

Informative material on item 1 on the agenda of the General Shareholders' Meeting of October 14/15, 2024 on the update of the Income and Expenditure Budget for 2024

The following documents and reference data were taken into account for the preparation and substantiation of the income and expenditure budget for 2024:

- Financial statements for 2023 (statement of assets, liabilities and equity, statement of income and expenses);
- The structure of the turnover achieved in 2023 and that estimated for 2024, in which a decrease in activity was forecast, generated by the reduction of projects carried out through government programs with slow collection of receivables but also by the reduction of licensed activity in 2024 compared to 2023;
- Personnel expenses incurred in 2023, which are expected to decrease in 2024, as a result of operational efficiency, decreased turnover and production expected for 2024;
- The average exchange rate of 5.0 lei/EUR estimated for 2024.

Taking into account the activity carried out by the company in 2024 and the updated estimates regarding the evolution of the company in the 4th quarter of 2024, significant changes to other assumptions used in determining the initial budget have been identified as follows:

- A lower turnover for 2024 than initially expected is estimated, caused by decreases in the electricity supply activity higher than initially expected, including considering the sale of the 11 micro-hydropower plants located in the Suceava river basin as well as the decrease in sales in the production activity of electrical stations/LED lighting fixtures;
- Updating costs in line with the decrease in activity and with the efficiency actions undertaken / to be undertaken in 2025, including through the use of the services of specialized consulting companies;
- Inclusion in the income and expenditure budget of investment income (dividends from affiliated companies);
- The sale of the assets representing the 11 micro-hydropower plants located in the Suceava river basin.
- Impairment of current assets compared to initial expectations.

RON Thousand	Budget 2024Approved OGMS 25.04.2024	Budget 2024Revised	*Variation
I TOTAL REVENUES			
of which:	135.262	103.114	-24%
1 Operating activity, of which:	132.103	88.365	-33%
Turnover, of which:	137.857	97.801	-29%
1.1 Licensed activity - Turnover	57.801	32.542	-44%
1.2 Unlicensed activity - Turnover	80.056	65.259	-18%
Other operating income, of which	(5.754)	(9.436)	64%
2.1 Licensed activity - other operating income	159	122	-23%
2.2 Unlicensed activity - other operating income	(5.913)	(9.558)	62%
2 Financial income	3.158	2.166	-31%
3 Income from investments / asset sales	-	12.583	100%
II TOTAL EXPENDITURE	141.505	105.166	-26%
of which:			
3 Total operating activity, of which:	139.971	105.039	-25%
3.1 Licensed activity	61.913	38.849	-37%
3.2 Unlicensed Activity	78.058	66.189	-15%
4 Financial expenses	1.534	128	-92%
III TOTAL GROSS RESULT, of which:	(6.243)	(2.053)	-67%
5.1 Licensed activity	(2.494)	2.568	N/A
5.2 Unlicensed Activity	(3.749)	(4.621)	23%

In 2024, we estimate an EBITDA loss of **RON 5.4 million** and a gross loss at company level of **RON 2.1 million**.

BUDGET 2024

RON Thousand	Approved budget OGMS 25 Apr 2024	Revised budget	Increase / (decrease)	%
BUDGET LINE				
Net turnover	137,857	97,801	(40,056)	-29%
Revenue related to the cost of product inventories and other income	(5,754)	(9,436)	(3,682)	64%
TOTAL OPERATING INCOME	132,103	88,365	(43,738)	-33%
Expenditure on raw materials, consumables and other materials	23,822	14,553	(9,269)	-39%
Expenses with utilities (water, energy, gas)	8,073	7,273	(799)	-10%
Expenditure on goods (electricity supply)	53,743	30,898	(22,844)	-43%
Personnel expenses	29,775	24,116	(5,659)	-19%
Value adjustments on current assets	(53)	3,035	3,088	N/A
Other expenses (taxes, fees, services, etc.)	13,284	13,874	590	4%
OPERATING EXPENSES LESS DEPRECIATION AND AMORTIZATION	128,643	93,750	(34,893)	-27%
EBITDA	3,460	(5,385)	(8,845)	-256%
DEPRECIATION AND IMPAIRMENT OF FIXED ASSETS	11,327	11,289	(39)	0%
INCOME FROM SHARES HELD IN SUBSIDIARIES	-	4,550	4,550	100%
EXCEPTIONAL PROFIT FROM THE SALE OF ASSETS	-	8,033	8,033	100%
FINANCIAL PROFIT	1,624	2,038	414	25%
CURRENT LOSS	(6,243)	(2,053)	4,190	-67%
Corporate income tax (income)	(999)	(341)	658	-66%
NET LOSS OF THE REPORTING PERIOD	(5,244)	(1,712)	3,532	-67%

*the presentation of expense lines has been adjusted insignificantly compared to the table presented at the OGMS on April 25, 2024 in order to improve the presentation of financial information.