity and liabilities			
Equity			
Share capital	5,527	5,527	0%
Revaluation reserve	11,201	11,549	-3%
Other reserves	1,026	1,026	0%
Retained earnings	3,368	4,749	-29%
Total equity	21,121	22,851	-8%
Liabilities			
Non-current liabilities			
Bank borrowings	142	208	-32%
Lease liabilities	64	70	-9%
Current tax liabilities	197	202	-2%
Deferred income	-	8	-100%
Deferred tax liabilities	1,431	1,460	-2%
Employee benefits	127	129	-2%
Provisions	992	944	5%
Other payables	53	53	0%
Total non-current liabilities	3,006	3,074	-2%
Current liabilities			
Bank borrowings	95	93	2%
Lease liabilities	10	9	11%
Trade payables	652	430	52%
Contract liabilities	95	98	-3%
Current tax liabilities	160	60	167%
Deferred income	6	6	0%
Employee benefits	86	147	-41%
Provisions	105	82	28%
Tax for electricity producers	-	2	100%

<i>RON million</i>	30 September 2025 unaudited	31 December 2024 audited	Change %
Other payables	197	124	59%
Total current liabilities	1,405	1,051	34%
Total liabilities	4,410	4,125	7%
Total equity and liabilities	25,532	26,977	-5%

Source: Hidroelectrica

Trade receivables

Trade receivables as at 30 September 2025 increased by 8% to RON 1,771 million from RON 1,634 million as at 31 December 2024. This increase is mainly due to the increase in supply portfolio following the energy market liberalization starting 1 July 2025.

Investments in deposits

Investments in deposits decreased by 23% to RON 2,687 million as at 30 September 2025 from RON 3,476 million as at 31 December 2024. This decrease was mainly driven by the payment of dividends distributed from the financial year 2024 results.

Other current assets

Other current assets as at 30 June 2025 increased by 317% to RON 100 million, from RON 24 million as at 31 December 2024. This increase was mainly driven by advance payments for the purchase of electricity, as well as for local taxes related to the 2025 financial year, including the tax on special constructions.

Trade payables

Trade payables at 30 September 2025 increased by 52% to RON 652 million from RON 430 million at 31 December 2024. The increase was primarily due to the purchase of green certificates for the third quarter of 2025, liability that was not included in the balance at the end of 2024, as it was settled in December. In addition, the positive development of the supply portfolio led to higher expenses related to regulated tariffs and electricity acquisition, as well as an increase in the number of prosumers, which contributed to the growth of trade payables.

Current Tax Liabilities

Short-term current tax liabilities at 30 September 2025 increased by 167% to RON 160 million from 60 million RON at 31 December 2024. The increase was primarily due to the fiscal incentives the Group benefited from in 2024, reflected in the tax liabilities computed for forth quarter.

Employee benefits

Short-term employee benefits at 30 September 2025 decreased by 41%, to RON 86 million, from RON 147 million as at 31 December 2024. The decrease was caused by the payment, in the first half of 2025, of the variable component and employee profit-sharing related to the year 2024.

Provisions

Long term provisions as at 30 September 2025 increased by 5% to RON 992 million from RON 944 million at 31 December 2024. The increase was primarily the result of the unwinding of decommissioning provisions.

Other payables

Other short-term payables at 30 September 2025 increased by 59% to RON 197 million from RON 124 million at 31 December 2024. This increase primarily reflects a higher VAT payable, resulting from greater invoiced volumes in September 2025 compared to December 2024 — particularly in the supply activity — and from the increase in the VAT rate, effective 1 August 2025.

V. Risk Management

Strategic Risk Management at Company Level

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

Climate Risks and Infrastructure Adaptation

The increasing frequency of extreme weather events highlights the impact of climate change on economic activities. Hidroelectrica implements proactive measures such as programs to reduce the risk of water shortages and floods, strengthen dam safety, invest in new generation capacities, and modernize critical infrastructure. Integrating climate considerations into decision-making processes is essential to maintaining operational resilience.

Sustainability of Production Assets

Hydropower infrastructure plays a key role in ensuring national energy security. Hidroelectrica continues to invest in the modernization and refurbishment of its assets to extend their lifecycle, improve efficiency, and implement modern remote control solutions (SCADA). The company's strategy also includes the development of new projects, alongside maintaining the reliability of existing infrastructure.

Exposure to Energy Price Volatility

Fluctuations in energy market prices impact the company's revenues and margins. Hidroelectrica mitigates price risk through forward contracts, production optimization based on hydrological conditions, and operational cost control.

Cybersecurity

Amid accelerating digitalization and growing geopolitical risks, the company has strengthened its cybersecurity defenses through technical solutions, specific procedures, and continuous staff training.

Cyber threats are managed through a multilayered approach focused on prevention and rapid response.

Regulatory and Energy Policy Risks

Hidroelectrica is exposed to legislative changes and decisions by authorities that can significantly impact its operations and financial results. The company maintains an ongoing dialogue with relevant authorities and ensures it adapts promptly to changes in national and European regulatory frameworks.

Environmental Compliance

The company operates under strict environmental and water management regulations. Activities are conducted in accordance with environmental permits, and the development of new capacities involves complex environmental assessments—especially when projects are located near protected natural areas. Continuous engagement with environmental authorities supports compliance and risk mitigation.

Health, Safety, and Environment (HSE)

Hidroelectrica remains committed to acting responsibly, with the goal of zero workplace accidents and full compliance with legal requirements. The company continuously monitors HSE risks, conducts regular training, and promotes an organizational culture rooted in safety, accountability, and sustainability.

The integrated risk analysis for the January - September 2025 period highlights the maintenance of a high level of exposure to hydrological, financial, and cyber risks. At the same time, the control measures implemented in H1 and consolidated in Q3 2025 led to the reduction of residual risk for certain operational areas.

- Implemented control measures and ongoing actions:
- Integration of predictive hydro-meteorological modeling in production planning.
- Increasing cyber resilience by implementing a real-time monitoring System and partnerships with CERT-RO.
- Automation of fiscal and regulatory reporting.
- Professional training of staff and consolidation of internal control in the financial area.
- Quarterly review of the PV/wind investment portfolio.
- Launching retention programs, mainly for technical staff.

January - September 2025 period confirmed the complexity of the risk environment in which the Romanian energy sector in general, and Hidroelectrica in particular, operates. By applying an integrated risk management approach based on anticipation, adaptability, and continuous control, the organization can maintain operational and financial stability in the face of climatic, technological, and regulatory challenges.

