










NPG TRANSELECTRICA SA

HALF-YEARLY REPORT

January – June

2020

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**HALF-YEARLY REPORT ON THE ECONOMIC – FINANCIAL ACTIVITIES
OF NPG TRANSELECTRICA SA**

**In accordance with the provisions of article 65 from law 24/ 2017 on the capital market and
Regulation 5/ 2018 issued by the Financial Supervisory Authority (ASF)**

For the time period ended on 30 June 2020

Date of the report:	7 August 2020
Name of trading company:	NATIONAL POWER GRID COMPANY TRANSELECTRICA SA, company managed under two-tier system
Headquarters:	Bucharest 1, Blvd. Gen. Gheorghe Magheru 33, postal code 010325
Working location:	Bucharest 3, Str. Olteni 2 - 4, postal code 030786
Phone / fax numbers:	004021 303 5611 / 004021 303 5610
Code with the ONRC:	13328043
Number with the RC:	J40/8060/2000
LEI code (Legal Entity Identifier)	254900OLXOUQC90M036
Date of Company establishment:	31.07.2000/OUG 627
Share capital:	733,031,420 Lei, subscribed and paid
Regulated market where the issued securities are transacted	Bucharest Stock Exchange, Premium category
Main characteristics of the issued securities:	73,303,142 shares of 10 Lei / nominal value each, as dematerialised, nominative, ordinary, indivisible and freely transactable shares as of 29.08.2006 under TEL symbol
Market value:	1,488,053,783 Lei (20.30 Lei/share on 30.06.2020)
Accounting standard applied:	International financial reporting standards
Audit:	Half-yearly financial statements elaborated on 30.06.2020 have not been audited

*This Report use a free translation from Romanian, which is the official and binding version, and will prevail,
in the event of any discrepancies with the English version*

RESPONSIBLE PERSONS' STATEMENT

To the best of our knowledge, the stand-alone interim simplified financial statements as of and for the six months' period ended on 30 June 2020 have been elaborated in accordance with the International Accounting Standard 34 "Interim Financial Reporting" and they provide accurate image in compliance with the real situation of assets, obligations, financial position, profit and loss account of NPG Transelectrica SA.

This report comprises fair complete information about the economic-financial situation and the activities of NPG Transelectrica SA.

Bucharest, 7 August 2020

Catalin NITU	Andreea-Mihaela MIU	Bogdan-Ionut GRECIA	Corneliu-Bogdan MARCU	Marius-Viorel STANCIU
Directorate Chairman	Directorate Member	Directorate Member	Directorate Member	Directorate Member



Key figures of H1 2020 vs H1 2019

KEY FIGURES

FINANCIAL HIGHLIGHTS

RON 1,090	mn	▼	-8%	Revenues
			y/y	
RON 281	mn	▲	55%	EBITDA
			y/y	
RON 116	mn	▲	282%	Net profit
			y/y	
TWh 26.26		▼	-6%	Charged energy volume**
			y/y	

OPERATIONAL

2.16%	*	▼	- 0.22	pp	OTC
			y/y		
20.59		▼	-2%		Transported energy***
TWh			y/y		

INVESTMENTS

RON 112	mn	▲	11%	Acquisition of tangible and intangible assets
			y/y	
RON 52.73	mn	▲	183%	Fixed assets recorded in the accounts (commissioning)
			y/y	

CPT / OTC – one's own Technological Consumption (grid losses)

* Share of one's own technological consumption in the electricity taken over by the electricity transmission grid (transmitted energy)

** The charged quantity is defined by the electricity amount extracted from public interest networks (transmission and distribution networks), less the electricity exports

*** The transmitted quantity is defined by the power amount physically carried in the transmission network

Note: For reading facility and result understanding, certain figures provided in graphs and/or tables use RON mn as measuring unit and are rounded up to it. This presentation convention might determine in certain circumstances minor differences between totalling figures and totals obtained by summing up the components.



Financial data

The summary of financial results on 30 June 2020 is provided in the tables below. The financial results have not been audited, and their extended variant of the same period is provided in the Annexes to this Report.

Stand-alone profit or loss statement				
[RON mn]	H1 2020	H1 2019	Δ	Δ (%)
	1	2	3=1-2	4=1/2
Billed energy volume [TWh]	26.26	27.92	(1.66)	(6%)
ALLOWED PROFIT ACTIVITIES				
Operating revenues	581	609	(28)	(5%)
Transmission and other revenues on the electricity market	507	552	(45)	(8%)
Functional system services	49	32	17	52%
Other revenues	24	24	(0)	n/a
Operating expenses	344	369	(25)	(7%)
System operating expenses	143	180	(37)	(21%)
Repairs and maintenance expenses	37	44	(8)	(17%)
Personnel expenses	108	103	5	5%
Other expenses	57	42	14	33%
EBITDA	236	239	(3)	(1%)
Depreciation	136	142	(6)	(4%)
EBIT	100	97	3	3%
ZERO PROFIT ACTIVITIES				
Operating revenues	509	575	(66)	(11%)
Technological system services revenues	343	295	48	16%
Balancing market revenues	166	280	(114)	(41%)
Operating expenses	464	633	(169)	(27%)
Technological system services expenses	298	353	(55)	(16%)
Balancing market expenses	166	280	(114)	(41%)
EBIT	45	(58)	103	n/a
ALL ACTIVITIES (WITH PROFIT ALLOWED AND ZERO-PROFIT)				
Operating revenues	1,090	1,184	(94)	(8%)
Operating expenses	809	1,002	(194)	(19%)
EBITDA	281	182	100	55%
Depreciation	136	142	(6)	(4%)
EBIT	145	40	106	267%
Net financial result	(2)	(4)	2	57%
EBT	143	35	108	307%
Income tax	28	5	23	462%
Net profit	116	30	85	282%

Stand-alone statement of financial position				
[RON mn]	H1 2020	2019	Δ	Δ (%)
	1	2	3=1-2	4=1/2
Non-current assets				
Tangible assets	3,429	3,440	(11)	(0.3%)
Intangible assets	27	23	4	17%
Financial assets	82	82	0	0%
Assets of the usage rights for leased assets - buildings	2	6	(4)	(67%)
Total	3,540	3,551	(11)	(0.3%)
Current assets				
Inventories	42	38	4	11%
Trade and other receivables	613	706	(94)	(13%)
Other financial assets	92	85	7	8%
Cash and cash equivalents	428	321	107	33%
Total	1,174	1,150	25	2%
Total assets	4,715	4,700	14	0%
Shareholders' Equity	3,364	3,284	80	2%
Non-current liabilities				
Borrowings	113	123	(10)	(8%)
Other non-current liabilities	559	561	(2)	(0.3%)
Total	672	684	(12)	(2%)
Current liabilities				
Borrowings	142	56	87	156%
Other current liabilities	537	677	(140)	(21%)
Total	679	732	(54)	(7%)
Total liabilities	1,351	1,416	(66)	(4.6%)
Total shareholder's equity and liabilities	4,715	4,700	14	0.3%

Stand-alone statement of cash flows				
[RON mn]	H1 2020	H1 2019	Δ	Δ (%)
Cash flows before changes to working capital	278	146	132	90%
Cash flows from operating activities	207	(83)	289	349%
Net cash from operating activities	183	(93)	276	297%
Net cash used in investing activities	(115)	(149)	33	23%
Net cash used in financing activities	40	56	(16)	(29%)
Net increase/decrease in cash and cash equivalents	107	(186)	293	158%
Cash and cash equivalents as at 1 January	321	482	(161)	(33%)
Cash and cash equivalents at the end of the period	428	297	132	44%

OPERATIONAL RESULTS

Charged volume of electricity

In January – June 2020 the total quantity of electricity billed for services provided on the electricity market (26.26 TWh) registered 6% decrease compared to the same period of 2019 (there is -1.66 TWh difference between the two periods).

Operational revenues

The total operational revenues achieved in semester I of 2020 registered 8% decrease compared to the similar period of last year (RON 1,184 mn in H1 2019 compared to RON 1,090 mn in H1 2020), mainly determined by the operational revenues from zero profit activities (the balancing market) and by the reduced quantity of electricity delivered.

The **profit allowed activities** segment registered 5% revenue decrease (RON 609 mn in H1 2019 compared to RON 581 mn in H1 2020), mainly determined by 8% decrease of transmission revenues and of other revenues on the power market (RON 552 mn in H1 2019 compared to RON 507 mn in H1 2020) because of the diminished electricity quantity delivered to consumers and reduced average tariff for transmission services approved by ANRE, decrease owed also to the impact of the COVID-19 pandemic.

Beginning with mid-March 2020 the EU member states have applied restrictive measures to slow down the spreading of COVID 19. Such measures included closure of factories, schools, restaurants, coffee shops, hotels and obliging the population to stay indoors.

Many companies reduced their production because of absent demand or because their supply chain was broken. Such measures were applicable in European countries during the entire month of April 2020, and in Romania the emergency state ceased generating effects beginning with 15 May 2020.

The energy sector has also felt the impact of the coronavirus crisis, and the negative effects were registered especially in the domain of renewable energy sources, which greatly depends on the import of components, moreover from China.

In its capacity of Transmission and System Operator (TSO) Transelectrica implemented urgent measures to mitigate the impact of COVID-19, such as additional protection applied in order to minimise the effects over the employees' health and security, to provide activity continuity under safe conditions as well as the continuity of Company objectives.

In semester I 2020 revenues from the allocation of interconnection capacity registered 25% reduction

compared to the same period of last year, amounting to RON 10.7 mn, corresponding to the utilisation level of available interconnection capacities by the traders on the electricity market.

The mechanism allocating the interconnection capacity consists in organising annual, monthly, daily and intraday auctions. The annual, monthly and intraday bids are explicit - they bid only the transmission capacity, while the daily ones with Hungary are implicit - they allocate energy simultaneously with the capacity by means of the coupling mechanism.

Beginning with 19 November 2014 the regional power exchange was established by Romania, Hungary, the Czech Republic and Slovakia, which means these four countries should have a single price of electricity transacted on spot markets. Capacity allocation between Romania and Hungary, the only country of the 3 Romania has a frontier with, is performed by transporters, Transelectrica and MAVIR, by means of a common mechanism based on a bilateral agreement.

Beginning with 2016 the UIOSI principle was implemented on the Bulgarian border, and beginning with 2017 on the Serbian frontier as well. In accordance with such principle the participants that do not use the capacities they won at annual and monthly bids are remunerated (by Transelectrica) for such capacity. The unused capacity is sold later under daily bids. The sense is reverse on the Hungarian border, meaning that MAVIR remunerates the participants for unused capacities.

The market allocating the interconnection capacities is fluctuating; the prices evolve depending on the demand and needs of participants on the electricity market to procure interconnection capacity.

Beginning with November 2019 the 2nd wave was launched under the single European solution of intraday markets coupling (SIDC – Single Intraday Coupling).

The single intraday markets coupling mechanism provides uninterrupted harmonisation of sale and purchase offers from market participants from a bidding area with sale and purchase offers within their bidding area and from any other bidding area where cross-border capacity is available. Thus the explicit intraday bids are only on the Serbian border while on the Bulgarian and Hungarian borders they are implicit (under SIDC).

Net revenue from the allocation of interconnection capacity is used in accordance with the provisions of ANRE Order 171/2019, updated and EU Regulation 943 of 05 June 2019 regarding the internal electricity market as financing source of investments to upgrade and

develop the interconnection capacities with neighbouring systems.

Revenues from Inter TSO Compensation (ITC) registered increase by RON 1.2 mn in semester I 2020 compared to semester I 2019 because the imported / exported / transited electricity amount was higher than last year, and the import / export / transit tariff applied increased in 2020 compared to 2019.

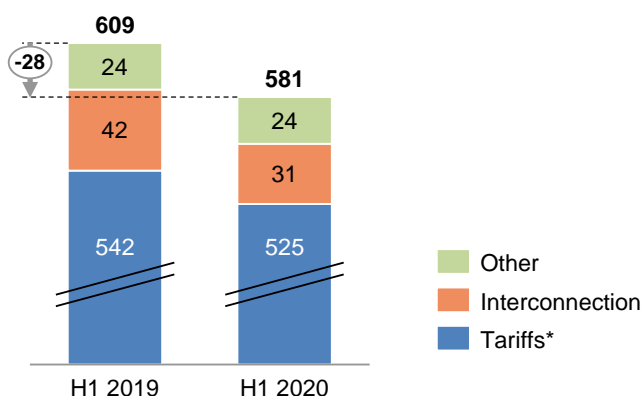
Revenues from electricity transacted for OTC were mainly obtained from selling the excess electricity on the Intraday Market managed by OPCOM and under BRP CIGA Energy on the Balancing Market.

At the end of November 2019 the coupled operation of intraday markets was launched Europe-wide under the XBID/SIDC project, which provided higher market liquidity and diversified the products transacted.

Revenues from OTC transactions were 21% lower in the studied period of 2020 compared with the same interval of 2019 (from RON 4.6 mn in semester I 2019 to RON 3.7 mn in semester I 2020); the electricity amount sold in semester I 2020 was about 800 MWh smaller than that of semester I 2019, and the average sale price on the balancing market was about 30% lower because of the Covid-19 pandemy.

Revenues from functional system services and unplanned exchanges registered 52% growth in semester I 2020 compared to semester I 2019 determined by higher tariff approved by ANRE for such services when the electricity quantity delivered to consumers diminished 6%, namely 1.66 TWh.

Operating revenues from allowed profit activities
(mill RON)



*transmission tariff, functional system services, reactive energy, unplanned exchanges DAM, ITC, OTC transactions

Revenues from zero-profit activities registered 11% decrease (RON 509 mn on 30 June 2020 compared to RON 575 mn on 30 June 2019), mainly determined by 41% reduced revenues on the balancing market (from RON 280 mn on 30 June 2019 to RON 166 mn on 30 June 2020).

The reduction of such revenues by RON 114 mn compared with the same period of last year was mainly owed to the following issues:

- Reduced negative imbalance registered with the electricity suppliers on the balancing market;
- The manner of contracting on the markets before the balancing one;
- The development of hydraulicity;
- The development of the average deficit price registered on the balancing market;
- Reduced electricity demand because the winter was milder;
- Reduced electricity consumption as a result of regulations issued by the Public Central Administration to prevent spreading the Covid-19.

During the first semester of 2020 revenues from technological system services registered 16% increase compared to the same period of 2019 (RON 343mn on 30 June 2020 compared to RON 295 mn on 30 June 2019), determined by higher tariff approved by ANRE for such services when the electricity quantity delivered to consumers diminished 6%.

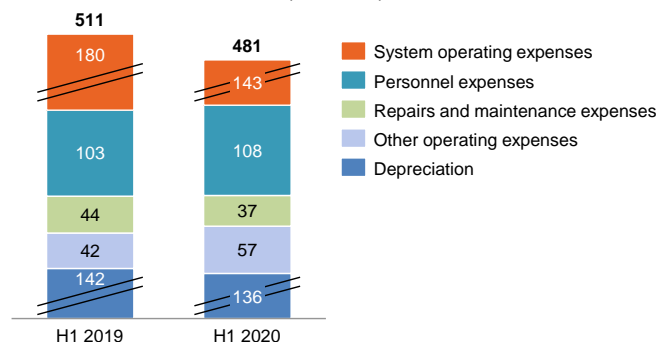
In semester I 2020 revenues from technological system services were higher by RON 45 mn compared to the expenses made to procure technological system services. This amount increases the Company's gross profit registered on 30 June 2020.

