

To: Bucharest Stock Exchange (BVB)

London Stock Exchange (LSE)

Luxembourg Stock Exchange (LuxSE)

Financial Supervisory Authority of Romania (ASF)

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

Report date: 24 August 2026

Company name: Societatea Energetica Electrica S.A. (Electrica or ELSA)

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

Phone: Tel: 004-021-2085035

Fiscal Code: RO 13267221

Trade Register registration number: J2000007425408

Subscribed and paid in share capital: RON 3,395,530,040

Regulated market where the issued securities are traded: Bucharest Stock Exchange (BVB: [EL](#) and [EL30E](#)), London Stock Exchange (LSE - [ELSA](#) and [51FL](#)) and Luxembourg Stock Exchange (LuxSE - [XS3111004241](#))

Significant events to be reported: Electrica Group signed today the contract for high-efficiency natural gas Cogeneration Plant in Craiova.

Electrica informs its shareholders and investors that it has today signed the contract for the development in Craiova of a new high-efficiency cogeneration plant based on natural gas internal combustion engines, which will supply thermal energy to the city's centralized district heating system (SACET) and electricity to the National Power System. From the design phase, the plant is conceived as a flexible unit, hydrogen-ready, and equipped with black-start capabilities.

The thermal energy produced will supply Craiova's centralized system, which currently serves approximately 53,000 households and public institutions, replacing an existing coal-based source. For the city's residents, the project marks the transition from an infrastructure that has reached the end of its operational lifespan to a new capacity, sized to match real heat demand and built in accordance with current European standards. By replacing lignite as a baseload source, the project eliminates coal combustion in Craiova and significantly reduces associated emissions and local pollution, having a direct positive impact on urban air quality.

From a technical perspective, the project provides for an installed electrical capacity of approximately 82 MW and a thermal capacity of around 179 Gcal/h (approximately 208 MWt), generated through high-efficiency cogeneration, supplemented by peak load and backup thermal energy generation units.

Additionally, the plant will be equipped with a thermal energy storage capacity, allowing the decoupling of heat generation from electricity production: the engines can operate to capitalize on electricity market prices during peak hours, while the simultaneously generated heat is stored and subsequently delivered into the grid based on actual demand. This solution increases the economic efficiency of the investment and, by optimizing the thermal energy production cost, can support maintaining competitive heat tariffs within the city's district heating system.

Societatea Energetică Electrica S.A.

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Share capital: 3.395.530.040 lei

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The engines are designed to operate on natural gas, with the capability of running on a hydrogen blend as it becomes available at an industrial scale. The investment thus possesses a clear long-term decarbonization pathway and remains compatible with the evolving European regulatory framework, safeguarding asset value across its entire lifespan.

The plant will be designed with black-start capability, operating independently of external power supply to assist in grid restoration following a blackout. Based on the same class of gas engines as benchmark European projects, the unit is engineered to reach full capacity within approximately two minutes from startup and synchronize with the grid in under 30 seconds—a reaction time essential for security of supply and grid stability.

Through this configuration, the plant combines the high efficiency of cogeneration, featuring high overall efficiency and reduced emissions compared to the technologies it replaces, with a firm and flexible capacity that provides ancillary services and participates in the balancing market, supporting the integration of renewable energy sources. The black-start capability contributes to system resilience and grid restoration in the event of an outage, while the hydrogen-ready solution opens a long-term decarbonization pathway.

The project will be executed in two phases: the first phase involves the installation of the hot water boilers (HWBs), which will ensure the thermal energy generation capacity, while the second phase will see the commissioning of the cogeneration engines, completing the setup with the simultaneous, high-efficiency generation of electricity and heat.

The project aligns with Electrica Group's development strategy for its own generation capacity, alongside its renewable energy portfolio and energy storage projects currently under execution. The direction is consistent: new, flexible capacity located close to consumption and sized for an energy system in which the share of variable generation sources continues to grow. Electrica Group's ambition is for this complex — combining high-efficiency cogeneration, thermal storage, and hydrogen readiness — to become one of the most modern energy hubs in Romania.

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