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

VI. Subsequent Events

OGMS Meetings

Following the request submitted by the shareholder, the Romanian State through the Ministry of Energy, for the supplementation of the agenda—received on 16 October 2025—the main items proposed for approval within the **OGMS of 31 October 2025**, as reflected in the supplemented convocation, were as follows:

- Approval of the Rectified Revenue and Expense Budget of S.P.E.E.H. Hidroelectrica S.A. for 2025, in accordance with the Explanatory Note presented to the shareholders.
- The Ordinary General Meeting of Shareholders is informed about the Report of the Supervisory Board of S.P.E.E.H. Hidroelectrica S.A. for the first half of 2025.
- Revocation of the provisional members of the Supervisory Board of S.P.E.E.H. Hidroelectrica S.A., effective as of 09.11.2025, following the expiry of their mandates (secret vote).
- Election of provisional members of the Supervisory Board of S.P.E.E.H. Hidroelectrica S.A., effective as of 09.11.2025 (secret vote).
- Setting the mandate duration for the provisional Supervisory Board members elected under item (4), for a period of 5 months, or until the completion of the selection procedure carried out in accordance with GEO no. 109/2011 on corporate governance of public enterprises, as amended, if such selection is finalized earlier.
- Establishing the fixed monthly gross remuneration of the provisional Supervisory Board members elected under item (4), in accordance with OGMS Resolution no. 10/28.03.2023.
- Approval of the form of the mandate agreement to be concluded with the provisional Supervisory Board members elected under item (4), as proposed by the Ministry of Energy.
- Mandating the representative of the majority shareholder—the Ministry of Energy— within the OGMS to sign, on behalf and for the account of the Company, the mandate agreements of the provisional Supervisory Board members elected under item (4).

During the **meeting held on 31 October 2025**, OGMS decided the following:

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

- Revocation of the provisional members of the Supervisory Board of S.P.E.E.H. Hidroelectrica S.A., effective as of 09.11.2025, following the expiry of their mandates (secret vote),

the OGMS revokes Mrs. Anca Mitu and Mr. Ciprian-Mihail Ene.

For **item 4** on the agenda, namely:

- Election of the provisional members of the Supervisory Board of S.P.E.E.H. Hidroelectrica S.A., effective as of 09.11.2025 (secret vote),

the OGMS appoints Mrs. Anca Mitu and Mr. Ciprian-Mihail Ene.

All remaining items on the agenda were approved by the shareholders on the date of the meeting, with the majority of the votes cast.

On 17 October 2025, Management the Board of Hidroelectrica convened the **OGMS for 20 November 2025**. Following the request submitted by the shareholder the Romanian State, through the Ministry of Energy to supplement the agenda, received on 5 November 2025, the main items proposed for approval, as reflected in the supplemented convening notice, are as follows:

- Information regarding the reasons for and the mutual termination of the mandate agreements of Mr. Károly Borbély – President of the Management Board (CEO) and Mr. Marian Fețița – Member of the Management Board (CFO), as well as the context and conditions of such termination.
- Revocation of the provisional members of the Supervisory Board of S.P.E.E.H. Hidroelectrica S.A., effective as of the date of the meeting, following the completion of the selection procedure (secret vote).
- Election of the members of the Supervisory Board of S.P.E.E.H. Hidroelectrica S.A., effective as of the date of the meeting (secret vote).
- Setting the term of office of the Supervisory Board members elected under item (3), starting on the date of the meeting and ending on 28.03.2027, corresponding to the expiry of the mandates of the Supervisory Board members appointed by OGMS Resolution no. 10 of 28.03.2023.
- Establishing the fixed monthly gross remuneration of the Supervisory Board members elected under item (3), in accordance with Article 4 of OGMS Resolution no. 10 of 28.03.2023.
- Approval of the form of the mandate agreement to be concluded with the Supervisory Board members elected under item (3), as proposed by the Ministry of Energy.
- Authorisation of the representative of the majority shareholder — the Ministry of Energy — within the OGMS to sign, on behalf of and for the Company, the mandate agreements of the Supervisory Board members elected under item (3).

On 13 November 2025, the **Management Board of Hidroelectrica convened the OGMS for 17 December 2025**, following the request of the shareholder — the Romanian State, through the Ministry of Energy — to conclude addenda to the mandate contracts of the Supervisory Board members and Management Board members, in order to ensure compliance with the applicable legislative amendments. The agenda is as follows:

- Approval of the form and content of the addendum to the mandate contracts of the members of the Supervisory Board of S.P.E.E.H. Hidroelectrica S.A., for the implementation of the amendments to GEO 109/2011 on the corporate governance of public enterprises, as amended by Law No. 158/2025.
- Approval of the empowerment of the representative of the shareholder — the Romanian State, through the Ministry of Energy — in the Ordinary General Meeting of Shareholders to sign the Addendum to the mandate contracts of the members of the Supervisory Board.

Selection process for the positions of Management Board members – CEO and CFO

Given the mutual termination of the mandate contracts of Mr. Károly Borbély – President of the Management Board/CEO, and Mr. Marian Fețița – Management Board Member/CFO as of 19 September 2025 (details available in the chapter [*Key Events During the Reporting Period*](#)), the Supervisory Board committed to finalising the selection procedures for the vacant positions by 28 November 2025.

Accordingly, on 3 October 2025, the announcement regarding the recruitment and selection of candidates for two positions as members of the Management Board – CEO and CFO – was published, outlining the eligibility requirements and the criteria for evaluation and selection, in accordance with Article 35(6) of GEO 109/2011 on the corporate governance of public enterprises, as subsequently amended and supplemented. The deadline for submitting applications was 4 November 2025.

As of the date of this report, the selection procedures are ongoing, in compliance with the committed completion timeline.

Other subsequent events

Signing of the Contract for the Refurbishment of the Stejaru Hydropower Plant

On 13 October 2025, Hidroelectrica signed the works contract for the project *“Refurbishment of the Stejaru HPP – Refurbishment of Units HA1–HA4 and Plant Installations”*, one of the most significant investment projects in the company’s portfolio.

The contract, valued at EUR 97 million (excluding VAT), was awarded to HIDROSERV S.A., which will collaborate with the following subcontractors: Uzina de Construcții Mașini Hidroenergetice, General Design Tech, Compania de Consultanță în Energie și Mediu S.A., Hydro Proiect Invest, Electromontaj, Nibaco and Electromontaj Carpati S.A.

The investment is financed from Hidroelectrica’s own funds, and the contract was awarded through an open tender procedure, based on the “best price-quality ratio” criterion, in accordance with the sectoral procurement legislation (Law no. 99/2016).

The project aims at the complete modernization and refurbishment of the four type-I generating units (HA1–HA4), as well as the plant’s general installations, contributing to improved energy efficiency, enhanced equipment safety and extended operational lifetime. The contract duration is 66 months.

Located in Neamț County, the Stejaru Hydropower Plant (also known as “CHE Dimitrie Leonida”) is part of the hydrotechnical development of the Bistrița River and represents a technological landmark of the Romanian energy sector. The refurbishment works will include design, equipment supply, installation, commissioning, and post-implementation monitoring.

Signing of the Contract for the Refurbishment of the High-Power Pump Stations Petrimanu, Jidoaia and Lotru

On 10 November 2025, Hidroelectrica signed the contract for the project *“Refurbishment of the High-Power Pump Stations Petrimanu, Jidoaia and Lotru – Downstream of the Dorin Pavel HPP”*, following the completion of the competitive negotiation award procedure.