Operational expenses

Total operational expenses (including amortisement) achieved in the first semester of 2020 registered 17% decrease compared to the same period of last year (RON 945 mn compared to RON 1,144 mn in H1 2019).

In the **profit allowed activities** segment expenses (amortisement included) registered 6% decrease (RON 481 mn in H1 2020 compared to RON 511 mn in H1 2019).

Operating expenses from profit allowed activities
(mill RON)

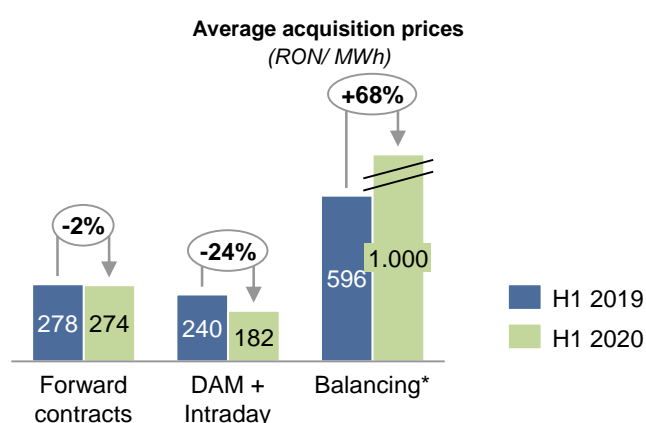


OTC: In semester I 2020 expenses for one's own technological consumption (losses) were 22% lower (RON 31.8 mn) compared to semester I 2019 because of the following issues:

- The average price of contracts concluded on the PCCB with delivery in semester I 2020 was of 273.74 RON, 2% lower than the price of semester I 2019;
- The average price on the PZU / DAM provided deep decreasing trend beginning with January, reaching a minimum of 120.32 RON in May.

In the epidemiologic context generated by Covid-19 spreading the average price was about 28% lower than in the same period of last year;

- One's own technological consumption registered in the studied period was about 50 GWh (10%) lower than in 2019;



*Pr*Preliminary values, the average price was calculated at the net value (purchases-sales) and does not take into account the PRE services. Preliminary values

Expenses regarding the electricity consumption within RET substations: registered 17% decrease in semester I 2020 compared to the same period of last year (RON 8.89 mn in January-June 2020 compared to RON 10.7 mn in January-June 2019) because of lower electricity procurement prices which were used in the electricity supply contracts concluded for 2020.

In view of performing electricity transmission in electric substations and the operation of the National Power System under safe conditions Transelectrica should procure electricity to cover the consumption of auxiliary services from high voltage electric substations managed by the Company, namely the consumption of internal services from the 81 electric substations, for each consumption place.

Functional system services: Associated expenses decreased 32% (RON 12.6 mn in H1 2020 compared to RON 18.5 mn in H1 2019), mainly determined by reduced expenses on the balancing market and on the day-ahead market regarding unplanned electricity

exchanges with the neighbouring countries interconnected to SEN.

Such expenses represent uncontracted international electricity exchanges with neighbouring countries and expenses with unplanned exchanges on the day-ahead market.

Expenses with Inter TSO Compensation (ITC):

The monthly payment obligations / collection rights for each transmission and system operator (TSO) are established under the compensation / settlement mechanism for the effects of using the electricity transmission network (RET) for electricity transits between the TSO-s of the 35 countries that adhered to such mechanism under ENTSO-E.

In semester I 2020 such expenses were RON 4.2 mn higher compared to the same period of last year, the difference resulting from regularised estimations of expenses made.

The **zero-profit activities** segment registered 27% cost reduction (RON 464 mn on 30 June 2020 compared to RON 633 mn on 30 June 2019), mainly determined by reduced expenses on the balancing market.

The Company procures **technological system services** from producers in order to maintain the operational safety of SEN and the quality of electricity transmitted, at parameters required by applicable technical norms.

Such services are contracted as follows:

- Under regulated regime according to Governmental Decisions and to Decisions of the National Regulatory Authority in the Energy domain (ANRE);
- By means of competitive mechanisms.

The value of expenses regarding technological system services in H1 2020 registered 16% decrease compared to those of the same period in 2019 (RON 298 mn in H1 2020 compared to RON 353 mn in H1 2019).

The costs of STS procurement in January–June 2020 were mainly determined by the following factors:

- Procurement prices of technological system services on the competitive market for the slow tertiary reserve (RTL) were lower in semester I 2020 in comparison with the procurement prices of the same 2019 interval, because higher competition was recorded for this kind of reserve;
- Procurement prices of technological system services on the competitive market in semester I 2020 maintained around the values registered in the same period of 2019 for the secondary reserve (RS) and fast tertiary reserve (RTR);

- In semester I 2020 there was a high level of concentration on the market of technological system

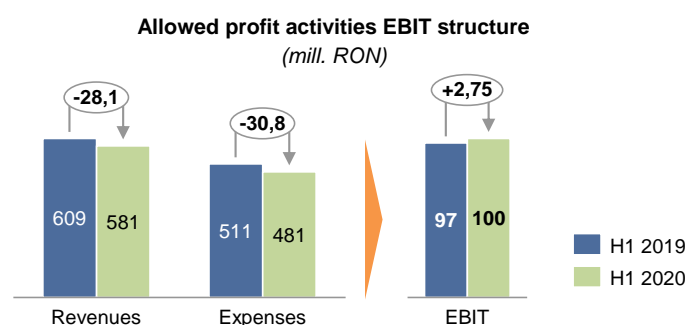
services by types of services secondary reserve (RS) fast tertiary reserve (RTR).

The Company re-invoices the value of technological system services procured from producers to the electricity suppliers licensed by ANRE that benefit of such services in the end.

In the following period of 2020 estimations are the regulations to be implemented in the national legislation in accordance with the provisions of Regulation (EU) 943 of the European Parliament and Council of 5 June 2019, and the evolution of COVID-19 spreading management country-wide will have significant impact on the development of costs to procure system services in the entire Company.

Operational result

Profit allowed activities recorded positive result of RON 100 mn in semester I 2020, increasing 3% compared to the one registered in the same period of last year.

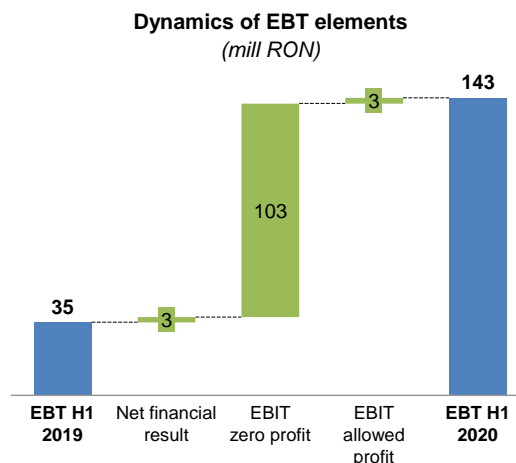


EBIT generated by **zero-profit activities** registered positive result of RON 45 mn compared to the RON 58 loss registered in the same period of last year.

Gross result (EBT)

Gross profit registered significant growth of RON 108 mn from RON 35 mn in semester I 2019 to RON 143 mn in semester I 2020.

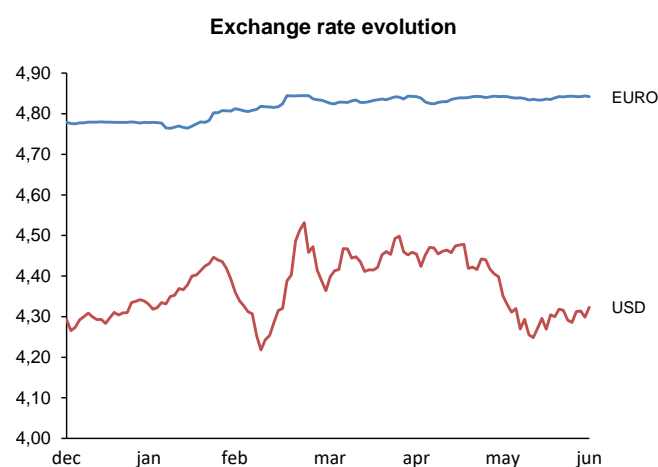
The dynamics of the gross result between the profit registered in H1 2020 compared to H1 2019, broken down by the constitutive components of profit is provided in the graph below:



Financial result

The net financial result registered in semester I 2020 is negative amounting to RON 2 mn. This is mainly influenced by the evolution of the national currency's exchange rate compared to Euro, currency which the Company has contracted bank loans in to finance its investment programmes.

The evolution of the Leu/Euro and Leu/USD exchange rates in January - June 2020 is provided in the following graph.



Net result

The net profit increased in the studied period, reaching to RON 116 mn in semester I 2020 compared to RON 30 mn in semester I 2019.

FINANCIAL POSITION

Non-current assets

Non-current assets registered insignificant decrease of about 0.3% in January-June 2020 compared to 2019, against the background of reduced tangible assets determined by the registration of amortisement.

Current assets

Current assets increased 2% on 30 June 2020 (RON 1,174 mn) compared to the value registered on 31 December 2019 (RON 1,150 mn).

Trade and other receivables registered 13% reduction (RON 613 mn on 30 June 2020 from RON 706 mn on 31 December 2019) mainly because of:

- Collecting the receivables associated to invoices issued for the electricity market;
- Reduced volume of transactions on the balancing market in semester I 2020 compared to the end of 2019, which determined decrease of receivables on balance on 30 June 2020 compared to 31 December 2019.

The main clients on balance from the electricity market are: RAAN, Electrica Furnizare SA, E.ON Energie Romania SA, Enel Energie SA, OPCOM SA, Petprod SRL, Alro, Enel Energie Muntenia SA, and CET Govora. The share of main clients on the electricity market is about 45% of the total trade receivables.

Receivables to collect from the bonus-type support scheme promoting high efficiency cogeneration amounted to 27% on 30 June 2020 (23% on 31 December 2019) of the total trade receivables.

The Company carries out activities under the bonus-type support scheme promoting high efficiency cogeneration in capacity of support scheme administrator in accordance with the provisions of HGR 1215/2009, "the main attributions being to monthly collect the cogeneration contribution and to pay the bonuses every month".

Clients from the bonus-type support scheme promoting high efficiency cogeneration registered increase as of 30 June 2020, mainly determined by higher invoiced values for the collection of monthly contribution.

On 30 June 2020 the Company registered collectable receivables amounting to RON 175 mn, represented by the issued invoices under the bonus-type support scheme promoting high efficiency cogeneration, of which:

- Overcompensation for 2011-2013 amounting to RON 76.7 mn, namely from RAAN – RON 3.46 mn and CET Govora SA – RON 13.23 mn;
- Undue bonus for 2014 amounting to RON 3.91 mn from RAAN – RON 1.98 mn and CET Govora – RON 1.93 mn;
- 2015 undue bonus amounting to RON 0.56 mn, namely from CET Govora – RON 0.53 mn and Interagro – RON 0.03 mn;

- Cogeneration contribution not cashed from the suppliers of electricity consumers in sum of RON 21.20 mn, namely from: Transenergo Com – RON 5.88 mn, PetProd – RON 4.39 mn, Romenergy Industry – RON 2.68 mn. RAAN – RON 2.38 mn, UGM Energy – RON 1.50 mn, CET Govora – RON 0.90 mn, KDF Energy – RON 0.88 mn and others.

Until the date of this financial reporting the Company collected fully the receivables associated to the overcompensation of activities regarding the support scheme for 2019 (RON 32.3 mn) by bank transactions from Electrocentrale Bucharest, as well as the undue bonus established by ANRE Decisions in 2019 amounting to RON 15.5 mn from the following producers: Energy Complex Oltenia, Electrocentrale Bucharest, CET Govora, Energy Complex Hunedoara, Bepco SRL, Modern Calor SA, Soceram SA, Electroustilaj SA, CET Arad, Polytechnic University of Bucharest, Colonia Cluj Napoca energy SRL and Vest Energo SA.

To extinguish the receivables generated by overcompensation and undue bonus the Company requested the producers qualified for the support scheme to make mutual compensations. In case of producers (RAAN, CET Govora) that did not agree with this manner of extinguishing mutual receivables and liabilities the Company has applied and further applies the provisions of article 17 para 5 from Order nr. 116/2013 of ANRE president approving the Regulation establishing the collection mode of the contribution for high efficiency cogeneration and bonus payment for electricity produced under high efficiency cogeneration.

Other receivables on 30 June 2020 amounted to RON 150.9 mn and mainly include:

- Sundry debtors (RON 114.2 mn), of which:
 - Payment delay penalties calculated for defaulting clients, amounting to RON 71.7 mn (of which RON 35.3 mn represent penalties under the support scheme). The greatest delay penalties were registered by the following clients: RAAN (RON 16.9 mn), CET Govora (RON 9.6 mn), Electrocentrale Bucharest (RON 9.4 mn), Eco Energy SRL (RON 8.9 mn), Petprod SRL (RON 8.9 mn), Total Electric Oltenia (RON 3.3 mn), and ICPE Electrocond Technologies (RON 1 mn). Depreciation allowances were registered for the penalties calculated for late payment of receivables from operational activities;
 - Negative difference between the invoices issued for collecting the cogeneration contribution and the bonus granted according to ANRE decisions (RON 30 mn);

- Compensations amounting to RON 3.5 mn owed by suppliers for non-delivery of electricity (Arelco Power – RON 1 mn and Enol Grup – RON 2.5 mn). Depreciation allowances were registered for the compensations owed by suppliers from operational activities;
- Receivables collectable from OPCOM representing the VAT associated to the contribution in kind to the subsidiary's share capital amounting to RON 4.5 mn;
- Deferred expenses amounting to RON 8.7 mn mainly represented by: international subscription to ENTSO-E for 2020 (RON 2.6 mn); annual contribution to ANRE for 2020 (RON 2.5 mn); down payments to the contracts concluded with electricity suppliers as necessary to cover one's own technological consumption in future periods (RON 1.5 mn), rent to DAGESH ROM SRL (RON 0.62 mn) and others;
- Other intangible assets amounting to RON 4.3 mn, of which RON 4.2 mn represent securities for temporary land occupation, calculated and withheld in accordance with article 39 para (1), para (2) and para (5) of Law 46/2008 on the Forestry Code with a view to perform the investment objective of the 400 kV OHL Resita – Pancevo (Serbia);
- Recoverable VAT amounting to RON 2 mn, which sum was recovered by the elaboration date of this report;
- Other social receivables amounting to RON 1.4 mn represent medical leaves the employer paid to employees, which will be recovered from the National Health Insurance House according to applicable legislation.

Liabilities

Non-current liabilities amounting to RON 672 mn on 30 June 2020 registered only 2% decrease compared to the value registered on 31 December 2019.

At the same time **current liabilities** registered also 8% decrease (from RON 732 mn on 31 December 2019 to RON 678 mn on 30 June 2020), mainly because of reduced volume of transactions on the balancing market simultaneously with decreased value of the monthly bonus under the support scheme of June 2020 compared to that of December 2019.

