

Attn: Management Board of SC Antibiotice SA

With reference to: Approval of the materials related to EGMS of 27.04.2022
Justification for amending the Articles of Association of SC Antibiotice SA, by completing the object of activity with the NACE code 3511 - Production of electricity

In the context of developments in the energy supply market, Antibiotice SA implemented a consumption monitoring and analysis process based on which the 2022 *Utility Cost Management Project Plan* was substantiated. For implementing the measures *to reduce the cost of electricity*, two projects in advanced stages of analysis are considered: (a) Reducing electricity consumption by implementing photovoltaic panels and (b) Reducing electricity consumption by using cogeneration.

Based on the provisions of *art. 41 - Investment aid for the promotion of energy from renewable energy sources*, under Regulation (EU) No. 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty, state aid schemes approved by Order / GD are considered to be opened in Romania for the period 2021-2027, which will be exempted from state aid notification (*investments projects worth less than 15 million Euros*).

In accordance with the art. 2, para. 23 and art. 6. para.1 and 2 of the Regulation (EU) no. 651/2014, the state aid for projects aimed at investing in **capabilities to generate electricity from renewable wind and solar sources** will be granted only if they have a stimulating effect and comply with the principle of starting work.

The stimulating effect means that the beneficiary submits an offer to the State aid provider before the start of work on the project or activity in question. The intensity of the state aid, depending on the program, is between a minimum of 30% and a maximum of 100% of the investment expenditure.

Thus, Antibiotice SA can benefit from the opportunity of financing electricity production projects by:

The National Recovery and Resilience Plan

Pillar I. Green transition - Component C6. Energy, Investment measure - Investment I.1 - New electricity generation capabilities from renewable sources

Pillar I. Green transition - Component C6. Energy, Investment measure - Investment I5. - Ensuring energy efficiency in the industrial sector

Sustainable Development Operational Program

Priority 1- Promoting the energy efficiency, smart energy systems and networks and storage solutions, Measure 1.1 - Improving the energy efficiency of SMEs and large enterprises.

In order to benefit from the State aid, the companies (SMEs and large enterprises, including newly established enterprises) set up under Law no. 31/1990 on companies, republished, with subsequent amendments and completions, must have as an activity, inter alia, the **production of electricity** (for marketing or own consumption in the company or group of companies),

corresponding to division 35: "Electricity, gas, steam and air conditioning supply", NACE code 3511 - Production of electricity.

Thus, in order to meet the eligibility rules for state aid schemes, the Articles of Association of SC Antibiotice SA have to be amended by completing the object of activity with the **NACE code 3511** - Production of electricity.

Prepared by,

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