The contract, initially estimated at RON 487 million (EUR 98 million) excluding VAT, was awarded at a final value of EUR 98 million excluding VAT to ELECTROMONTAJ S.A., with subcontractors ELIN MOTOREN GmbH, VOITH HYDRO GmbH & Co. KG and BUTAN GRUP S.R.L.



The refurbishment of the three high-power pump stations — Petrimanu, Jidoaia and Lotru, downstream of the Dorin Pavel HPP — is one of Hidroelectrica's most important infrastructure investments in recent years, with direct impact on energy efficiency, operational flexibility and the balancing capability of the National Power System. The project will extend the operational lifetime of the pumping installations by at least 30 years, improve the performance of electromechanical equipment and control systems, and integrate modern automation and digital control technologies compatible with the SCADA/EMS standards used within the company.

In addition, the refurbishment will enhance NPS's fast-response capability in situations of energy imbalance and enable better integration of production from renewable sources.

Hidroelectrica's Management Board

Bogdan-Nicolae BADEA

Chairman of the Management Board

Radu-Ioan CONSTANTIN
Management Board Member

Ianăș RĂDOI
Management Board Member

Management Statement

Based on the information available, we confirm that the Condensed Interim Consolidated Financial Statements prepared for the three- and nine-month periods ended 30 September 2025, 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 third quarter of 2025, 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

Radu-Ioan CONSTANTIN
Management Board Member

Bogdan-Nicolae BADEA
Chairman of the Management Board

Ianăș RĂDOI
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. Hidro serv 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



Consolidated Interim Financial Statements

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



HIDROELECTRICA

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
for the nine month period ended
30 September 2025

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

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S.P.E.E.H. HIDROELECTRICA S.A. Two-tier system Company
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2025
(All amounts are in thousand RON, unless otherwise stated)

		30 September 2025	31 December 2024
	Note	(unaudited)	(audited)
Assets			
Non-current assets			
Property, plant and equipment		19,449,261	19,848,494
Intangible assets		36,690	21,753
Restricted cash	12	23,057	-
Other non-current assets	15	275,384	276,760
Total non-current assets		19,784,392	20,147,007
Current assets			
Inventories		113,736	93,998
Trade receivables	14	1,770,775	1,633,688
Investments in deposits	13	2,687,390	3,475,933
Cash and cash equivalents	12	1,038,810	1,581,617
Restricted cash	12	36,736	21,057
Other current assets	15	99,992	23,926
Total current assets		5,747,439	6,830,219
Total assets		25,531,831	26,977,226
Equity			
Share capital	16	5,526,898	5,526,898
Revaluation reserve		11,200,525	11,548,962
Other reserves		1,025,970	1,025,970
Retained earnings		3,367,968	4,749,312
Total equity		21,121,361	22,851,142
Liabilities			
Non-current liabilities			
Bank borrowings		141,545	207,846
Lease liabilities		64,104	70,110
Deferred income		197,178	201,997
Current tax liabilities	11	-	8,196
Deferred tax liabilities		1,430,951	1,460,122
Employee benefits		127,258	128,596
Provisions		991,903	943,505
Trade payables		-	999
Other payables	17	52,998	52,512
Total non-current liabilities		3,005,937	3,073,873

(continued on page 2)

S.P.E.E.H. HIDROELECTRICA S.A. Two-tier system Company
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2025
(All amounts are in thousand RON, unless otherwise stated)

		30 September 2025	31 December 2024
	Note	(unaudited)	(audited)
Current liabilities			
Bank borrowings		94,641	92,887
Lease liabilities		9,956	9,244
Trade payables		651,798	429,683
Contract liabilities		95,258	97,786
Current tax liabilities	11	159,593	60,329
Deferred income		5,693	6,146
Employee benefits		85,501	147,281
Provisions		104,695	82,470
Tax for electricity producers	8D	-	2,136
Other payables	17	197,398	124,249
Total current liabilities		1,404,533	1,052,211
Total liabilities		4,410,470	4,126,084
Total equity and liabilities		25,531,831	26,977,226

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

Bogdan-Nicolae BADEA

Chairman of the
Management Board

Radu Ioan CONSTANTIN

Member of the
Management Board

Ianăș RĂDOI

Member of the
Management Board

Petronel GHIRIAC

Finance Director

Marian FETIȚA

Accounting Manager

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

	Note	Nine month period ended	
		30 September 2025 (unaudited)	30 September 2024 (unaudited)
Revenue	6	6,697,815	7,199,919
Other income	7	33,035	167,152
Turbinated water	8A	(318,114)	(413,833)
Employee benefits expenses		(706,660)	(594,096)
Transport and distribution of electricity	8C	(1,143,868)	(907,483)
Electricity purchased	8B	(597,420)	(106,787)
Green certificates expenses		(260,151)	(196,802)
Depreciation and amortization		(660,888)	(673,744)
Impairment on property, plant and equipment and intangible assets, net		951	4,910
Impairment loss on trade receivables, net		(34,532)	(56,208)
Repair, maintenance, materials and consumables		(86,174)	(37,377)
Tax for electricity producers	8D	(122,721)	(219,341)
Other operating expenses		(220,217)	(177,412)
Operating profit		2,581,056	3,988,898
Finance income	9	229,916	273,451
Finance costs	9	(55,646)	(56,941)
Net finance result		174,270	216,510
Profit before tax		2,755,326	4,205,408
Income tax expense	11	(441,339)	(673,417)
Profit for the period		2,313,987	3,531,991
Earnings per share			
Basic and diluted earnings per share (RON)	10	5.14	7.85
Other comprehensive income			
Impairment of property, plant and equipment recognized in revaluation reserve, net of tax		(539)	(771)
Total other comprehensive income		(539)	(771)
Total comprehensive income		2,313,448	3,531,220

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

Bogdan-Nicolae BADEA

Chairman of the
Management Board

Petronel CHIRIAC
Finance Director

Radu Ioan CONSTANTIN

Member of the
Management Board

Ianăș RĂDOI

Member of the
Management Board

Marian FETIȚA
Accounting Manager

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

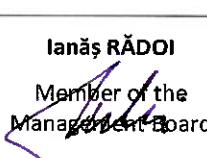
	Note	Three month period ended	
		30 September 2025 (unaudited)	30 September 2024 (unaudited)
Revenue	6	2,382,447	2,050,024
Other income	7	9,149	144,190
Turbinated water	8A	(90,018)	(103,016)
Employee benefits expenses		(235,183)	(223,760)
Transport and distribution of electricity	8C	(407,728)	(308,350)
Electricity purchased	8B	(371,963)	(59,663)
Green certificates expenses		(97,975)	(84,895)
Depreciation and amortization		(220,807)	(226,336)
Impairment on property, plant and equipment and intangible assets, net		(143)	3,651
Impairment loss on trade receivables, net		(32,142)	(54,512)
Repair, maintenance, materials and consumables		(35,396)	(12,289)
Tax for electricity producers	8D	(2,584)	(129,493)
Other operating expenses		(67,719)	(33,666)
Operating profit		829,938	961,885
Finance income	9	56,006	56,652
Finance costs	9	(19,157)	(19,088)
Net finance result		36,849	37,564
Profit before tax		866,787	999,449
Income tax expense	11	(140,239)	(157,640)
Profit for the period		726,548	841,809
Earnings per share			
Basic and diluted earnings per share (RON)	10	1.62	1.87
Other comprehensive income			
Impairment of property, plant and equipment recognized in revaluation reserve, net of tax		(539)	74
Total other comprehensive income		(539)	74
Total comprehensive income		726,009	841,883