On 30 June 2020 compared to 31 December 2019 **liabilities on balance from the power market** amounted to RON 242.8 mn compared to RON 390.2 mn, being influenced by:

- Decreased balance of liabilities associated to the balancing market, which was determined by paying the payment obligations on balance on the electricity market

on 31 December 2019 on due date and by the reduced volume of transactions on the balancing market in semester I 2020 compared to semester II 2019.

Suppliers on the electricity market are represented mainly by: SC Hidroelectrica SA, Electrocentrale Bucharest, OPCOM, Mavir, Energy Complex Oltenia, Energy Complex Hunedoara, Veolia Energy Prahova, Veolia Energy Iasi, Termoficare Oradea, and CET Govora. On 30 June 2020 their share in the total electricity suppliers was about 81% of the energy market.

- Reduced *balance of liabilities associated to operational activities*, mainly determined by paying in quarter I 2020 the payment obligations on balance on the electricity market on 31 December 2019;

- *Reduced liabilities associated to the support scheme to suppliers (producers)* were mainly determined by paying the liability corresponding to the monthly bonus of June 2020 compared to the monthly bonus of December 2019.

On 30 June 2020 payment obligations were registered to suppliers (producers) amounting to RON 54.6 mn (RAAN – RON 51.2 mn and CET Govora SA – RON 3.4 mn), representing the monthly cogeneration bonus, the ante-overcompensation for 2014 & 2015, the unpaid bonus in 2015 & 2016.

The amounts representing Company liabilities under the support scheme to RAAN and CET Govora were withheld from payment according to article 17 para 5 of Order 116/2013 of ANRE president, since the suppliers (producers) register payment obligations to the Company under the bonus-type support scheme.

- Other liabilities amounting to RON 26.3 MN are mainly represented by payment securities of contracts on the electricity market concluded by NPG Transelectrica SA, amounting to RON 15.5 mn.
- Dividends owed to Company shareholders on 30 June 2020 and unpaid amount to RON 0.6 mn, being at the shareholders' disposal by means of the payment agent.

Provisions registered lineal evolution from RON 70.017 mn on 31 December 2019 to RON 70.01 mn on 30 June 2020, mainly determined by provisions constituted for the disputes with Conaid Company SRL, Resita City, the National Forest Authority Romsilva, subsidiary OPCOM and other provisions represented by provisions registered for employee holidays not taken; VAT payable provision estimated for the ongoing fiscal audit Endorsement F-MC-326/13.11.2019_TVA for 2014-2016; provision for ANAF Decision regarding accessory fiscal obligations income tax for 2012 – 2016 and a

provision for the annual variable component owed to the Directorate and Supervisory Board members.

Interest-bearing liabilities

On 30 June 2020 the value of non-current borrowings diminished in comparison with 31 December 2019 mainly due to repayments made according to existing loan agreements.

Shareholders' equity

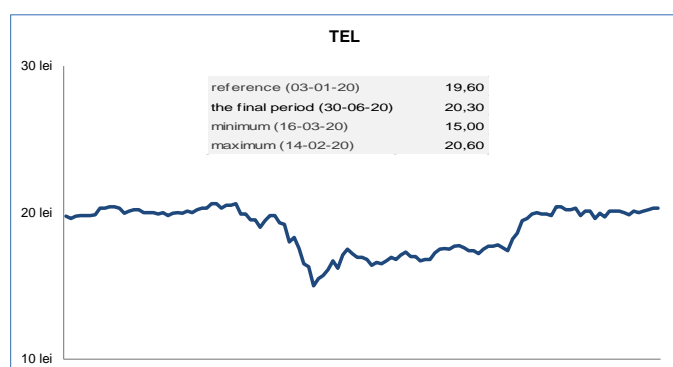
Shareholders' equities increased 2%, mainly determined by registering the net profit achieved on 30 June 2020 into the retained earnings, amounting to RON 116 mn.

DEVELOPMENT OF SHARES

(01-Jan-2020 to 30-June-2020)

Year 2020 began with a transaction price of 19.60 RON /share. At the end of this period stock exchange capitalisation was of RON 1,488 mn, and the share was at 20.30 RON/share. The minimum transaction price of 15.00 RON/share was registered on 16.03.2020, and the maximum of 20.60 RON/share was reached on 14.02.2020.

Mention should be made Romania's capital market was impacted by the occurrence of COVID-19 pandemic at the end of the studied period, and implicitly by the economic effects it generated, which was mirrored by stock exchange indexes and the share development of stock-listed companies.



In the first semester of 2020 TEL shares transacted on Romania's capital market registered 8,341 transactions, with an average number of 68.37 transactions/day and 2,526,815 shares transacted of total value of 50,598 thousand RON.

Transelectrica shares belong in the structure of the following stock exchange indexes: BET, BET-BK, BET-NG, BET-TR, BET-XT, BET-XT-TR, and BETPlus.

The most representative for the Company from among them are:

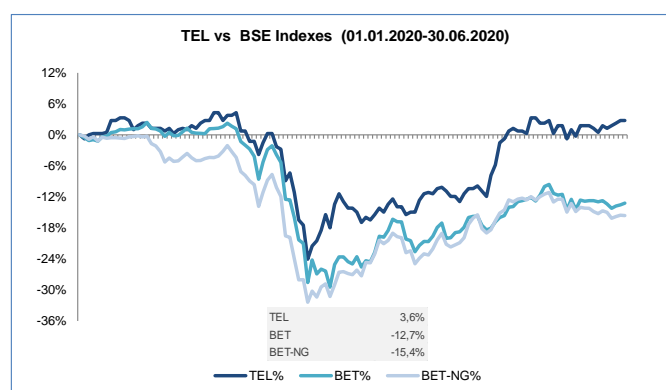
- BET (Bucharest Exchange Trading) index - capital market's reference index mirroring the development

of the 16 most liquid companies listed on the regulated market of BVB:

- BET-NG (Bucharest Exchange Trading Energy & Related Utilities) index - sectoral index mirroring the development of companies from the energy domain and of associated utilities listed on the regulated market of BVB.

In accordance with the last adjustment date registered on 12.06.2020 TEL shares provide 1.66% share in the BET index and 4.50% in the BET-NG index.

TEL share development against the two indexes can be found in the graph below:



MAIN RISKS AND UNCERTAINTIES

The environment the Company operates in provides uncertainty such as threats for objective achievement or opportunities.

Obviously, knowing such threats enables their hierarchical classification depending on their occurrence, on the magnitude of their impact over objectives and on the costs associated to the measures meant to reduce occurrence hazards or to limit unwanted consequences.

Within Transelectrica risks are periodically systematically analysed for the development of activities and the Risk Register has been established for detected risks, with the proper Action Plan meant to delimit the possible consequences of such risks in accordance with legal provisions.

Among the elements that can influence the Company's liquidity are the following:

- Interest rate fluctuation,
- Exchange rate variation,
- Provisions from financing agreements: financing contracts include clauses with respect to observing certain financial indicators, changes occurring in the control over the Company, and pari passu clauses.
- Breaching such clauses can entail, based on preliminary notification and a reasonable amount of time, anticipated payment of the credit; certain credits have penalising clauses in case of

anticipated repayment. To date the Company has never received a notification of anticipated repayment for its failure to comply with assumed obligation,

- Credit risk: the Company bears financial loss because of a contractual partner's incapacity or refusal to perform contractual obligations. Such risk results mainly from trade receivables, cash and cash equivalents,
- Risk of not collecting securities under investment projects: the main cause of such risk results from bank or insurance companies that provide security services without complying with the assumed obligations under the indemnity instruments they have issued,
- The fiscalism level, including the introduction of new taxes and charges.

The Company does not stop at treating the consequences of likely occurring events but it also performs reactive management, implementing measures meant to mitigate risk occurrence. At the same time as provided by standards periodical review of risks leads to re-allocation of resources in compliance with changed hierarchical classifications and implicitly - priorities.

The Company pays proper attention to analysing the risk environment and detects in due time the possible risks that might occur in the future and their approach should be prepared beforehand.

In January-June 2020 the Company has not faced impossible situations preventing it to comply with financial obligations.

Therefore there are no risks and uncertainties for the following months of 2020 financial year, other than those previously described which might impact the Company's liquidity.

In terms of collections in semester I the Company had no delays but there are punctual demands from suppliers that have encountered liquidity issues to make payments before the established term.

The Company has never been in circumstances of not paying its financial obligations, on the contrary it enjoys very good liquidity.

In the first semester no problems were recorded in relation with bank partners. On 03.02.2020 the "First Demand Guarantee Agreement" security from BNP Paribas was issued in favour of BEI as per contract C997/20.12.2019 signed by Transelectrica and BNP Paribas to secure the credit BEI 25710/2010 for 3 years.

In conclusion treasury activities were not influenced by the impact generated by the epidemiologic context of COVID-19 spreading; actually one can notice the net profit increased, being higher than the budget of the current year.

At the same time the Company obtained for the third consecutive year the Ba1 rating (Corporate Family Rating) with positive outlook from Moody's Investors Service.

Obtaining the Ba1 rating with positive outlook consolidates a favourable position regarding the Company's capacity to meet its present and future financial obligations, showing that Transelectrica has a sound financial profile with low leverage and strong stable and predictable financial values.

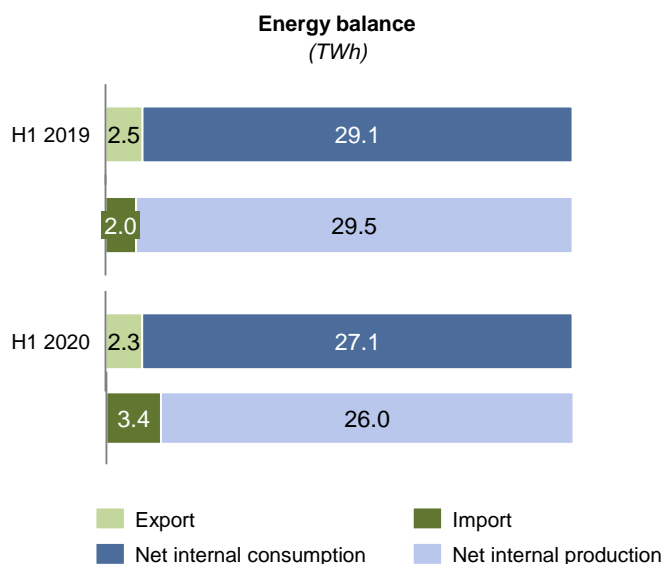


Operational data

ENERGY BALANCE WITHIN SEN

Examining the evolution of power balance components, in January – June 2020 compared to the same period of last year the net internal consumption¹ decreased 6.7%, and the net electricity output - 12%.

Cross-border export physical exchanges decreased 7.5% compared to the same period of 2019, and cross-border import flows registered 67.6% increase.

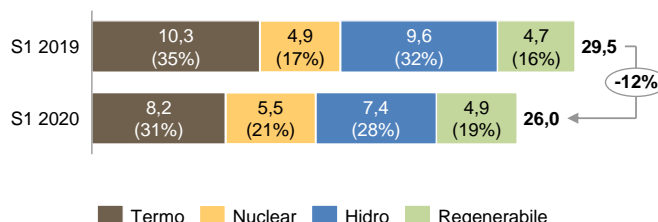


GENERATION MIX

In the generation mix structure of January – June 2020 compared to the same period of 2019 the thermal component dropped about 20.4%, the hydro component – 23.2%. The contribution of renewable and nuclear sources increased 4.4%, namely 11.8%.

Analysing the shares of components from the net generation mix in January – June 2020 one can notice the greatest share (31.5%) is represented by the thermal component, followed by the hydro component (28.4%), and the electricity generated from renewable and nuclear sources account for about 19%, namely 21.2%.

Net electricity production mix evolution (TWh)



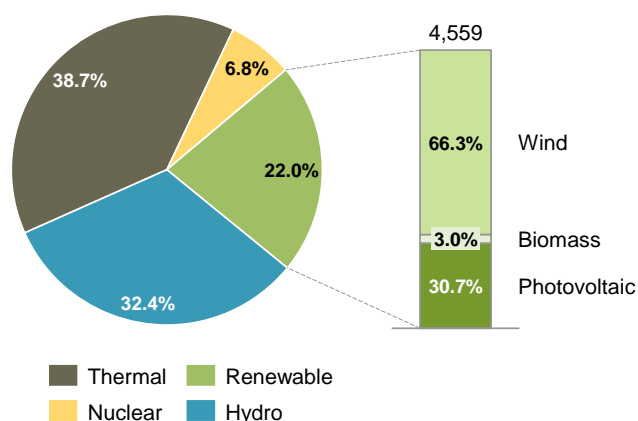
NATIONAL GENERATION FLEET

The installed capacity in renewable source power parks increased about 0.3% from 4,546 MW installed on 30 June 2019 to 4,559 MW installed on 30 June 2020.

The installed capacity in the entire National Power System of about 24,600* MW does not mirror the reality because there were unavailable units in many power plants which could no longer operate for reasons such as: high technical wear; incompliance with environmental requirements; low efficiency; high production costs, namely financial difficulties of the entities holding them.

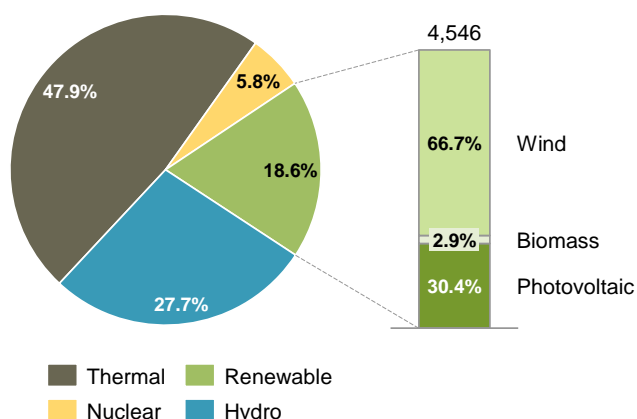
The installed capacity associated to January – June 2020 versus January – June 2019 is shown below:

Installed capacity 2020 (20,662 MW, gross)

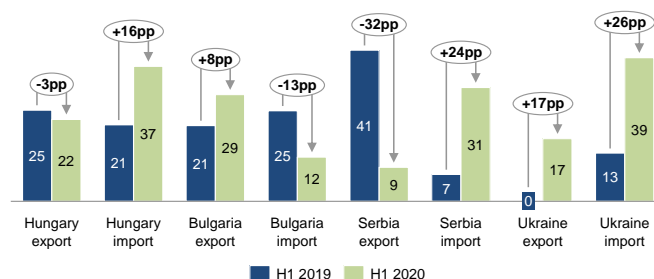


¹ Values do not include the consumption of auxiliary services from electricity generating plants; the net consumption value includes the losses of transmission and distribution networks as well as the consumption of pumps from pumping storage hydropower substations

Installed capacity 2019 (24,406* MW, gross)



Usage rate of total allocated capacity (%)



The utilisation level of total capacity rights on a border and direction represents the ratio expressed in percentage between the electricity from the commercial exchanges made (notified) during a month and the electricity corresponding to the total capacity rights.

If we compare the utilisation degree of the capacity allocated to import in quarter II of 2020, where the impact generated by the COVID pandemic had significant influence we can notice in comparison to quarter II of year 2019 the capacity allocated to import registered increase, namely of 180% for commercial import exchanges and of 120% for transited electricity, against a background of low hydraulicity registered nation-wide in this period when the European electricity consumption was lower compared to the same period of 2019, which led to lower electricity prices on the European and national electricity markets and implicitly to reducing the price differences between countries, which determined enhanced cross-border transactions.

ONE'S OWN TECHNOLOGICAL CONSUMPTION

In comparison with the interval January - June 2019, OTC (losses) decreased about 11.3% within RET in January - June 2020 while the percentage OTC dropped from 2.38% to 2.16%.

The factors that significantly influenced the OTC in January – June 2020, for instance precipitation and the distribution of cross-border physical flows are beyond the control of Transelectrica.

OTC DEVELOPMENT FACTORS

In January 2020 the OTC in absolute value decreased 9.4% compared to January 2019 because of favourable import / export physical flows and a better distribution of output, which have led to reduced electricity transmission at long distance from sources, but also due to better meteorological conditions as regards precipitation, which determined lower corona losses. The percentage of losses compared to the electricity input into RET decreased from 2.31% in 2019 to 2.05% in 2020. The electricity input into the outline increased 2.1% in January 2020 (87.341 GWh) compared to the similar period of 2019 because of about 2.7% (85.7 GWh) increase of electricity received from producers connected to RET and about 9% (61.7 GWh) of the imported one,

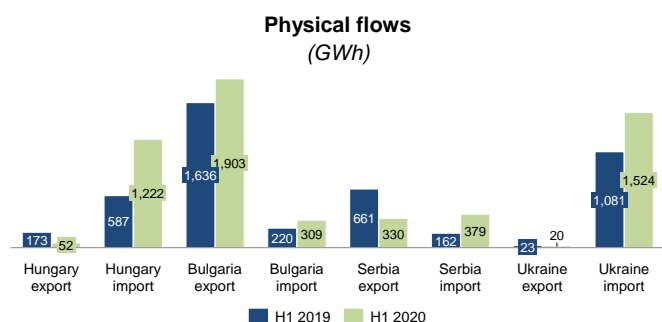
CROSS-BORDER FLOWS

The distribution of physical import/export flows on the interconnection lines in January - June 2020 compared to the same period of 2019 was as follows:

- The export on the Serbian, Hungarian and Ukrainian borders decreased and it increased on the Bulgarian frontier; import increased on all borders and significantly on the interconnection lines from deficit areas in terms of electricity generation (on the Hungarian and Ukrainian border), but it also grew 134% on the interconnection line found in an excess electricity generation area, namely the Serbian border).

In concrete terms compared to the interval January - June 2019 export physical flows decreased with Serbia (50% -330 GWh), Hungary (70% -121 GWh) and Ukraine (15% -3 GWh) and increased with Bulgaria (16% +268 GWh) simultaneously with significant growth of import physical flows on all interconnection lines with Serbia (134% +217 GWh), Hungary (108% +636 GWh), Ukraine (41% +444 GWh), and Bulgaria (41% -89 GWh).

Both import and export physical flows on each border are provided below:



In January - June 2020 the utilisation rate of the total capacity allocated on interconnection lines for export decreased in comparison with the same period of 2019 in relation with Serbia and Hungary.

against the background of about 23.4% (60 GWh) reduced amount of electricity received from RED. Meteorological conditions were good and the precipitation amount registered was lower than last year, contributing to reduced corona losses.

In February 2020 the OTC in absolute value decreased 8.8% compared to February 2019 because of better import/export physical flows, which have led to reduced electricity transmission to long distance from sources. The percentage of losses compared to the electricity input into RET decreased from 2.34% in 2019 to 1.97 in 2020. The electricity input into the outline increased 8.27% (286.32 GWh) in February 2020 compared to the similar period of 2019, against the background of 4.25% reduced electricity received from producers connected directly to RET (122.475 GWh) and the electricity received from RED by 4.04% (11.021 GWh), while import increased 136.11% (419.816 GWh). Meteorological conditions were bad and the quantity of precipitation registered was higher than last year, determining higher corona losses.

In March 2020 the OTC in absolute value decreased about 1.6% compared to March 2019, especially because of better import/export flows, which have led to reduced electricity transmission at long distance from sources. The percentage of losses compared to the electricity injected into RET dropped from 2.40% in 2019 to 2.38% in 2020. The electricity input into the outline decreased 0.66% (23.719 GWh) in March 2020 compared to the similar period of 2019, against the background of 5.34% reduced electricity received from producers directly connected to RET (156.824 GWh) when import grew 32.16% (108.903 GWh) and the electricity received from RED – 7.93% (24.202 GWh). Meteorological conditions were bad as the amount of precipitation registered was higher than last year, determining higher corona losses.

In April 2020 OTC in absolute value dropped 24.9% compared to April 2019 because of reduced electricity amounts transmitted against a background of decreased electricity consumption owing to the coronavirus pandemic, the better distribution of output that has led to reduced electricity transmission at long distance from sources, but also because of better meteorological conditions in terms of precipitation, which determined lower corona losses. The percentage of losses compared to the electricity input into RET dropped from 2.39% in 2019 to 2.07% in 2020. The electricity input into the outline dropped 13% in April 2020 (435.3 GWh) compared to the same period of 2019 as a result of the about 19.2% (525.5 GWh) drop of the electricity received from producers directly connected to RET and about 5.6% (15.6 GWh) drop of that received from RED,

against the about 31.3% (105.7 GWh) growth of electricity from import. Meteorological conditions were more favourable; the amount of registered precipitation was much lower than last year and contributed to reducing corona losses.

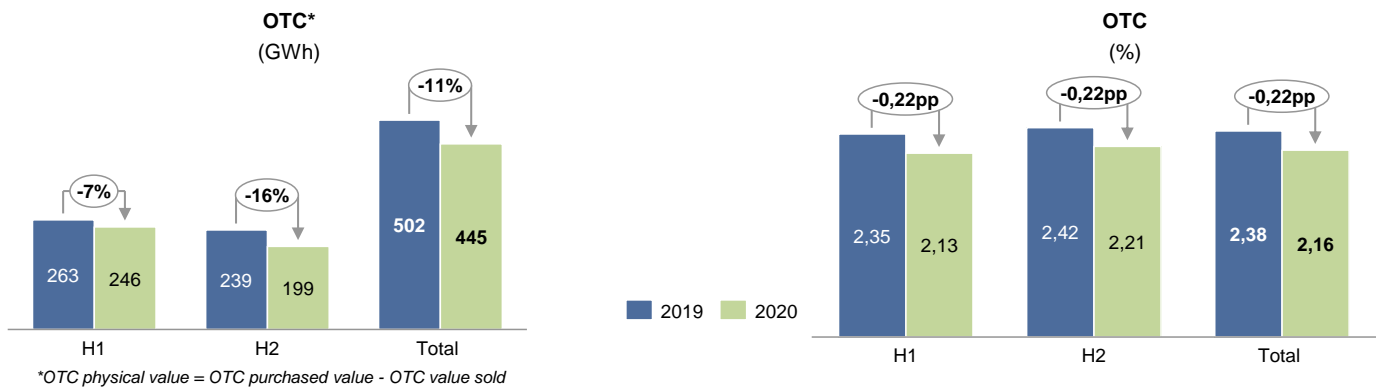
In May 2020 the OTC in absolute value decreased 13.8% compared to May 2019 because of lower amounts of electricity transmitted against an electricity consumption impacted by the coronavirus pandemic, better import/export physical flows on the lines from north-western SEN and a little better distribution of output, which led to reduced electricity transmission to distance from sources, but also due to better meteorological conditions in terms of precipitation, which determined lower corona losses. The loss percentage compared to the electricity injected into RET dropped from 2.49% in 2019 to 2.21% in 2020. The electricity input into the outline decreased 2.8% (91 GWh) in May 2020 compared to the same period of 2019, against reduced electricity amounts received from producers directly connected to RET by 9.95% (249.8 GWh) and received from RED by 45.3% (211.8 GWh), while import increased 153.2% (370.6 GWh). Meteorological conditions were more favourable, the registered amounts of precipitation were lower than last year and determined reduced corona losses.

In June 2020 the OTC in absolute value dropped about 10.5% compared to June 2019 especially because of reduced electricity transmission against lower electricity consumption impacted by the coronavirus pandemic and better import/export physical flows on the lines from the north-western SEN, which led to reduced electricity transmission at a distance from sources. The percentage of losses compared to the electricity injected into RET decreased from 2.38% in 2019 to 2.34% in 2020. The electricity input into the outline dropped 8.7% (285.2 GWh) in June 2020 compared to the same period of 2019, against reduced electricity amounts received from producers directly connected to RET by 19.5% (534.8 GWh) and the electricity received from RED by 16.7% (68.5 GWh), while import grew 230.6% (318.1 GWh). Meteorological conditions were similar, as well as corona losses. June values are preliminary.

Consumption drops registered values ranging from -14.7% in April, -11.9 % in May, namely -7.7% (preliminary value) in June 2020 compared to 2019.

The electricity output also registered losses in comparison with 2019, namely -17.5% in April, -22.3% in May, namely -19.4% (preliminary value) in June.

In the first semester of 2020 the electricity consumption registered -7.2% drop compared to the same period of last year, while the generation registered -13.8% decrease (preliminary values).



In conclusion in quarter I 2020 OTC within RET decreased about 6.6% compared to the same period of 2019, especially because of better import/export physical flows which led to reduced electricity transmission to distance from sources and due to better meteorological conditions in January 2020, which determined reduced corona losses. Losses decreased from 2.35% to 2.13% against the electricity injected into the outline.

In quarter II 2020 OTC within RET dropped about 16.4% compared to the same period of 2019, especially as a result of reduced electricity transmitted against lower electricity consumption impacted by the coronavirus pandemy, better import/export physical flows on the interconnection lines from north - western SEN and a little better distribution of output, which led to reduced electricity transmission at distance to sources and better meteorological conditions, which determined lower corona losses.

Losses decreased from 2.42% to 2.21% against the electricity injected into the outline.



Investments

NON-CURRENT ASSETS REGISTERED IN ACCOUNTING BOOKS

The decrease in the total value of non-current assets on 30 June 2020 compared to 31 December 2019 was determined by registering the amortisement of such assets.

The value of fixed assets registered in accounts in semester I 2020 is RON 52.7 mn (RON 18.6 mn in semester I 2019), increasing RON 34.1 mn.

In semester I 2020 the greatest transfers from tangible assets underway into tangible assets are mainly represented by commissioning investment objectives as follows:

- Refurbishing the 220/110 kV substation Otelarie Hunedoara – RON 11.8 mn;
- Refurbishing the 220/110/20 kV substation Ungheni – RON 9.4 mn;
- 100 MVAR, 400 kV shunt reactors for the 400 kV substations Arad, Bucharest & Bradu – RON 8.9 mn;
- Replacing AT and transformers in electric substations, stage 2, step 2, Lot 1 & Lot 2 – RON 5 mn;
- Changes to the 400/220/110 kV OHL to achieve breakthrough of Blvd. N. Grigorescu - Splai Dudescu – RON 4 mn;
- Upgrading the 400/220/110/20 kV substation Munteni – RON 3.9 mn;
- Upgrading the teleprotection, telecommunication system of Substation Cernavoda – RON 3.8 mn;
- Computation technique, hardware & software, desktop PC – RON 1.6 mn;
- Upgrading the 220 kV OHL Cetate – Calafat – RON 1.2 mn;
- Changes to the 400 kV OHL Urechesti - Domnesti to achieve coexistence conditions – RON 0.6 mn;
- Providing safe supply of the 220 V dc auxiliary services of Substation Fantanele by replacing the accumulator batteries and resizing the capacity of accumulator battery no. 2 – RON 0.4 mn;
- Upgrading the 220/110 kV substation Dumbrava – RON 0.3 mn;
- The 400 kW fully automated gas-fired thermal power plant for the building situated in Blvd. Hristo Botev 16-18, Bucharest 3 – RON 0.3 mn;

- Thermal rehabilitation of Annex building to the Control Block in Substation Isaccea – RON 0.3 mn;
- Replacing the 220 V accumulator battery no. 1 in the 220/110 kV substation Mintia – RON 0.3 mn;
- Upgrading the communal road system Fortului street, village Domnesti, Ilfov County – RON 0.2 mn;
- Video-conference terminal for the TSCNET network, to be installed in UNO-DEN – RON 0.2 mn;
- Hydrocarbon (oil) separator for the concreted platform of Substation Tulcea Vest – RON 0.2 mn;
- Professional air conditioning units for the technologic IT&C halls from DET-s Bacau, Cluj and Craiova – RON 0.1 mn.

PROCUREMENT OF ASSETS

Tangible and intangible asset procurements in January – June 2020 amounted to RON 111.6 mn, increasing compared to the same period of 2019 when procurements amounted to RON 100.8 mn.

The balance of tangible and intangible assets under execution on 30 June 2020 is represented by ongoing projects, of which the most significant are provided below:

- Converting the Portile de Fier - Resita - Timisoara - Sacalaz - Arad axis to 400 kV, stage I – 400 kV simple circuit OHL Portile de Fier - (Anina) - Resita – RON 49 mn;
- Connecting to RET the 300 MW WPP Ivesti, the 88 MW WPP Falciu 1 and the 18 MW WPP Falciu 2 by means of the new (400)/220/110 kV substation Banca – RON 46.9 mn;
- Connecting the 400 kV OHL Isaccea - Varna and the Isaccea - Dobrudja OHL in the 400 kV substation Medgidia Sud – RON 35.3 mn;
- 400 kV double circuit OHL Cernavoda-Stalpu and connection in Gura Ialomitei – RON 32.7 mn;
- Refurbishing the 400/110/20 kV substation Domnesti (BA Dec. 5 / 19.05.2010) – RON 29.2 mn;
- Refurbishing the 220/110 kV substation Hasdat – RON 23.1 mn;
- Refurbishing the 220/110 kV substation Craiova Nord – RON 17.3 mn;
- Upgrading the 220/110/20 kV substation Arefu – RON 15.5 mn;