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

Bogdan-Nicolae BADEA
Chairman of the Management Board

Petronel CHIRIAC
Finance Director

Radu Ioan CONSTANTIN
Member of the Management Board


Ianăș RĂDOI
Member of the Management Board

Marian FETIȚA
Accounting Manager


S.P.E.H. IDROELETTRICA S.A. Two-tier system Company
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHA
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2025
(All amounts are in thousand RON, unless otherwise stated)

	Attributable to owners of the Company			
	Share capital	Revaluation reserve	Other reserves	Retained earnings
Balance at 1 January 2024 (audited)	5,526,898	12,038,616	1,024,034	6,431,686
<i>Total comprehensive income for the period</i>				25,021,234
Profit of the period	-	-	-	3,531,990
<i>Other comprehensive income for the period</i>				3,531,990
Impairment of property, plant and equipment recognized in revaluation reserve, net of tax	-	(771)	-	-
<i>Total other comprehensive income for the period</i>	-	(771)	-	-
<i>Total comprehensive income for the period</i>	-	(771)	-	3,531,990
				3,531,219
<i>Transactions with the owners of the Company</i>				
Contributions and distributions				
Dividends	-	-	-	(6,292,738)
<i>Total transactions with the owners of the Company</i>	-	-	-	(6,292,738)
<i>Other changes in shareholders' equity</i>				
Transfer of revaluation reserve to retained earnings due to depreciation and disposals of property, plant and equipment	-	(364,866)	-	364,866
Balance at 30 September 2024 (unaudited)	5,526,898	11,672,979	1,024,034	4,035,804
				22,259,715

(continued on page 6)

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

	Attributable to owners of the Company			
	Share capital	Revaluation reserve	Other reserves	Retained earnings
				Total equity
Balance at 1 January 2025 (audited)	5,526,898	11,548,962	1,025,970	4,749,312
				22,851,142
<i>Total comprehensive income for the period</i>				
Profit of the period	-	-	-	2,313,987
				2,313,987
<i>Other comprehensive income for the period</i>				
Impairment of property, plant and equipment recognized in revaluation reserve, net of tax	-	(539)	-	-
				(539)
<i>Total other comprehensive income for the period</i>				
	-	(539)	-	-
				(539)
<i>Total comprehensive income for the period</i>				
	-	(539)	-	2,313,987
				2,313,448
<i>Transactions with the owners of the Company</i>				
Contributions and distributions				
Dividends	-	-	-	(4,043,229)
				(4,043,229)
<i>Total transactions with the owners of the Company</i>				
	-	-	-	(4,043,229)
				(4,043,229)
<i>Other changes in shareholders' equity</i>				
Transfer of revaluation reserve to retained earnings due to depreciation and disposals of property, plant and equipment	-	(347,898)	-	347,898
				-
Balance at 30 September 2025 (unaudited)	5,526,898	11,200,525	1,025,970	3,367,968
				21,121,361

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

Bogdan-Nicolae BADEA

Chairman of the Management Board

Radu Ioan CONSTANTIN

Member of the Management Board

Ianăș RĂDOI

Member of the Management Board

Petronel CHIRIAC

Finance Director

Marian FEŢIŢA

Accounting Manager

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

Note	Nine month period ended	
	30 September 2025 (unaudited)	30 September 2024 (unaudited)
Cash flow from operating activities:		
Profit for the period	2,313,987	3,531,991
<i>Adjustments for:</i>		
Depreciation	655,116	672,362
Amortisation	5,772	1,383
Impairment on property, plant and equipment and intangible assets, net	(951)	(4,910)
Impairment loss on trade receivables, net	34,532	56,208
Write-down of inventories	(701)	(1,313)
Gain from bargain purchase of subsidiaries	-	(25,728)
Loss/(gain) on disposal of property, plant and equipment	(2,334)	5,239
Net foreign exchange gain	(1,535)	(33)
Interest income	(216,497)	(267,664)
Interest expense	57,313	56,888
Income tax expense	441,339	673,417
	3,286,041	4,697,840
<i>Changes in:</i>		
Trade receivables	(171,619)	1,022,433
Inventories	(19,037)	(21,972)
Restricted cash	(38,736)	80,000
Other assets	(81,991)	110,691
Trade payables	192,919	205,710
Deferred income	(5,273)	(4,012)
Employee benefits	(63,118)	(29,831)
Provisions	22,740	(73,397)
Other payables	74,591	85,206
Cash generated from operating activities	3,196,517	6,072,668
Interest paid	(9,671)	(14,692)
Income tax paid	(379,431)	(662,251)
Net cash from operating activities	2,807,415	5,395,725
Cash flow from investing activities:		
Payments for acquisition of property, plant and equipment	(229,727)	(208,275)
Payments for acquisition of intangible assets	(20,686)	(15)
Proceeds from the sale of property, plant and equipment	6,545	-
Payments for deposits held for investment purposes	(6,174,830)	(6,550,000)
Proceeds from deposits held for investment purposes	6,940,509	7,650,000
Interest received	246,663	267,727
Payments for acquisition of subsidiaries	-	(67,879)
Net cash used in investing activities	768,474	1,091,558

(continued on page 8)

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

		Nine month period ended	
	Note	30 September 2025 (unaudited)	30 September 2024 (unaudited)
Cash flow from financing activities:			
Repayment of borrowings		(70,044)	(69,270)
Lease payments		(7,074)	(5,041)
Dividends paid		(4,041,578)	(6,286,386)
Net cash used in financing activities		(4,118,696)	(6,360,697)
Net increase/(decrease) in cash and cash equivalents		(542,807)	126,586
Cash and cash equivalents at 1 January	12	1,581,617	407,634
Cash and cash equivalents at 30 September	12	1,038,810	534,220

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

Bogdan-Nicolae BADEA
Chairman of the
Management Board

Radu Ioan CONSTANTIN
Member of the
Management Board

Ianăș RĂDOI
Member of the
Management Board

Petronel CHIRIAC
Finance Director

Marian FETIȚA
Accounting Manager

S.P.E.E.H. HIDROELECTRICA S.A. Two-tier system Company
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2025
(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 "Hidroelectrica") is a joint stock company, domiciled in Romania. The Company's registered office is 15-17 Ion Mihalache Blvd., Tower Center Building, 10-15 floors, Sector 1, Bucharest. The Company is registered at National Trade Register Officer with no. J40/7426/2000 and has unique registration code 13267213.