- Extending the business continuity and post-disaster recovery services in the Executive – RON 14,4 mn;
- 110 kV, 220 kV & 400 kV mobile bays – RON 14.3 mn;
- Upgrading the 220/110/20 kV substation Raureni – RON 11,9 mn;
- Upgrading the 110 kV substations Bacau Sud & Roman Nord, 400 kV axis Moldova – RON 11.9 mn;
- Replacing the software & hardware components of EMS SCADA AREVA system, RON 11.5 mn;
- Upgrading the 220/110 kV substation Dumbrava – RON 11.3 mn;
- Refurbishing the 220/110 kV substation Iaz – RON 8.4 mn;
- Integrated security system in electric substations, stage IV – RON 8 mn;
- Replacing AT & T in electric substations, stage 2, step 2, Lot 1 & Lot 2 – RON 6.7 mn;
- Converting the Portile de Fier - Resita - Timisoara - Sacalaz - Arad axis to 400 kV, stage I - the 400/220/110 kV substation Resita – RON 6.6 mn;
- 400 kV OHL Gadalin - Suceava, including its interconnection to SEN – RON 6 mn;
- 400 kV HVDC Link (submarine cable Romania - Turkey) – RON 5.9 mn;
- Research & development centre of LW technologies and fast intervention into SEN, Centre building – RON 5.2 mn;
- Extending the 400 kV substation Cernavoda, stage I+II, replacing 2 shunt reactors, connecting new lines –RON 5.5 mn;
- 100 MVAR, 400 kV shunt reactors for the 400 kV substations Arad, Bucharest & Bradu – RON 4.5 mn;
- 400 kV OHL Suceava - Balti for the project segment on Romanian territory – RON 4.4 mn;
- 400 kV double circuit OHL Gutinas – Smardan – RON 4.2 mn;
- Replacing circuit breakers in electric substations – RON 3.8 mn;
- Upgrading the 110 kV & 400 (220 kV) installations from Substation Focsani Vest – ron 3.8 mn;
- Installing 400 MVA, 400/231/22 kV AT2 and associated bays in Substation Iernut and upgrading the command-control system of the 400/220/110/6 kV substation Iernut –RON 3.7 mn;
- Converting the Portile de Fier - Resita - Timisoara - Sacalaz - Arad axis to 400 kV, stage II, 400 kV double circuit OHL Resita - Timisoara – Sacalaz – RON 3.3 mn;
- Installing the 250 MVA T3 in the 400/110 kV substation Sibiu Sud – RON 3.3 mn;
- Adding new functions to the control system and IT supervision of access in the objectives of NPG Transelectrica SA – RON 3.2 mn;
- Connecting to RET the 136 MW WPP Platonesti, Ialomita County by building a 110 kV bay in the 400/110 kV Substation Gura Ialomitei – RON 2.9 mn;
- Integrated security system in electric substations, stage III (BA Dec. 2/2008) – RON 2.8 MN;
- Refurbishing the 400/110/20 kV substation Smardan – ron 2.7 mn;
- By-passing the 110 kV OHL Cetate 1 & 2 near the 110/20/6 kV substation Ostrovul Mare – RON 2.6 mn;
- Connecting to RET the 99 MW WPP Dumesti & the 30 MW WPP Romanesti, Iasi County, by building a 110 kV line bay in 220/110 kV substation FAI – RON 2.6 mn;
- Replacing the 400/400/160 MVA 400/231/22 kV AT 3 ATUS, SF in the 400/220 kV substation Portile de Fier – RON 1.9 mn;
- Refurbishing the 220/110/20 kV substation Ungheni – RON 1.9 mn;
- Upgrading the 400/220/110/20 kV substation Munteni – RON 1.7 mn;
- Consolidation, upgrade & extension of NPG Transelectrica offices, the Executive – RON 1.6 mn;
- Upgrading DET Timisoara building – RON 1.6 mn;
- 220 kV double circuit OHL Ostrovu Mare - RET – RON 1.6 mn;
- 400 kV OHL Oradea – Beckescsaba – RON 1.5 mn;
- Integrated security system in the new 400/220/110 kV substation Banca – RON 1.1 mn;
- Installing optical fibre communication between the 220/110/20 kV substation Pitesti Sud and the remote control and installation supervision of UTT Pitesti (FS) – RON 1.1 mn;
- Upgrading the 220/110/20 kV substation Vetis, primary equipment – RON 1 mn;
- The 400 kV substation Stalpu – RON 1 mn;

INVESTMENT ACTIVITY ON 30.06.2020

Investment expenses on 31 March 2020 by the main chapters of the annual investment plan correlated to the main chapters of the Company's Development Plan are detailed as follows:

No.	Types of expenditures	2020 Investment Programme (thou. RON)	Achieved (thou. RON)	
			H1 2020	H1 2019
	Grand Total (A+B)	377,886	123,543	85,789
A	Company's own expenses	368,284	118,893	83,493
B	Investments financed from the connection fee	9,602	4,650	2,295

**2020 Annual Investment Programme, revision A5*

The achievement level of the investment programme on 30 June 2020 was 31.7%. In comparison with the achievements from H1 2019 investment expenses made in H1 2020 increased 44%.

CONTRACTUAL ASPECTS

The most important investment contracts signed in January-June 2020 are:

- Connecting the 400 kV OHL Isaccea-Varna and the 400 kV OHL Isaccea-Dobrudja in the 400 KV substation Medgidia Sud, stage I – Extending the 400 kV substation Medgidia Sud – RON 22.4 mn;
- Upgrading the 220/110 substation Raureni – RON 13.7 mn;
- Extending the 400 kV substation Gura Ialomitei by two bays: 400 kV OHL Cernavoda 2 & 3, equipment procurement, installation & services – RON 5.3 mn.



Significant events

JANUARY - MARCH 2020 EVENTS

- **Appointment of provisional Supervisory Board member**

On 06 January 2020 Mr. Ciprian Constantin DUMITRU was appointed provisional Supervisory Board member, with mandate term until 29 March 2020. His appointment became effective on 07 January 2020 once signing the mandate acceptance statement before the notary public.

- **Giving up the mandate of provisional Directorate member**

Mr. Ioan FOLESCU renounced the mandate entrusted as provisional Directorate member of the Company beginning with 09 January 2020, in accordance with what has been written in the communication registered in the Company on 08 January 2020.

- **Appointment of provisional Directorate member**

On 09 January 2020 Mr. Corneliu-Bogdan MARCU was appointed provisional Directorate member, with mandate term until 20 April 2020. His appointment became effective on 10 January 2020 once signing the mandate acceptance statement before the notary public.

- **Completing the membership of Consultative committees within the Supervisory Board**

The Supervisory Board having met on 13.01.2020 appointed Mrs. Luiza POPESCU as Chairperson of the Nomination committee and designated Mr. Ciprian Constantin DUMITRU as member in the Nomination and remuneration committee and in the Energy security committee, thus the membership of consultative committees within the Supervisory Board being:

Nomination and remuneration committee:

- Luiza POPESCU - chairperson
- Adrian GOICEA - member
- Jean - Valentin COMANESCU - member
- Oleg BURLACU – member
- Ciprian Constantin DUMITRU - member
- Jean BADEA – member

Audit committee:

- Jean - Valentin COMANESCU – chairman
- Adrian GOICEA - member
- Luiza POPESCU - member

Energy security committee:

- Oleg BURLACU – chairman
- Ciprian Constantin DUMITRU - member

- Adrian GOICEA – member
- Luiza POPESCU - member
- Jean - Valentin COMANESCU – member
- Jean BADEA – member

- **New tariff applicable from 16 January 2020**

Romania's Official Gazette 28/16.01.2020 published ANRE Order 10/2020 amending ANRE Order 218/2019 approving the average tariff of transmission services, the components of the transmission tariff introducing electricity in the grid (TG) and taking electricity out of the grid (TL), providing the tariffs for system services and the regulated price of reactive electricity charged by the Company. Regulated tariffs of electricity transmission and system services are applicable beginning with 16 January 2020.

- **Giving up the mandate of provisional Supervisory Board member**

Mr. Jean BADEA renounced the mandate entrusted as provisional Supervisory Board member in the Company beginning with 04 February 2020, in accordance with what has been written in the communication registered in the Company on 03 February 2020.

- **Appointment of provisional Supervisory Board member**

On 07 February 2020 Mrs. Mihaela CONSTANTINOVICI was appointed provisional Supervisory Board member, with mandate term until 29 March 2020. Her appointment became effective on 10 February 2020 once signing the mandate acceptance statement before the notary public.

- **Appointment of provisional Supervisory Board member**

Mr. Mircea Cristian STAICU was appointed provisional Supervisory Board member, with mandate term until 29 March 2020. His appointment became effective on 13 February 2020 once signing the mandate acceptance statement before the notary public.

- **Completing the membership of Consultative committees within the Supervisory Board**

The Supervisory Board member designated Mr. Mircea Cristian STAICU by Decision 20/2020 as member in the Nomination & remuneration committee and in the Energy security committee of the Supervisory Board; Mrs. Mihaela CONSTANTINOVICI as member in the Nomination & remuneration committee and in the Energy security committee of the Supervisory Board;

Mrs. Mihaela CONSTANTINOVICI as member in the Audit committee of the Supervisory Board.

The membership of consultative committees within the Supervisory Board is therefore the following:

Nomination and remuneration committee:

- Luiza POPESCU - chairperson
- Adrian GOICEA - member
- Jean - Valentin COMANESCU - member
- Oleg BURLACU – member
- Ciprian Constantin DUMITRU - member
- Mircea Cristian STAICU – member
- Mihaela CONSTANTINOVICI – member

Audit committee:

- Jean - Valentin COMANESCU – chairman
- Adrian GOICEA - member
- Luiza POPESCU - member
- Mihaela CONSTANTINOVICI – member

Energy security committee:

- Oleg BURLACU – chairman
- Ciprian Constantin DUMITRU - member
- Adrian GOICEA – member
- Luiza POPESCU - member
- Jean - Valentin COMANESCU – member
- Mircea Cristian STAICU – member
- Mihaela CONSTANTINOVICI – member

• ANRE sanction

On 19 February 2020 ANRE issued Minutes 14107/2020 ascertaining and sanctioning, whereby it found NPG Transelectrica SA trespassed the provisions of article 34 para (2) of the Electricity and natural gas law 123/2012. The Company is contesting the ANRE sanction provided as warning and on 25 February 2020 obtained the cancellation of the minutes ascertaining and sanctioning the offences.

• Decisions 1 & 2 of the Shareholders' General Ordinary Assembly of the Company / 06 March 2020

In accordance with AGOA Decision 1 of 06 March 2020 the following persons were designated as provisional Supervisory Board members, with mandate term until 29.03.2020:

- Ciprian Constantin DUMITRU,
- Mircea Cristian STAICU,
- Mihaela CONSTANTINOVICI,

In accordance with AGOA Decision 2 of 06 March 2020 the Investment Programme is established for 2020 financial year and the estimations for 2021 & 2022; the Company's 2020 Revenue and expense budget is approved; the amendment of article 5.2 let. (b) from the mandate contract approved by AGOA Decision

31/26.11.2019 is approved; cancelling Decision 9/26.09.2017 of the Shareholders' general assembly is approved; cancelling Decision 23/20.09.2019 of the Shareholders' general assembly is approved.

• Decision 3 of the Shareholders' General Extraordinary Assembly of the Company / 06 March 2020

In accordance with AGEA Decision 3 of 06 March 2020 amendment of article 7 para (2) pct. 1 from the Articles of association is approved by replacing the phrase "Romanian State through the Ministry of Economy" with the phrase "Romanian State through the Secretariat General of the Government" approved by AGEA decision 3 of 06 March 2020 and the participation of the National Power Grid Company Transelectrica SA is approved to the establishment of the regional coordination centre 2 of operational security, which will serve the coordinated cross-border capacity calculation regions SEE (Bulgaria, Greece and Romania) and GRIT (Greece and Italy) in Greece, Salonika.

• Continued activity in context of COVID-19

On 18 March 2020 the Company issued a communiqué with respect to continuing the activities in the context of COVID-19 whereby it informed it has adopted and applies the action plan for continued activity and necessary operations to provide safe running of the National Power System (SEN) in the epidemiologic context generated by COVID-19 (coronavirus) spreading.

• Decision 4 of the Shareholders' General Ordinary Assembly of the Company / 26 March 2020

In accordance with AGOA Decision 4 of 26 March 2020 the mandates of the following provisional Supervisory Board members were extended until 29 May 2020:

- Adrian Goicea,
- Luiza Popescu,
- Oleg Burlacu,
- Valentin Jean Comanescu,
- Mihaela Constantinovici
- Ciprian Constantin Dumitru
- Mircea Cristian Staicu

• Changes in the Directorate membership

On 08 April 2020 the Supervisory Board decided extending the mandates of provisional Directorate members for two months to the following persons:

- Catalin NITU
- Ionut-Bogdan GRECIA,
- Andreea-Mihaela MIU,
- Corneliu Bogdan MARCU.

It also designated Mr. Marius Viorel STANCIU as provisional Directorate member beginning with 21 April 2020 for two months and elected as Directorate Chairman Mr. Catalin NITU beginning with 21 April 2020 for two months.

- **ANRE Decision of licence 161 amendment for the provision of electricity transmission services**

On 08 April 2020 ANRE issued decision 571 amending licence 161 for the provision of electricity transmission service whereby it extended its validity until 22.12.2025.

- **Signing the contract of support services**

The Company informed that on 16 April 2020 it signed with subsidiary Teletrans a contract of support services to build and operate electronic communication networks in view of using the excess optical fibre capacity from Transelectrica.

- **Recommendations to shareholders in the context of COVID-19**

On 23 April 2020 the Company issued a communiqué with recommendations to shareholders regarding the use of electronic / remote interaction means for the AGOA reunion convened on 28/29 April 2020 in view of limiting the spreading of COVID-19.

- **Decision 5 of the Company's Shareholders' General Ordinary Assembly of 28 April 2020**

In accordance with AGOA Decision 5 of 28 April 2020 the Company's stand-alone and consolidated financial statements for the financial year 2019 were approved, profit distribution was approved as well as constituting reserves for the revenues achieved by allocating the transmission capacity on interconnection lines in 2019; covering the loss from actuarial losses of the surplus from taxable revaluation reserves when changing the destination was approved; dividends distribution was approved from the retained earnings existent on balance on 31.12.2019; liability discharge was approved for Directorate and Supervisory Board members for the financial year 2019; 03 June 2020 was established as ex-date and 25 June 2020 was determined as payment date for dividends distributed from the retained earnings existing on 31.12.2019.

- **Reconfirmation of rating, positive outlook**

On 06 May 2020 the International Rating Agency Moody's Investors Service reconfirmed the rating Ba1 to the Company for the third consecutive year (Corporate Family Rating), with positive outlook, which mirrors a low business risk profile. In addition the Company's rating individually (Baseline Credit Assessments) improved, upgrading from Ba2 to Ba1. The individual rating

represents a company's intrinsic capacity to cope with financial commitments without governmental support.

- **Transelectrica has affiliated to SEE RSC**

Beginning with 22.05.2020 the Company's affiliation to the shareholders of the Regional Operational Security Coordination Centre of South-Eastern Europe (SEE RSC) „Sotheast Electricity Network Coordination Center (SeleNeCC) Cociete Anonyme” became effective with cash subscription amounting to 50,000 Euro, thus the Company was allocated 50,000 shares.

- **Dividends payment procedure**

On 27 May 2020 according to AGOA decision of 28 April 2020 the Company transmitted the payment procedure of dividends distributed from the retained earnings existent on balance on 31.12.2019. Dividends were paid beginning with 25 June 2020 (pay date) to the shareholders registered on 04 June 2020 in the Shareholders' Register of the Company, with ex-date on 03 June 2020, by the Central Depository SA.

- **Decision 6 of the Company's Shareholders' General Ordinary Assembly of 28 May 2020**

The majority shareholder the Romanian State through the Secretariat General of the Government requested completing the agenda of AGOA scheduled on 28/29.05.2020 by appointing some provisional Supervisory Board members in the Company beginning with 30 May 2020 and establishing the mandate term. The proposals of the Secretariat General of the Government to appoint the provisional Supervisory Board members were the following:

- Adrian GOICEA
- Luiza POPESCU
- Oleg BURLACU
- Jean-Valentin COMANESCU
- Mihaela CONSTANTINOVICI
- Ciprian Constantin DUMITRU
- Mircea Cristian STAIUCU.

In accordance with AGOA Decision 6 of 28 May 2020 the appointment was approved of the persons nominated in the proposals of the Secretariat General of the Government as provisional Supervisory Board members in the Company for four months beginning with 30 May 2020 until 29 September 2020.

- **Decision 7 of the Company's Shareholders' General Extraordinary Assembly of 28 mai 2020**

In accordance with AGEA Decision 7 of 28 May 2020 the principle increase of the Company's share capital is approved with the contribution in kind represented by the value of 17 lands which the Company obtained ownership certificates for and submitting to the Trade

Register the proposal to designate JPA Audit and Consultancy SRL as evaluator licensed by ANEVAR to assess according to legal terms the contribution in kind that increased the share capital; and by the Supervisory Board's agreement the establishment or cancellation is approved of secondary headquarters (branches, territorial units, representation offices, agencies or other similar units without legal personality).

- **Chairman appointment and approving the membership of Consultative Committees within the Supervisory Board**

In accordance with statutory and legal attributions the Supervisory Board having met on 02.02.2020 appointed Mr. Adrian GOICEA as Supervisory Board Chairman and designated the members in the Consultative committees from the Supervisory Board as follows:

Nomination and remuneration committee:

- Luiza POPESCU - chairperson
- Adrian GOICEA - member
- Jean - Valentin COMANESCU - member
- Oleg BURLACU – member
- Ciprian Constantin DUMITRU - member
- Mircea Cristian STAICU – member
- Mihaela CONSTANTINOVICI – member

Audit committee:

- Jean - Valentin COMANESCU – chairman
- Adrian GOICEA - member
- Luiza POPESCU - member
- Ciprian Constantin DUMITRU - member
- Mihaela CONSTANTINOVICI – member

Energy security committee:

- Oleg BURLACU – chairman
- Ciprian Constantin DUMITRU - member
- Adrian GOICEA – member
- Luiza POPESCU - member
- Jean - Valentin COMANESCU – member
- Mircea Cristian STAICU – member
- Mihaela CONSTANTINOVICI – member

- **Cancellation / establishment of Company secondary offices on 10.06.2020 and on the same date entry into force of the amendments to the Articles of Association approved by HAGEA 7/28.05.2020**

On 02 June 2020 the National Office of the Trade Register, Office of the Trade Register from Bucharest Tribunal admitted the registration of Directorate Decisions 116/2020 and 117/2020 that approved, as of 10 June 2020 the cancellation of the Company's secondary offices with no legal personality juridică, namely the Transmission Branch Bacau, the

Transmission Branch Bucharest, the Transmission Branch Cluj, the Transmission Branch Craiova, the Transmission Branch Constanta, the Transmission Branch Timisoara, the Transmission Branch Pitesti, the Transmission Branch Sibiu and establishing the following secondary offices without legal personality, namely the Teritorial Transmission Unit Bacau, the Teritorial Transmission Unit Bucharest, the Teritorial Transmission Unit Cluj, the Teritorial Transmission Unit Craiova, the Teritorial Transmission Unit Constanta, the Teritorial Transmission Unit Timisoara, the Teritorial Transmission Unit Pitesti, and the Teritorial Transmission Unit Sibiu. The amendments of the Articles of Association approved by HAGEA 7/28.05.2020 entered into force on 10 June 2020.

- **Appointing provisional Directorate members**

At the 09 June 2020 meeting the Company's Supervisory Board designated as provisional Directorate members beginning with 21 June the following persons:

- Catalin NIȚU
- Ionut-Bogdan GRECIA,
- Andreea-Mihaela MIU,
- Marius-Viorel STANCIU
- Corneliu Bogdan MARCU.

The mandate is granted for four months beginning with 21 June 2020 with possible extension for sound reasons with two more months, but the mandate term will not exceed the completion date of the selection procedure for Directorate members in the Company, according to the terms of OUG 109/2011, if the procedure will be completed within this time interval.

At the same time the Supervisory Board appointed Mr. Catalin NITU as Directorate Chairman, alternatively called Executive Director General or Chief Executive Officer – “CEO” – of the Company.

LATER EVENTS

- **Regulated tariffs applicable as of 01 July 2020**

The Official Gazette 567/30.06.2020 published Order 142 amending Order 218/2019 of ANRE president approving the average tariff of transmission services, the components of such transmission tariff for electricity input into the grid (TG) and electricity extraction from it (TL), the tariffs of system services and the regulate price of reactive electricity charged by the Company.

System service tariffs are valid beginning with 01 July 2020 as follows:

Service	Tariff applicable from 01 July 2019	Tariff applicable from 01 July 2020	Difference
	RON/MWh	RON/MWh	%
Tariff for system services, of which	14.89	14.45	▼2.96
I. Functional system services	1.84	2.49	▲35.32
II. Technological system services	13.05	11.96	▼8.32

- **Letter of expectations for Transelectrica SA**

On 15 July 2020 the Secretariat General of the Government, in capacity of superior public authority transmitted to the Company the Letter of expectations whereby it established the desires of shareholders regarding the performance of NPG Transelectrica SA and of the Supervisory Board and of the Directorate for four years, as a result of completing the agenda of the Shareholders' general ordinary assembly, convened on 31 July 2020 / 03 August 2020.

- **Transelectrica, founder TSO of the Electricity Network Coordination Centre of South-Eastern Europe**

On 27 July 2020 the Transmission and System Operators from Greece (IPTO), Italy (TERNA SpA), Romania (Transelectrica) and Bulgaria (ESO-EAD) announced the establishment of the Coordination Centre for the South-Eastern Europe Electricity Network ("CC SEleNe") in Tessalonic, Greece. The four TSO participate equally to the share capital of the new Company.

- **Resuming the execution of Oradea – Nadab section**

On 29 July 2020 the Company signed the execution contract of the work to complete the Oradea Sud – Nadab segment, part of the 400 kV OHL Oradea - Bekescsaba. The work amounts to more than 4 million RON and will be performed within 12 months by Electromontaj SA.

- **Decision 8 of AGOA of 31 July 2020**

In accordance with AGOA Decision 8 of 31 July 2020 approval was provided to launch the selection procedure for the Company's Supervisory Board members, while applying the provisions of article 29 para (1), para (2) and para (5) from the Governmental Emergency Ordinance 109/2011 regarding the corporative governance of public enterprises, approved with amendments and additions by Law 111/2016, the Supervisory Board's profile and that of candidates for the position of Supervisory Board member.



Other issues

SHAREHOLDERS STRUCTURE

On 30.06.2020 the structure of Company shareholders was the following:

Shareholder name	No. of shares	Shares in total
Romanian State	43,020,309	58.7%
Dedeman SRL	4,503,567	6.1%
Privately Managed Pension Fund NN	4,007,688	5.5%
Other shareholders – legal persons	16,183,821	22.8%
Other shareholders - natural persons	5,587,757	7.6%
Total	73,303,142	100%

DIRECTORATE MEMBERSHIP

On the date of this report the Directorate membership is the following:

Catalin NITU	Directorate Chairman
Andreea - Mihaela MIU	Directorate Member
Ionut-Bogdan GRECIA	Directorate Member
Corneliu-Bogdan MARCU	Directorate Member
Marius Viorel STANCIU	Directorate Member

TARIFFS

The factors with significant contribution to changing the tariffs at the last review operated by ANRE for tariffs* applicable as of 01.01.2020 until 15.01.2020, according to ANRE Order 218/11.12.2019 are detailed below:

Index	Tariff	m.u.	Approved value	Approved value	Approved value	Difference
			1 Jul-31 Dec 2019	1 Jan-15 Jan 2020*	16 Jan-31 Dec 2020**	
A	Electricity transmission	RON/MWh	17.68	18.33	17.97	+3.68%
B	Functional system services	RON/MWh	1.84	1.84	1.84	-
C	Technological system services	RON/MWh	13.05	13.05	13.05	-

Note: Transmission tariff** reduction by 1.96% beginning with 16.01.2020 (compared to the tariff* approved on 1 January 2020) is owed to the reduced monetary contribution owed by NPG Transelectrica SA to ANRE's budget in 2020, from 2.0% to 0.2%, according to ANRE Order 10/15.01.2020

Electricity transmission services

Tariff* increase (+3.68%) is explained by the influence of the 3% inflation forecasted in 2020 and by 0.6% increase of the regulated revenues calculated after applying the corrections provided in the methodology.

When establishing the regulated revenue for 2020 ANRE achieved corrections according to applicable regulations and accepted increased forecast of regulated costs and the reduction of the quantity that can be billed forecasted by Transelectrica. The following factors have been taken into calculation to establish the regulated revenue:

1. Ex-post corrections – applied in order to compensate the differences between the forecasted values used for tariff calculation in the previous tariff years and the actual values recorded, namely:

a) Final corrections associated to the difference between the estimated costs and revenues and those achieved for year 1 July 2018 - 30 June 2019, amounting to +35,310,432.00 RON;

b) Half result of corrections associated to the difference between the estimated and achieved values for year 1 July 2017 - 30 June 2018, amounting to +9,476,609 RON;

c) Recalculating the correction in the uncontrollable operation and maintenance costs associated to the tariff year 1 July 2017 - 30 June 2018 amounting to +11,443,780 RON.

2. Ex-post corrections – applied to the investment plan approved by ANRE, the output of non-current assets, the non-current assets under conservation and those leased to third parties for the 3rd regulatory period. The value of such ex-post corrections is -216,006,453.00 RON.

3. Ex-post corrections – applied relating to the difference between the forecasted controllable operation and maintenance, which do not represent efficiency gain amounting to -164,220,587 RON.

4. The annual forecast of recognised costs in the initial target revenue (before applying the corrections) approved for 2020 is 7.6% higher in nominal terms of 2019 than the annual cost forecast included in the previous tariff for semester II 2019.

5. The quantity of electricity that can be billed upon grid extraction was reduced from 56 TWh in semester II 2019 (28 TWh*2) to 55.6 TWh in 2020). In the scenario where the quantity of electricity that can be billed upon grid extraction would be recognised by ANRE for 2020 with the same value as that in semester II 2019 (28 TWh * 2) its impact over the tariff is +0.6%.

Note that, given the application of the lineal factor the effect of corrections in the determination of applicable tariff (provided previously in items 1, 2 and 3) diminished, being only „distributed” during the entire 4th regulatory period. Taking into account the 3% inflation rate forecasted for 2020 and the electricity quantity of 55.6 TWh forecasted to be taken out of networks, a 2020 tariff follows (in nominal terms) of 18.33 RON/MWh.

SIGNIFICANT TRANSACTIONS

In accordance with the provisions of article 82 of Law 24/2017 regarding the significant transactions concluded with affiliated parties in the first semester of 2020 Current reports included:

- Current report of 06 January 2020 – addendum 6 to contract C256/2014 was concluded on

23.12.2019 with subsidiary Teletrans SA as provider.

- Current report, 16 April 2020 - contract C75/14.04.2020 concluded with subsidiary Teletrans SA as provider.

DISPUTES

The most important disputes impacting the Company are provided further:

Note: To facilitate reading and understanding, all amounts of this chapter are expressed in Lei / Euro

▪ RAAN

File 3616/101/2014 was registered on the docket of Mehedinti Tribunal, Section II Civil, Administrative and Fiscal Disputes pertaining to “claims amounting to 1,090,831.70 Lei, value of invoice 1300215/31.12.2013”, file in which the Company is defendant, the claimant being the Autonomous Authority for Nuclear Activities RAAN.

Civil ruling 127 pronounced on 10.10.2014 by Mehedinti Tribunal decided admitting the request filed by claimant RAAN and compelling the Company to pay 1,090,831.70 Lei, the amount under invoice 1300215/31.12.2013.

The Company filed appeal requesting the court to admit it as filed, cancel the decision and rulings appealed against and refer the case to the territorial competent court for judgment, ascertaining the compliance with the requirements in article 1616-1617, Civil Code, for which

reason it requested ascertaining the lawful compensation of mutual liabilities and their quenching up to the concurrence of the least amount thereof, namely the total sum the claimant asked in the summons and compel the recurrent - claimant to pay the expenses incurred with this appeal.

The appeal was registered on the docket of the High Court of Cassation and Justice that decided cancelling decision 843/2015 and referring the case for re-judgment to the same instance, the Appeal Court Craiova.

Ruling 124/2017 of the Appeal Court Craiova admitted the appeal filed by Transelectrica and cancelled decision 127/2014 pronounced by Mehedinti Tribunal, and the case was referred to Bucharest Tribunal, Section VI Civil for re-judgment. On the docket of Bucharest Tribunal the case was registered under no. 40444/3/2017, which by civil ruling 4406/04.12.2017 decided admitting the

request filed by RAAN and obliged Transelectrica to pay 1,090,831.70 Lei. This sentence was contested by appeal. The hearing term was set on 13.12.2018.

In 2014-2015 the Company withheld from payment the bonus owed to RAAN under the support scheme according to the provisions of ANRE regulations, namely article 17 para 5 from Order 116/2013 of ANRE president.

Under such circumstances RAAN calculated penalties for its not collecting the due cogeneration bonus amounting to 3,496,914 Lei, withheld by the Company on behalf of uncashed receivables. The Company refused paying the amount of 3,496,914 Lei, which was not registered as liability under the support scheme.

File 9089/101/2013/a152 pertained to contestation against the additional Receivables Table and against debtor RAAN, the disputed amount being 89,360,986 Lei.

Transelectrica SA was recorded with only 11,264,777 Lei in the table of debtor RAAN, in the receivables category resulting from the debtors' continued activities, although the Company requested the amount of 89,360,986 Lei. But the remaining 78,096,209 Lei were not registered in the preliminary receivables table on reason that "they are not found as payable liability in the accounting books of RAAN". Moreover the judiciary liquidator considered the request to record the amount of 78,096,209 Lei as being late since it related to 2011 – 2013, for which reason the receivable statement should have been expressed when the insolvency procedure was opened, namely on 18.09.2013. Contestation was submitted against the preliminary receivables table and Mehedinti Tribunal admitted the accounting expertise evidence.

On the 14.06.2018 hearing term the case judgment was suspended until settlement of file 3014/2/2014 found on the docket of the High Court of Cassation and Justice, and on 14.02.2019 Mehedinti Tribunal decided connecting the fore-mentioned file to the one marked 9089/101/2013/a140 (pertaining to claims – payment demand). Thus case judgment was postponed since the instance considered it useful for case settlement to present Civil decision 2969/26.09.2018, pronounced by the High Court of Cassation and Justice under file 3014/2/2014, pertaining to cancelling Decision 743/2014 of ANRE president 743/2014.

The settlement of Mehedinti Tribunal by Decision 163 / 20.06.2019 is the following: It admits the exception of decline. It partly admits the main matter as well as the connected contestation. It compels the defendant to pay 16,950,117.14 Lei to the claimant; receivable occurred during the procedure and decided registering this amount

in the creditors' table constituted against debtor RAAN. It denies the other connected requests. In accordance with article 453 para 2 from the Civil Procedural Code it compels the defendant to pay 1000 Lei to the claimant as law court expenses. Appeal right is granted. It was pronounced at public hearing; Document - Ruling 163/20.06.2019.

On the 06.11.2019 term the appeal was denied as groundless; final decision; Ruling 846/06.11.2019.