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

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

As of 30 September 2025, the Romanian State through the Ministry of Energy owns 360,094,390 shares, representing 80.0561% of the share capital and of the total voting rights. The rest of the shares are traded on the Bucharest Stock Exchange as follows: 74,731,841 shares, representing 16.6144% of the share capital are owned by legal persons and 14,976,336 shares representing 3.3295% of the share capital by individuals.

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

Initial public offering ("IPO")

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

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

List of subsidiaries

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

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

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

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

All revenue are generated in Romania.

(b) Regulatory environment

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

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

(c) Main operations of the Group

Electricity generation and system services

The Group generates electricity by operating 188 hydropower plants and micro-hydropower plants, including 5 pumping stations, (the main generation capacities being Portile de Fier I and Portile de Fier II, which represent on average 40% of the total electricity generated in the last ten years) and 36 wind turbines of 3 MW each.

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

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

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

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

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

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

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

Electricity supply to end users

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

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

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

- capping the electricity supply tariffs for household and non-household consumers, while the energy suppliers were receiving a subsidy from the State to partially compensate for the impact of capping mechanism; The impact of this mechanism on the Group's financial performance in the first nine months of 2025 was a reduction of revenue due to capped prices by RON 46 million (first nine months of 2024: reduction of revenue of RON 31 million, financial year 2024: reduction of revenue of RON 37 million);
- on 7 July 2023, a series of changes were brought to GEO 27/2022 (until 30 June 2025) with impact on the revenue obtained from the Supply activity, respectively on the method of computing the invoiced price to the final consumer, for the consumers for which the electricity consumed is purchased by the Company. In the first nine months of 2025, the impact of these changes on the Group's financial performance implied a reduction of revenue by RON 13 million as a consequence of the legal obligation to sell at a price lower than the contractual price (the impact of these changes on the Group's financial performance in 2024 implied a reduction of revenue by RON 6 million as a consequence of the legal obligation to sell at a price lower than the contractual price).

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 nine months of 2025, the Group received 3 green certificates for each MWh generated by the eligible micro-hydropower plant (in 2024: between 2.92 and 3 green certificates for each MWh generated by eligible micro-hydropower plants, 5 micro-hydropower plants in January 2024, 4 micro-hydropower plants in February and March 2024, 3 micro-hydropower plants in April 2024 and 2 micro-hydropower plants starting May 2024) and 0.75 green certificates for each MWh generated by the wind farm in the first nine months of 2025 and for the year 2024. During the first nine months of 2025, the Group generated from its own production portfolio a number of 18,660 GC from hydropower plant and 139,052 GC from wind farm (first nine months of 2024: 22,725 GC from hydropower plants and 159,821 GC from wind farm, financial year 2024: 28,089 GC from hydropower plants and 217,200 GC from wind farm).

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

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

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

Tax on electricity producers

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

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

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

The tax for electricity producers was eliminated starting 01 July 2025.

Tax on Special Constructions

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

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

2. BASIS OF ACCOUNTING

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

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

These interim consolidated financial statements were authorized for issue by the Company's Management Board on 14 November 2025.

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

3. USE OF JUDGEMENTS AND ESTIMATES

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

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

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

i. Fair value of the property, plant and equipment

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

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

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

Measurement of fair values

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

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

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

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

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

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

4. CHANGE IN ACCOUNTING POLICY

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

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

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

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

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

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

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- *IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Contracts Referencing Nature-dependent Electricity (Amendments).* In December 2024, the IASB issued targeted amendments for a better reflection of Contracts Referencing Nature-dependent Electricity, which amended IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures and they become effective for annual reporting periods beginning on or after January 1, 2026, earlier application permitted. Management is in the progress of assessing the impact of this new standard on the annual financial statements.
- *Annual Improvements to IFRS Accounting Standards – Volume 11.* Management is in the progress of assessing the impact of this new standard on the annual financial statements.

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

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

5. OPERATING SEGMENTS

A. Basis for segmentation

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

The following summary describes the operations of each reportable segment:

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.

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B. Information about operating segments

Nine month period ended 30 September 2025 (unaudited)	Electricity generation	Electricity supply	Total for reportable segments	Inter-segment eliminations	Consolidated total
External revenue	2,884,848	3,812,967	6,697,815	-	6,697,815
Inter-segment revenue	1,154,853	-	1,154,853	(1,154,853)	-
Segment revenue	4,039,701	3,812,967	7,852,668	(1,154,853)	6,697,815
Segment profit before tax	2,102,455	652,871	2,755,326	-	2,755,326
Net finance income/ (cost)	161,081	13,189	174,270	-	174,270
Depreciation and amortization	(659,799)	(1,089)	(660,888)	-	(660,888)
Impairment loss on property, plant and equipment and intangible assets, net	951	-	951	-	951
Electricity purchased	(26,262)	(1,701,310)	(1,727,572)	1,130,152	(597,420)
Green certificates expenses	-	(284,852)	(284,852)	24,701	(260,151)
Employee benefits expenses	(686,402)	(20,258)	(706,660)	-	(706,660)
Turbined water	(318,114)	-	(318,114)	-	(318,114)
Tax for electricity producers	(122,721)	-	(122,721)	-	(122,721)
Transport and distribution of electricity	(41,162)	(1,102,706)	(1,143,868)	-	(1,143,868)
Other expenses	(277,658)	(63,265)	(340,923)	-	(340,923)

Nine month period ended 30 September 2024 (unaudited)	Electricity generation	Electricity supply	Total for reportable segments	Inter-segment eliminations	Consolidated total
External revenue	4,576,771	2,623,148	7,199,919	-	7,199,919
Inter-segment revenue	964,651	-	964,651	(964,651)	-
Segment revenue	5,541,422	2,623,148	8,164,570	(964,651)	7,199,919
Segment profit before tax	3,776,013	429,395	4,205,408	-	4,205,408
Net finance income/ (cost)	212,516	3,994	216,510	-	216,510
Depreciation and amortization	(673,683)	(61)	(673,744)	-	(673,744)
Reversal of impairment loss on property, plant and equipment	4,910	-	4,910	-	4,910
Electricity purchased	(15,182)	(1,028,895)	(1,044,077)	937,290	(106,787)
Green certificates expenses	-	(224,163)	(224,163)	27,361	(196,802)
Employee benefits expenses	(576,391)	(17,705)	(594,096)	-	(594,096)
Turbined water	(413,833)	-	(413,833)	-	(413,833)
Tax for electricity producers	(219,341)	-	(219,341)	-	(219,341)
Transport and distribution of electricity	(52,911)	(854,572)	(907,483)	-	(907,483)
Other expenses	(197,555)	(73,442)	(270,997)	-	(270,997)

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

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

Inter-segment revenue includes the value of electricity produced and transferred within the same entity from producer portfolio (generation segment) to supplier portfolio (supplier segment) of RON 1,079,904 thousand for the nine months ended 30 September 2025 (nine months ended 30 September 2024: RON 911,045 thousand) and inter-segment net imbalances of RON 50,248 thousand for the nine months ended 30 September 2025 (nine months ended 30 September 2024: RON 26,245 thousand). Inter-segment revenue is calculated based on a methodology approved by the Management

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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.