Transelectrica filed review request for contradictory rulings, registered under file 1711/54/2019 with hearing term on 26.03.2020 in the Appeal Court Craiova, which will refer the file to High Court of Cassation and Justice for competent settlement.

On 26.03.2020 the hearing term was changed, the following one being on 21.05.2020.

On 21.05.2020 the case was taken out of the docket with the following settlement: the exception of material incompetence of the Appeal Court Craiova was admitted and the decision was taken to refer the case to ICCJ, Administrative and Fiscal Dispute Section; Ruling 140/21.05.2020.

Under RAAN's bankruptcy file registered under no. 9089/101/2013 Mehedinti Tribunal established on 11.06.2020 to grant the term 08.10.2020 to continue the liquidation procedure, namely to capitalise the assets and collect receivables.

▪ COURT OF AUDIT

Following an audit performed in 2013, the Court of Audit issued several measures to be implemented by the Company as a result of some deficits, which were detected upon such control. The decision and protocol issued by the Court of Audit have been appealed before the Appeal Court of Bucharest, file 1658/2/2014 being constituted, which pertained to "cancelling the control deeds" – Conclusion 7/20.02.2014 issued by the Court of Audit.

On 13.06.2018 the claimant's case was partly admitted. It cancels conclusion 7/20.02.2014, decision 37/9.12.2013 and the control report 35521/6.11.2012 elaborated by the defendant with respect to the measures included in the fore-mentioned decision in items I.1, I.3, I.6, I.8, I.11, II.14, II.15, II.17, II.18, II.20, II.21, II.22 and partly the measure of item II.13 meaning to remove the phrase "including what has been found about the invoices issued by FLOREA ADMINSTRARE IMOBILIARA SRL". It denies the other request of the claimant as groundless. It acknowledged the electric power technical expertise report executed for the case by expert Toaxen Vasile. It compels the defendant to pay 121,375 Lei to the claimant as law court expenses

(in part expert fees and judiciary stamp tax). Document granted - ruling 2771/13.06.2018.

Transelectrica filed appeal on 14.06.2019. The following term was established on 28.10.2021.

Following a control performed in 2017 the Court of Audit decided certain measures to be implemented by the Company as result of some deficiencies found on the occasion of such control. The Company submitted 8 contestations against the measures provided by the Romania's Court of Audit (CCR) by Decision 8/27.06.2017, requesting their cancellation, and against Conclusion 77/03.08.2017 registered in the Company's registration office under no. 29117/08.08.2017, and the Audit Report 19211/26.05.2017. Contestations are under settlement on the docket of the Appeal Court of Bucharest (2 files: 6576/2/2017 on cancelling the findings from items 7.1, 7.2 and 8, as well as the measure provided in item II.10, with hearing term on 15.09.2020 and file 6581/2/2017 on cancelling the findings from item 6 and the measure provided in item II.9, with hearing term on 09.10.2020) on the docket of the High Court of Cassation and Justice (5 files: 6577/2/2017 on cancelling the findings from item 13 and the measure provided in item II.13, no set hearing term; file 6578/2/2017 on cancelling the findings from item 9 and the measure provided in item II.11, no set hearing term; file 6580/2/2017 on cancelling the findings from item 10 and the measure provided in item II.12, term on 04.02.2021; file 6582/2/2017 on cancelling the findings from item 11 and the measure provided in item I.5, hearing term on 29.09.2020; file 6574/2/2017 on cancelling the findings from item 5.2 and the measure provided in item II.8, hearing term on 20.04.2021), and one file was settled for good by the Appeal Court of Bucharest denying the cancellation request and the High Court of Cassation and Justice denying the appeal (file 6583/2/2017 on cancelling the findings from item 5.1 and the measure provided in item II.7).

▪ ANRE

NPG Transelectrica SA filed complaint against Order 51/26.06.2014 of ANRE President, registered with ANRE under no. 47714/4.08.2014, and an appeal before the Appeal Court Bucharest under file 4921/2/2014, requesting either the amendment of the aforementioned Order or the issuance of a new one, which should recalculate the RRR value at the level of 9.87% (recalculated with a (β) coefficient of 1.0359, according to the internal analyses conducted by Transelectrica) or, should this request be rejected, using the same percentage of 8.52% set by ANRE for 2013 and in the first semester of 2014.

On 26.06.2014 ANRE Order 51 was issued and published in the Official Gazette 474/27.06.2014 regarding approval of the average tariff for transmission services, the system service tariffs and zone tariffs for transmission services charged by the National Power Grid Company Transelectrica SA and cancellation of annex 1 to Order 96/2013 of ANRE President approving the average tariff for transmission services, the system service tariffs and zone tariffs for transmission services and the tariffs for reactive electricity charged by economic operators of the electricity sector. The values taken into calculation for the regulated rate of return (RRR¹) by ANRE in accordance with the Methodology establishing the tariff for electricity transmission services approved under ANRE Order 53/ 2013 ("Methodology"), have determined a RRR value of 7.7%.

On the 27.03.2018 hearing term the expert fee established on the claimant's behalf was paid and a letter will be transmitted to the expert in order to elaborate the approved expertise report and submit it to the file.

On the 25.09.2018 hearing term the settlement in brief was to return by letter to the expert, with a view to elaborate the expertise report and submit it to the file, also mentioning it is impossible to submit the expertise report until the hearing term, which reason will decide postponing the case.

On the 22.01.2019 hearing term the instance approved in principle the accessory intervention request in the defendant's interest (ANRE), expressed by the intervenient ALRO SA, appeal granted with the substance matter. On 25.06.2019 the decision was taken to defer the case in order to enable the parties to get acquainted with the content of the expertise report, therefore a new judgment term was granted on 10.09.2019.

On the 10.09.2019 hearing term taking into account the request from the claimant's representative to get acquainted with the content of objections expressed by the intervenient and to enable an answer to such objections, also specifying the claimant submitted meeting notices accompanied by writs requiring translation, it admitted the case deferral request and decided setting a new hearing term on 03.12.2019.

This dispute did not impact the relationship with ANRE nor the Company's financial results.

¹RRR- The Regulated Rate of Return is found in specific literature under the short name of WACC – Weighted Average Cost of Capital – and the formula of the two indicators isresemblant: $RRR = WACC = CCP + Kp/(1 - T) + CCI \times Ki$

On the 03.12.2019 hearing term the case was postponed and a new hearing term was established in order to resume the letter to the expert in order to submit an answer to objections, specifying to come to court at the following hearing term. It will notify to the expert to transmit a copy of his answer to objections to each party before the hearing term.

On the next term - 12.05.2020 the file was suspended during the entire emergency state period.

On 23.06.2020 the case was deferred to enable the parties to get acquainted with the answer to objections. Also on the 21.07.2020 term the case was deferred and the settlement was: letter to the expert to show up in court.

Term was set on 22.09.2020.

▪ **OPCOM**

On 24.11.2014 the Electricity and Natural Gas Market Operator OPCOM SA summoned NPG Transelectrica SA in order to compel it paying the amount of 582,086 Euro (2,585,162 Lei at the National Bank of Romania exchange rate of 24.11.2014), representing the amount paid by it as fine, from the fine total amounting to 1,031,000 Euro, such request being included in file 40814/3/2014.

Previously, the Shareholders' General Assembly of the subsidiary SC OPCOM SA, at their meeting of 10.06.2014 decided upon full payment of the fine amounting to 1,031,000 Euro imposed by the Directorate General for Competition, European Commission for breaching of Article 102 of the Treaty on the European Union Functioning, according to the Decision AT 39984 in the antitrust case.

Also OPCOM SA requested the law court to compel the Company paying 84,867.67 Lei as legal interest related to the 11.06.2014 – 24.11.2014 time interval, which was added the law court expenses amounting to 37,828 Lei.

The case instituted by OPCOM SA is the subject of file 40814/3/2014, on the docket of Bucharest Tribunal, Section VI Civil, pertaining to claims, subject matter - dispute with professionals.

On 24.07.2015 during the law court session the instance admitted the summons filed by claimant Electricity and Natural Gas Market Operator OPCOM SA in contradiction with defendant National Power Grid Company Transelectrica SA and obliged the defendant to pay 582,086.31 Euro to the claimant which was the amount the claimant has paid instead of the defendant from the sum of the 1,031,000 Euro fine applied by Decision of the European Commission on 05.03.2014 in the case AT.39984, as well as the legal interest associated to 582,086.31 Euro, calculated from

11.06.2014 until actual payment. The instance also obliged the defendant payment 37,828 Lei as law court expenses, with appeal right within 30 days from notification. Transelectrica SA filed appeal against ruling 4275/2015 pronounced under the fore-mentioned file, which was registered on the docket of the Appeal Court Bucharest.

The Appeal Court's settlement in brief: it admits the appeal, it changes entirely the civil ruling appealed against, meaning it denies the suing as groundless. It compels the recurrent-claimant to pay law suit expenses amounting to 16,129 to the defendant, representing judiciary stamp fee. Appeal right within 30 days from notification. It was pronounced at public hearing on 10.10.2016. Document: Ruling 1517/2016 / 10.10.2016.

OPCOM S.A filed appeal which was registered with the High Court of Cassation and Justice.

Hearing term of the HCCJ: 13.03.2018. The High Court of Cassation and Justice's settlement in brief: It admits the appeal filed by the recurrent-claimant Electricity and Natural Gas Operator OPCOM SA against decision 1517/10.10.2016 pronounced by the Appeal Court Bucharest, Section V Civil. It invalidates the decision appealed against and referred the case to the appeal instance for new judgment; final.

On the 01.10.2018 hearing term the Appeal Court Bucharest decided denying the appeal as groundless and compelling the respondent in appeal-defendant to pay 26,070.31 Lei as law suit expenses to the respondent in appeal-claimant. Appeal right granted within 30 days from notification.

On 27.11.2018 NPG Transelectrica SA filed appeal which is under screening procedure with the HCCJ.

In 2014 the Company registered a provision amounting to 2,670,029 Lei for the dispute with Subsidiary OPCOM SA.

File 17765-3-2019 pertains to compelling defendant OPCOM SA to pay 4,517,460 Lei under the invoice series TEL 16 AAA 19533/29.07.2016, representing VAT value associated to the contribution of NPG Transelectrica SA to the share capital of OPCOM SA, issued under the Loan Contract 7181RO/2003, commitment to finance the investment "Electricity Market Project", compelling OPCOM SA to pay 1,293,778.27 Lei under invoices TEL 19 T00 17/28.01.2019 and TEL 19 T00 131/10.07.2019 representing penalty legal interest calculated for the failure to pay in due time invoice TEL 16 AAA 19533/29.07.2016.

The amount of 4,517,460 Lei - the main debt pertaining to point 1 of this case represents VAT associated to the share capital indexation of OPCOM SA by contribution

in kind, substantiated by received intangible assets corresponding to stage I A & stage II of contracts P081406-O-C78, P081406-C125 and P081406-C300.

On the hearing term of 27.09.2019 the exception of inadmissibility and the exception of prescription are denied as groundless. It denies the request as groundless. It denies as groundless the creditor's request to compel the debtor paying law suit expenses. Cancellation request granted within 10 days from notification to be submitted to Bucharest Tribunal, Section VI Civil.

On 22.11.2019, file 34249/3/2019, settlement in brief: Taking into account the provisions of article 94 para 3 from Internal Order Regulation of Law Courts, approved by CSM decision 1375/2015, according to which the appeal modes declared against the same ruling are settled by the initial panel and taking into consideration both the creditor and the debtor filed cancellation requests against the hearing conclusion 27.09.2019 pronounced by Bucharest Tribunal, Section VI Civil under file 17765/3/2019, pertaining to payment ordinance, it decided referring this file to settlement by the first panel assigned with settling an appeal against the hearing conclusion of 27.09.2019 pronounced by Bucharest Tribunal, Section VI Civil under file 17765/3/2019, namely Panel 11 AO initially attributed file **34022/3/2019** with respect to cancellation request.

On 06.05.2020 the file was suspended because of the emergency state.

▪ **CONAID COMPANY SRL**

In 2013 Conaid Company SRL sued NPG Transelectrica for its unjustified refusal to sign an addendum to the connection contract or a new connection contract an requested compensations amounting to 17,419,508 Lei for the expenses incurred until that date, as well as unachieved profits in 2013-2033 amounting to 722,756,000 Euro. To date the Company has not concluded an addendum to the connection contract because the suspensive conditions included in the contract were not complied with by Conaid Company SRL. A new connection contract should have been concluded by 11 March 2014, expiry date of the technical connection endorsement. On the date of these financial statements the amounts claimed by Conaid Company SRL were considered as contingent liabilities because it is unlikely to require resource output including economic benefit in order to settle such obligation, and the amount of such obligation cannot be assessed with sufficient credibility. File 5302/2/2013 was on the docket of the High Court of Cassation and Justice, Section of Administrative and Fiscal Disputes, pertaining to obligation to issue administrative deed;

case stage - appeal with hearing term on 09.12.2015. On this term the High Court of Cassation and Justice admitted in principle the appeals and established the hearing term on 08 April 2016 for the main issue of such. Judge panel 4 ruled, with the parties summoned.

Case judgment was deferred to 17.06.2016, when the instance again deferred pronouncement until 29.06.2016, when it pronounced Decision 2148/2016 stating as follows: "It denies the exceptions claimed by the recurrent-claimant Conaid Company SRL by means of the judiciary administrator RVA Insolvency Specialists SPRL and by the recurrent-defendant the National Power Grid Company Transelectrica SA. It admits the appeal filed by the National Power Grid Company Transelectrica SA against the hearing conclusion on 18 February 2014 and civil ruling 1866 / 11 June 2014, pronounced by the Appeal Court Bucharest, Section VIII of administrative & fiscal disputes. It cancels the contested conclusion and partly the ruling and refers the case to Bucharest Tribunal, Section VI Civil to settle the claimant's case in contradiction with the National Power Grid Company Transelectrica SA. It maintained the other provisions of the sentence as regards the claimant's case against the National Regulatory Authority in the Energy domain. It denies the appeals filed by claimant SC Conaid Company SRL by means of the judiciary administrator RVA Insolvency Specialists SPRL and by the intervenient SC Duro Felguera SA against civil ruling 1866 of 11 June 2014, pronounced by the Appeal Court Bucharest, Section VIII of Administrative and Fiscal Disputes. It denies the appeal filed by the defendant National Power Grid Company Transelectrica SA against the hearing conclusion of 25 March 2014, pronounced by the Appeal Court Bucharest, Section VIII of Administrative and Fiscal Disputes; final. It was pronounced at public hearing on 29 June 2016.

On the docket of Bucharest Tribunal, Section VI Civil the case was registered under no. 12107/3/2017. The Tribunal's Civil ruling 4364/23.11.2017 admits the inadmissibility exception and denies the request as inadmissible. It also denies the intervention request to the claimant's interest. Appeal right is granted within 30 days from notification. Appeal was filed to Bucharest Tribunal, Section VI Civil and the court clerk office put it at the parties' disposal on 23.11.2017.