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

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:

	Nine month period ended	
	30 September 2025 (unaudited)	30 September 2024 (unaudited)
Wholesale of electricity	2,707,760	4,322,193
Electricity supplied to final consumers (retail sales)	3,812,967	2,623,148
System services	175,648	252,576
Maintenance services	1,440	2,002
Total	6,697,815	7,199,919

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 nine month period ended 30 September 2025 represent sales to non-household consumers (approx. 65% of volume, 63% in the first nine months of 2024), for which readings are performed at the end of each month, data sent by the distribution operators. Also, approximately 72% (67% in the first nine months of 2024) of the volume supplied to household consumers in the nine month period ended 30 September 2025 is determined based on meter readings at the end of the period, and the rest is based on estimates of the consumption, all data sent by the distribution operators. Group assesses that the risk of revenue adjustment subsequent to period end that could result from the difference between the meter readings and the estimated volumes would have a limited impact on the financial statements.

For the nine month period ended 30 September 2025, the Group produced 8,473 GWh (nine month period ended 30 September 2024: 11,053 GWh), and sold 10,130 GWh (nine month period ended 30 September 2024: 11,719 GWh). From total quantity sold, 5,207 GWh were supplied to end users in the nine month period ended 30 September 2025 (4,006 GWh in the nine month period ended 30 September 2024).

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

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

- Transelectrica SA, the electricity system operator - system services and production of electricity for system balancing (latter included in wholesale of electricity) – RON 571,579 thousand in the nine month period ended 30 September 2025 (37%), RON 1,632,804 thousand in the nine month period ended 30 September 2024 (36%);
- OPCOM SA, the market operator – wholesale of electricity produced on the market for the centralized acquisition mechanism and on the spot market of RON 219,994 thousand in the nine month period ended 30 September 2025 (14%), RON 2,366,457 thousand in the nine month period ended 30 September 2024 (52%).

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Timing of revenue recognition:

	Nine month period ended	
	30 September 2025 (unaudited)	30 September 2024 (unaudited)
Revenue transferred over time	6,696,375	7,197,916
Revenue transferred at a point in time	1,440	2,002
Total	6,697,815	7,199,919

7. OTHER INCOME

	Nine month period ended	
	30 September 2025 (unaudited)	30 September 2024 (unaudited)
Grant income	4,317	4,298
Compensations, fines and penalties from suppliers	978	125,530
Other income	27,740	37,324
Total	33,035	167,152

On 2 April 2024, the Court, through Decision no. 1852, definitively ruled in favor of Hidroelectrica regarding the litigation with the tax authorities whose subject was the annulment of the Decision on settling the preliminary tax appeal no. 406/18.12.2014 and annulment of Tax Decision no. F-MC 851/21.01.2014, in value of RON 214,385 thousand. In July 2024, the amounts were offset with tax liabilities calculated for the second quarter of 2024. To these amounts, fiscal interest of RON 122,843 thousand was computed and collected in September 2024.

8. OPERATING EXPENSES

A. Turbined water

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

B. Electricity purchased

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

In the first nine months of 2025 the Group purchased 1,657 GWh (first nine months of 2024: 666 GWh) for RON 597,420 thousand (first nine months of 2024: RON 106,787 thousand). The increase in electricity purchases in the first nine months of 2025 is mainly due to the increase in the amount of electricity required for the supply segment, considering the hydrological deficit recorded in 2025.

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C. Transport and distribution of electricity

	Nine month period ended	
	30 September 2025 (unaudited)	30 September 2024 (unaudited)
Injection of electricity produced in the national system	28,060	51,633
Distribution of electricity supplied	906,585	698,554
Transport of electricity supplied	209,223	157,296
Total	1,143,868	907,483

Tariffs for transport and distribution of electricity are regulated. The 26% increase in transport and distribution costs in the first nine months of 2025 compared to the same period in 2024 is driven mainly by a 30% increase in the volume of electricity supplied, as well as an average 13% rise in distribution tariffs effective from 1 January 2025.

D. Tax for electricity producers

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

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

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

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

The tax computed by the Group for the nine month period ended 30 September 2025 is RON 122,721 thousand (for the nine month period ended 30 September 2024: RON 219,341 thousand). As at 30 September 2025, the recoverable balance related to the tax is RON 538 thousand (31 December 2024 payable amount: RON 2,136 thousand).

Starting 01 July 2025, the tax for electricity producers was eliminated.

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

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

As per control report issued on 11 April 2023, the tax authorities applied the law retroactively from 1 September 2022, and therefore computed additional tax of RON 62,052 thousand. The Group paid the additional tax, the amount being presented in other non-current assets as Hidroelectrica challenged the decision, estimating that the asset resulted from the payment will be realized in a period longer than one year. Further analysis on the retroactive application of the law is presented in Note 20 a).

9. FINANCE RESULT

	Nine month period ended	
	30 September 2025	30 September 2024
	(unaudited)	(unaudited)
Interest income	216,497	267,664
Other finance income	13,419	5,787
Finance income	229,916	273,451
Interest expense	(9,429)	(14,410)
Unwinding of non-current provisions	(47,884)	(42,478)
Gain or (loss) from foreign exchange differences	1,667	(53)
Finance expenses	(55,646)	(56,941)
Net finance result	174,270	216,510

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

10. EARNINGS PER SHARE

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

	Nine month period ended	
	30 September 2025	30 September 2024
	(unaudited)	(unaudited)
<i>Profit attributable to the owners of the Company</i>		
Profit for the period attributable to the owners of the Company	2,313,987	3,531,990
Profit attributable to ordinary shareholders	2,313,987	3,531,990
<i>Weighted average number of ordinary shares (basic and diluted)</i>		
Issued ordinary shares at 1 January	449,802,567	449,802,567
Weighted average number of ordinary shares at 30 September	449,802,567	449,802,567
Earnings per share (basic and diluted) RON/share	5.14	7.85

11. INCOME TAX

In the determination of the current and deferred tax the Group takes into account the impact of uncertain tax positions (see Note 20). This assessment relies on estimates and assumptions and may involve a series of judgments about future events.

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

(a) Income tax expense for the period

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

The Group's consolidated effective tax rate for the nine month period ended 30 September 2025 was 16.02% (nine month period ended 30 September 2024: 16.35%).

(b) Global minimum top-up tax

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

(c) Current tax liabilities

As at 30 September 2025 the outstanding amount payable is RON 159,593 thousand (31 December 2024: RON 68,524 thousand) and represents mainly tax liabilities for third quarter 2025.

(d) Potential consequences on income tax

The Group may have potential consequences on corporate income tax that may result from the payment to shareholders of dividends from revaluation reserves transferred to retained earnings which, according to tax law, are taxed at the time of change of destination, to the extent they were previously tax deducted. Thus, the distribution of dividends from such reserves will generate additional income tax. The Company has such reserves transferred to retained earnings at 30 September 2025, which following the distribution would generate additional income tax expense for the Group of RON 25,133 thousand (31 December 2024: RON 18,837 thousand).

The potential tax effect of revaluation reserves taxable at change in destination/distribution (at 16% tax rate) that were not yet transferred to retained earnings, amount to RON 348,634 thousand at 30 September 2025 (RON 354,931 thousand at 31 December 2024).

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12. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

Cash and cash equivalents

	30 September 2025 (unaudited)	31 December 2024 (audited)
Bank accounts	656,035	982,016
Bank deposits with a maturity below 3 months	379,554	598,595
Petty cash	152	157
Cash equivalents	3,069	849
Total	1,038,810	1,581,617

Restricted cash

As at 30 September 2025, restricted cash comprises long-term collateral deposits of RON 23,057 thousand at Banca Comerciala Romana for issuance of bank guarantee in favor of OPCOM, related to transactions on Day-Ahead Market, bank accounts designated for dividend payments in amount of RON 6,967 thousand and amounts received from the state as compensation for expropriations related to investments in progress, totaling RON 29,769 thousand.

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

13. INVESTMENTS IN DEPOSITS

	30 September 2025 (unaudited)	31 December 2024 (audited)
Bank deposits with maturity less than 1 year held for investment purposes	2,687,390	3,475,933
Total	2,687,390	3,475,933

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 6.66 % per year in the first nine months of 2025 (first nine months of 2024: 5.90 % per year).

14. TRADE RECEIVABLES

	30 September 2025 (unaudited)	31 December 2024 (audited)
Trade receivables – generation segment (wholesale)	270,606	349,668
Trade receivables – supply segment (retail)	1,771,079	1,520,397
Impairment allowance	(270,910)	(236,377)
Total	1,770,775	1,633,688

The unbilled revenues included in trade receivables amounts to RON 695,522 thousand gross at 30 September 2025, representing 34% of total gross trade receivables (RON 669,127 thousand at 31 December 2024, representing 36% of total gross trade receivables), out of which RON 510,842 thousand gross relate to supply segment (RON 420,642 thousand as at 31 December 2024).

Of the invoiced receivables balance at 30 September 2025, RON 269,231 thousand represent trade receivables for which settlement agreements were signed (31 December 2024: RON 333,510 thousand).

Trade receivables ageing analysis is disclosed in Note 18. Trade receivables due from related parties are disclosed in Note 21.

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15. OTHER ASSETS

	30 September 2025		31 December 2024	
	(unaudited)		(audited)	
	Current	Non-current	Current	Non-current
Payments made in connection with uncertain tax treatments	-	63,612	-	63,612
Prepayments	86,493	205,592	14,104	208,558
Value added tax receivable	926	-	892	-
Other assets	19,618	6,180	15,833	4,590
Impairment loss on other assets	(7,045)	-	(6,903)	-
Total	99,992	275,384	23,926	276,760

Payments made in connection with uncertain tax treatments

According to the General Antifraud Fiscal Division report from 11 April 2023 and related imposing decision, the fiscal authorities applied the Law 357/2022 regarding the tax for electricity producers retrospectively from 1 September 2022 and computed additional tax of RON 62,052 thousand (see Note 8D). On 7 August 2023, the Company received a decision regarding interest and penalties in the amount of RON 1,560 thousand related to the previously mentioned imposing decision. In 2023, the Group paid both the additional tax imposed and the related interest and penalties, the amount being recorded as other non-current assets as Hidroelectrica challenged in Court these decisions, estimating that the assets represented by the payment will be recovered within a period longer than one year. The analysis regarding the retrospective application of the law is presented in Note 20.1. a).

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

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

The increase in current prepayments represents mainly the advance payments for the purchase of electricity, as well as for local taxes related to the 2025 financial year, including tax on special constructions.

16. EQUITY

a) Share capital

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

	30 September 2025		31 December 2024	
	Number of shares	%	Number of shares	%
Shareholders				
Ministry of Energy	360,094,390	80.0561%	360,094,390	80.0561%
Legal persons	74,731,841	16.6144%	73,287,787	16.2933%
Individuals	14,976,336	3.3295%	16,420,390	3.6506%
Total	449,802,567	100%	449,802,567	100%

b) Dividends

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

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

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Liabilities in relation to dividends include:

	30 September 2025	31 December 2024
Dividends payable	6,967	5,183
Tax on dividends withheld from shareholders	337	470
Total	7,304	5,653

17. OTHER PAYABLES

	30 September 2025 (unaudited)		31 December 2024 (audited)	
	Current	Non-current	Current	Non-current
Payables to the State	107,922	-	39,339	-
Performance deposits from suppliers	8,466	52,876	7,056	52,403
Performance deposits from clients (Note 18)	51,993	-	57,587	-
Liabilities in relation to dividends (Note 16)	7,304	-	5,563	-
Other	21,713	122	14,614	109
Total	197,398	52,998	124,249	52,512

At 30 September 2025, payables to the State represent mainly VAT payable of RON 104,631 thousand (31 December 2024: VAT payable of RON 37,573 thousand).

18. FINANCIAL INSTRUMENTS – Fair Values and Risk Management

(a) Accounting classifications and fair values

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

(b) Financial risk management

Credit risk

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

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

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Exposure to credit risk

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

	30 September 2025 (unaudited)	31 December 2024 (audited)
Trade receivables	1,770,775	1,633,688
Cash and cash equivalents	1,038,810	1,581,617
Restricted cash	59,793	21,057
Investments in deposits	2,687,390	3,475,933
Total	5,556,768	6,712,295

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 September 2025:

	Expected weighted average loss rate	Gross carrying amount	Impairment loss allowance	Net trade receivables
Not past due	2.04%	1,184,462	(24,158)	1,160,304
Past due - from 0 to 3 months	15.82%	154,441	(24,433)	130,008
Past due - from 3 to 6 months	57.34%	62,547	(35,862)	26,685
Past due - from 6 months to 1 year	90.02%	75,365	(67,845)	7,520
Past due - more than 1 year	100.00%	118,612	(118,612)	-
Total		1,595,427	(270,910)	1,324,517
Customers analyzed individually		446,258	-	446,258
Total trade receivables		2,041,685	(270,910)	1,770,775

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

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

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

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

The Group has guarantees received from customers of RON 546,176 thousand at 30 September 2025 (RON 527,949 thousand at 31 December 2024) in the form of bank letters of guarantee. Starting 2024, the Group also has performance deposits from clients, representing paid guarantees of RON 51,993 thousand at 30 September 2025 (RON 57,587 thousand at 31 December 2024) (see Note 17).

19. COMMITMENTS

19.1 Contractual commitments

The Group has the following contractual commitments:

	30 September 2025	31 December 2024
Acquisition of property, plant and equipment and intangible assets	1,526,558	1,372,035

AHE Vidraru Refurbishment

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

19.2 Guarantees

The Group issued performance guarantees amounting to RON 592,732 thousand as at 30 September 2025 (31 December 2024: RON 45,350 thousand), mainly in connection with its payment obligations related to the AHE Vidraru refurbishment contract of RON 520,543 thousand. Other performance guarantees are related to obligations to deliver electricity, and in relation to payment obligations related to electricity purchase transactions on the day-ahead and intra-day markets.

20. CONTINGENCIES

20.1 Litigation, claims and tax uncertainties

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

a) Litigation with Tax authorities

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

Plaintiff: Hidroelectrica

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

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

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

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As previously mentioned in Note 8D, the Company was subject to a tax control by the General Antifraud Division of ANAF on the tax for electricity producers. As per the control report on 11 April 2023, the tax authorities applied the changes introduced by the law retroactively starting 1 September 2022, and therefore computed additional tax of RON 62,052 thousand.

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

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

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

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

b) Litigation with Hidroconstructia SA

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

Plaintiff: Hidroconstructia SA

File no. 12257/3/2022

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

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

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

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

Based on the court's ruling, Management estimates that the dispute will be settled in the Group's favor and, consequently, an outflow of resources is not probable.

c) Litigation with Hidroconstructia SA

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

Plaintiff: Hidroconstructia SA

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

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

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

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

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

In April 2022, the Court requested an expertise report in hydrotechnical constructions and an accounting expertise report to be performed by independent experts. Currently, the expert report is being drafted, next term being on 24 March 2026.

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

20.2 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.

20.3 Decommissioning obligations

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

21. 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.

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	Nine month period ended	
	30 September 2025 (unaudited)	30 September 2024 (unaudited)
Management Board remuneration		
Expenses recognized during the period		
Fixed component	2,959	2,959
Variable component accrual	-	-
Compensation payments	3,156	
Reversal of overaccrual of the previous year	(35)	(116)
Total	6,080	2,294
Payments made in the period		
Fixed component	2,959	2,410
Variable component (for the previous year)	7,855	8,085
Total	10,814	10,495

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

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

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

According to the decision of the Supervisory Board, adopted in the interest of the company and all shareholders, taking into account the obligations arising from Milestone 121 (PNRR), the context established by the European Commission Decision C(2025) 3490/28.05.2025, as well as Hidroelectrica's status as an issuer listed on a regulated market, two of the mandate contracts were terminated by mutual agreement in September 2025. Consequently, the maximum amount of the variable component for 2025 was reduced to RON 4,734 thousand. Following the termination, by mutual agreement of the parties, compensations totaling RON 3,156 thousand were established for the two mandate contracts.

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.

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.

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Supervisory Board remuneration

	Nine month period ended	
	30 September 2025 (unaudited)	30 September 2024 (unaudited)
Expenses recognized during the period		
Fixed component	3,410	1,335
Variable component accrual	-	-
Reversal of overaccrual of the previous year	(51)	-
Total	3,359	1,335
Payments made in the period		
Fixed component	3,410	1,335
Variable component (for the previous year)	1,726	-
Total	5,136	1,335

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

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

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

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.

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

- Financial indicators: debt-to-EBITDA rate; return on equity (ROE); inventory turnover rate; return on assets (ROA).
- Operating indicators: establishment of an employee safety system; number of safety trainings conducted; improvement of the internal managerial control system, including periodic analysis and review of procedures to enhance company efficiency.
- Services indicators: electricity generation market share (%).
- Corporate governance indicators: percentage of independent board members(%)- Supervisory Board; number of Supervisory Board meetings; meeting attendance rate (%)-Supervisory Board; total remuneration package.

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

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

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

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

Supplier	Purchases (without VAT) in nine months period ended 30 September 2025(unaudited)	Payables (including VAT) 30 September 2025 (unaudited)
Administratia Nationala Apele Romane	308,177	63,607
Transelectrica (Romanian Electricity System Operator)	465,951	85,094
OPCOM (Romanian Electricity Market Operator)	239,479	9,219
Distributie Energie Electrica Romania	218,719	33,670
Others	600,394	183,184
Total	1,832,720	374,774

Supplier	Purchases (without VAT) in nine months period ended 30 September 2024 (unaudited)	Payables (including VAT) 31 December 2024 (audited)
Administratia Nationala Apele Romane	401,027	69,381
Transelectrica (Romanian Electricity System Operator)	849,800	107,498
OPCOM (Romanian Electricity Market Operator)	11,471	150
Distributie Energie Electrica Romania	212,983	59,657
Others	45,273	1,062
Total	1,520,554	237,748

Client	Sales (without VAT) in nine months period ended 30 September 2025 (unaudited)	Receivables Gross Carrying amount (including VAT) 30 September 2025 (unaudited)	Impairment Loss	Receivables Net Carrying amount (including VAT)
Transelectrica (Romanian Electricity System Operator)	571,579	124,000	-	124,000
OPCOM (Romanian Electricity Market Operator)	219,994	9,150	-	9,150
Electrica Furnizare	226,625	24,914	-	24,914
Rompetrol Rafinare	204,252	56,434	-	56,434
Compania municipala Termoenergetica	27,050	14,171	-	14,171
Others	313,001	186,186	(25,054)	161,132
Total	1,562,501	414,855	(25,054)	389,801

S.P.E.E.H. HIDROELECTRICA S.A. Two-tier system Company
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2025
(All amounts are in thousand RON, unless otherwise indicated)

Client	Sales (without VAT)	Receivables Gross Carrying amount (including VAT)	Impairment loss	Receivables Net Carrying amount (including VAT)
	in nine months period ended		31 Decembrie 2024	
	30 September 2024 (unaudited)		31 Decembrie 2024 (unaudited)	
Transelectrica (Romanian Electricity System Operator)	1,632,804	192,449	-	192,449
OPCOM (Romanian Electricity Market Operator)	2,366,457	73,489	-	73,489
ELECTRICA FURNIZARE	148,156	5,923	-	5,923
ROMPETROL RAFINARE	148,499	64,461	-	64,461
RAJA SA	14,862	5,132	-	5,132
SN RADIOCOMUNICATII SA	19,109	116	-	116
COMPANIA MUNICIPALA TERMOENERGETICA	22,269	6,213	-	6,213
Engie Romania	8,164	-	-	-
Others	192,440	158,406	(34,085)	124,321
Total	4,552,760	506,189	(34,085)	472,104

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

Bank balances	Bank current accounts	Bank deposits	Bank current accounts	Bank deposits
	30 September 2025 (unaudited)		31 December 2024 (audited)	
Exim Bank (Banca Românească)	600	1,206,364	605	1,573,286
CEC Bank	48,608	155,047	38,973	882,191
Total	49,208	1,361,411	39,578	2,455,477

Bank transactions	Bank deposits placed	Interest income	Bank deposits placed	Interest income
	Nine months ended 30 September 2025 (unaudited)		Nine months ended 30 September 2024 (unaudited)	
Exim Bank (Banca Romaneasca)	5,099,000	70,132	6,233,000	64,591
CEC Bank	150,000	5,047	2,700,000	44,774
Total	5,249,000	75,179	8,933,000	109,365

Bogdan-Nicolae BADEA

Chairman of the
Management Board

Radu Ioan CONSTANTIN

Member of the Management Board

Ianaș RĂDOI

Member of the Management Board

Petronel CHIRIAC

Finance Director

Marian FETIȚA

Accounting Manager