On 02.11.2018 on the docket of Bucharest Tribunal, Section VI Civil a new suing request was filed by Conaid Company SRL under file 36755/3/2018, by which the claimant requested the court to compel Transelectrica SA to "repair the prejudice caused to the claimant as a result of the defendant's culpable non-execution of obligations in quantum of 17,216,093.43 Lei, consisting of actual damage incurred and unrealised benefit,

provisionally estimated at 100,000 Euro... taking into account the unjustified refusal of Transelectrica SA to conclude and sign an addendum to Contract C154/27.04.2012, and in case the instance deem in formal terms the claimant's obligation of suspensive terms cannot be considered as fulfilled, such non-execution is owed to the exclusive guilt of Transelectrica SA, as the defendant prevented the compliance with the terms".

On the 15.10.2019 term it denied as groundless the exceptions of absence of active processual capacity and absence of interest. It joined the exception of prescription to the main issue; appeal right on the same date with the main issue. It was pronounced by placing the settlement to the parties' disposal by means of the court clerk.

It established the term on 26.11.2019 to continue investigating the case and summon the parties; appeal right on the same date with the main issue. It was pronounced by placing the settlement to the parties' disposal by means of the court clerk.

It was deferred in order to bring the expertise evidence and a new term was established on 21.01.2020.

On 21.01.2020 the case was deferred in order to make the expertise and the following term was set on 31.03.2020.

On the 31.03.2020 term the file was suspended during the entire emergency state.

The new hearing term was established on 13.10.2020.

▪ **FF WIND ENERGY INTERNATIONAL SRL**

File **47332/3/2017** was registered on the docket of Bucharest Tribunal, Section VI Civil whereby Company FF Wind Energy International SRL requested in contradiction with NPG Transelectrica SA cancelling the one-sided statement to denounce the RET connection contract 85/14.03.2011 issued on 02.03.2016 under no. 8295, and compelling the Company to pay 32,777,167.35 Lei as prejudice following contract termination as well as 45,000,000 Euro, representing the devaluation quantum of Company FF Wind Energy International SRL by hindering its purpose.

On the 28.12.2018 hearing term the instance denied the suing as specified as being groundless. It ascertained the defendant had not requested law suit expenses. Appeal right granted within 30 days from notification. According to article 425 para 3 and article 471 para 1 of the Civil Procedural Code the appeal and its grounds were submitted to Bucharest Tribunal, Section VI Civil. Document: Ruling 3891/ 28.12.2018.

Company FF Wind Energy International SRL filed appeal, which was judged on 18.06.2019, while pronouncement was deferred until 23.07.2019, when the settlement in brief was the following: "It denies the appeal as groundless. Appeal right is granted within 30 days from notification. The appeal will be submitted to the Appeal Court Bucharest, pending nullity. It was pronounced at public hearing. Document: Ruling 1191/23.07.2019".

FF Wind filed appeal, which is under screening procedure with the High Court of Cassation and Justice.

On the 12.05.2020 hearing term the parties were notified about the report on the principle admissibility of the appeal filed by claimant FF Wind Energy International SRL by its judiciary administrator Aktiv Lex Insolvency SPRL against civil ruling 1191 of 23 July 2019, pronounced by the Appeal Court Bucharest, Section VI Civil, mentioning they are entitled to submit an opinion about the report within 10 days from notification.

▪ **NAFA**

A general fiscal inspection was conducted in the offices of Transelectrica SA targeting the time interval December 2005 – December 2010. Such fiscal general audit began on 14.12.2011 and ended on 26.06.2017, date of the final discussion with Transelectrica SA.

NAFA – DGAMC established additional fiscal obligations payable by the Company, namely income tax and VAT, as well as accessory fiscal liabilities (interest/delay indexations and penalties) with respect to technological system services (STS) invoiced by energy suppliers, considered non-deductible after the fiscal audit.

In accordance with taxation decision F-MC 439/30.06.2017, in total sum of 99,013,399 Lei, NAFA – DGAMC established additional fiscal liabilities payable by the Company, amounting to 35,105,092 Lei, as well as accessory fiscal ones (interest/delay indexations and penalties), amounting to 63,908,307 Lei.

NAFA's Tax inspection report mainly records the following additional payment liabilities: corporate tax amounting to 13,726,800 plus accessories, owed for a number of 123 unused invoices identified as missing (they were destroyed in the fire that broke out the night of 26-27 June 2009, at the business office from Millennium Business Centre from 2-4 Armand Calinescu Street, District 2, where the company carried out its activity), documents under special regime.

These invoices were subject to a dispute with NAFA, the latter sending a tax inspection report on 20 September 2011 which estimated the amount of collected VAT for a number of 123 unused invoices identified as missing.

The Company filed contestation against Taxation Decision F-MC 439/30.06.2017 within the legal term according to OG 92/2003 on the Civil Procedural Code.

NAFA issued the enforcement title 13540/22.08.2017 based on which the additional payment liabilities were executed as established under the Taxation Decision F-MC 439/30.06.2017.

The Company requested cancellation of the enforcement title 13540/22.08.2017 from the Appeal Court, under file 7141/2/2017. Settlement in brief: it admitted the exception of material incompetence of the Appeal Court Bucharest, SCAF. It declined the material competence of case settlement in favour of Law Court of Bucharest 1; no appeal granted. It was pronounced at public hearing on 08.02.2018. Document: Ruling 478/2018 din 08.02.2018.

After such declination of competence file 8993/299/2018 was registered on the docket of Law Court of Bucharest 1 whereby the Company contested the enforcement made under the enforcement title 13540/22.08.2017, based on the Taxation Decision F-MC 439/30.06.2017.

After the Company's contestation of the fiscal administrative deed Decision F-MC 439/30.06.2017 NAFA notified the Company Decision 122/13.03.2018 whereby it rejected as groundless the contestation filed by NPG Transelectrica SA, such decision being received on 16.03.2018, after submitting the summons under file 1802/2/2018.

Settlement in brief: It admitted the judgment suspension request filed by the contestator. In accordance with article 413 para (1) pct. 1 of the Civil Procedural Code it suspended judgment until final settlement of file 1802/2/2018, on the docket of the Appeal Court Bucharest, Section VIII Administrative and Fiscal Disputes. Appeal right was granted during the entire suspension; appeal to be submitted to the Law Court Bucharest 1. It was ruled in open court. Document: Conclusion - Suspension 17.04.2018.

Case file **1802/2/2018** is found on the docket the Appeal Court by which the Company contested the administrative fiscal Decision F-MC 439/30.06.2017.

On the session term 06.11.2018 the court admitted the administration of the expertise evidence, in the accounting – fiscal specific domain.

At CAB's hearing term on 21.07.2020 the pronouncement was deferred.

On 30.07.2020 the case was returned on the docket for additional explanations.

The following term was established on 22.09.2020.

▪ ROMENERGY INDUSTRY

File **2088/107/2016** on the docket of Alba Tribunal pertained to "Bankruptcy & request to be admitted in the creditors' list".

Transelectrica filed request to be recorded in the creditors' list with 16,112,165.18 mill Lei; the receivable was admitted and recorded in the preliminary Table.

Settlement in brief: It established the term on 14.10.2019 to continue the bankruptcy procedure by capitalising the assets and recovering the receivables. The judiciary liquidator was to execute and submit to the file: - every 15th day of the month the monthly activity reports of the preceding month as provided in para 1 of article 59 from Law 85/2014; - 5 days before the verification term the synthetic report of 120 days, provided in the final part of para 3 of article 59, Law 85/2014.

At the deadline of 27.01.2020a verification deadline is set for 11.05.2020 for the continuation of the bankruptcy procedure by capitalising the assets and recovering the receivables. The judiciary liquidator will draw up and submit to the file: - in each of 15th day of the month for the previous month the monthly activity reports provided by par. 1 of article 59 Law 85/2014; - for the verification term, 5 days before the term, the synthesis at 120 days, provided by the final part of para 3 of article 59 Law 85/2014.

On 11.05.2020 judgment was suspended by full right during the emergency state instituted in Romania.

On the 22.06.2020 term the case was deferred. Settlement in brief: the report was approved on the funds obtained from liquidating the debtor's assets and the distribution plan of 03.06.2020.

The next term was set on 05.10.2020.

▪ DAGESH ROM

File **17284/3/2015** on the docket of Bucharest Tribunal / Appeal Court pertained to: claims amounting to 2,784,950 Lei, representing lease indexation and delay penalties for such rent indexation + 168,500 Lei representing a difference of service fee and delay penalties.

Settlement of TMB

It compelled the claimant to pay 2,250 Lei as law suit expenses to the defendant.

Appeal right was granted within 30 days from notification, to be submitted to Bucharest Tribunal, Section VI Civil. It was pronounced at public hearing; ruling 7230/15.11.2016.

Settlement of CAB: Dagesh filed appeal on 04.10.2017. Settlement in brief: It admitted the appeal. It partly changed the contested ruling; it partly admitted the summons, namely it compelled the defendant to pay 76,265.23 Lei as service fee difference for 2012 and 76,265.23 Lei as related delay penalties. It maintained the other ruling provisions appealed against. It compelled the recurrent defendant paying to the recurrent claimant 31,877.45 Lei as law suit expenses, for first instance and appeal; appeal right within 30 days from notification. Appeal will be submitted to the Appeal Court Bucharest, Section VI Civil. It was pronounced at public hearing. Document: Ruling 810/20.04.2018. It denied the appeals as groundless; final.

▪ RESITA CITY

File **2494/115/2018*** registered on the docket of Caras Severin Tribunal pertains to summons whereby the claimant Resita City requests compelling defendant Transelectrica SA to pay the following amounts:

- 2,129,765.86 Lei representing rent for the land temporarily taken up from the forest fund in 2015;
- 2,129,765.86 Lei representing land rent for 2016;
- 2,129,765.86 Lei representing land rent for 2018;
- Legal penalty interest from due date until actual payment.

Settlement in brief: It admitted the exception of territorial incompetence for Caras Severin Tribunal. It declined the settlement competence of the request filed by claimant Resita City through the mayor in contradiction with defendant NPG Transelectrica SA in favour of Bucharest Tribunal. No appeal according to article 132 para 3 Civil Procedural Code. It was pronounced at public hearing on 11 March 2019. Document: Ruling 313/11.03.2019

On the hearing term of 25.10.2019 the exception is admitted of territorial incompetence of Bucharest Tribunal. It declined the settlement competence of this case in favour of Caras-Severin Tribunal. It ascertains the occurrence of a negative competence conflict between Bucharest Tribunal and Caras-Severin Tribunal. It suspended the case and referred the file to the High Court of Cassation and Justice, in order to settle the negative competence conflict. No appeal was granted; pronouncement will take place by placing the settlement at the parties' disposal through the court clerk by Ruling 2376/25.10.2019.

The High Court of Cassation and Justice on the 16.07.2020 term by ruling 1578 established the settlement competence of this case in favour of Caras Severin Tribunal, Section I civil; final.

▪ ELCEN

By appealing the judicial administrator's decision to refuse to answer the payment request under file **6642/3/2018** registered with the Bucharest Tribunal, Transelectrica asked that ELCEN SA, a debtor under the insolvency procedure, should be compelled to pay 56,680,387 Lei, i.e. the equivalent value of the over-compensation, based on Decision 476/30.03.2017 of ANRE President.

Settlement in brief of Bucharest Tribunal: It rejected as unfounded the exception for the late appeal invoked by the defendant ELCEN in the appeal. It admitted the appeal filed against the measure of the judiciary administrator. It compels the debtor to pay the appellant the amount of 56,680,387 Lei, i.e. the non-paid difference for the Overcompensation decision 476/30.03.2017 and the invoice series TEL17COG 17948/30.03.2017. It admits the request to compel the debtor to pay legal expenses.

It compels the debtor to pay the appellant 2500 Lei as legal expenses, representing a stamp fee and a provisional expertise fee. Appeal right granted within 7 days from notification. Appeal to be submitted to Bucharest Tribunal, Section VII Civil. It was ruled at public hearing on 21.12.2018. Document: civil ruling 7834/21.12.2018.

Elcen filed appeal, which was denied as groundless by ruling 1035/11.06.2019; final.

▪ ASITO KAPITAL SA

On 01.07.2017 the Company filed summons with respect to issuing payment ordinance, case under file 24552/3/2017 on the docket of Bucharest Tribunal, Section VI Civil, requesting the instance to pronounce decision compelling debtor ASITO KAPITAL SA to pay 7,058,773.36 Euro (equivalent to 31,180,857.96 Lei) representing security policies for down payments BR 1500544/18.11.2015 and BR 1500520/29.07.2015.

Taking into account the cancellation request filed by ASITO KAPITAL SA against decision 4067/2017 the Company constituted a provision for disputes amounting to 31.180.858 Lei.

Settlement in brief: It admits the request and orders the debtor to pay 2,237,750.83 Euro within 20 days from receipt of this decision (equivalent of 9,948,592.64 Lei at the exchange rate 1 Euro = 4.4458 Lei) representing unreturned down payment secured under the security letter BR-1500544/18.11.2015 as well as 4,821,022.53 Euro (equivalent of 21,233,265.32 Lei at the exchange rate 4.4041 Lei / Euro) representing unreturned down payment secured under the security letter BR-1500520/29.07.2015; 200 Lei as law suit expenses.

Cancellation request right is granted in 10 days from notification.

Ruling 4067/07.11.2017 was drafted and notified to both parties on 17.10.2018.

On 01.11.2018 Decision 4067/07.11.2017 was legalised and submitted to BEJ Raileanu in view of executing the enforcement title.

On 06.11.2018, ASITO KAPITAL SA paid the Company the amount of 31,181,857.96 as follows:

- 21,233,265.32 according to Civil Ruling 4067/2017 (4,821,022.53 EUR at 4.4041 / 1 LEU);

- 9,948,592.64 according to Civil Ruling 4067/2017 (2,237,750.83 EUR at 4.4458 / 1 LEU).

In case of file 35865/3/2018 (former file 24552/3/2017) the hearing term was set on 19.02.2019 to settle the cancellation request for the payment ordinance providing return of 31.2 mill Lei. Pronouncement was deferred on 20.03.2019.

On the 19.02.2019 term when the juridical inquiry ended and the floor was given to the parties for exceptions, evidence and the case substance matter the instance deferred pronouncement twice until 20.03.2019. After deliberation Bucharest Tribunal pronounced the following settlement in brief:

- It denied the request with respect to reversing the enforcement as inadmissible.
- It denied as groundless the request to return the stamp tax relating to the request with respect to reversing the enforcement.
- It denied the cancellation request filed by the contester-debtor ASITO KAPITAL SA against Civil ruling 4067/07.11.2017 pronounced by Bucharest Tribunal, Section VI Civil under file 24552/3/2017, in contradiction with the recurrent - creditor National Power Grid Company TRANSELECTRICA SA as groundless; final. It was pronounced at public hearing on 20.03.2019.

Document: Ruling 743/2019 /20.03.2019.

The court clerk office certificate issued on 18.04.2019 by Bucharest Tribunal, Section VI Civil certified Ruling 743/2019 /20.03.2019.

On 04.10.2019 Asito Kapital filed appeal against Civil Sentence 3840/19.12.2018 and the file was submitted to the Appeal Court Bucharest to settle such appeal; the hearing term has not been set to date. Transelectrica filed contestation within the legal term and the hearing term has to be set.

On the 11.11.2019 term the case was deferred. Settlement in brief: It admits the request; it spreads out the stamp judiciary fee owed by the complainers under this case in quantum of 185,790.30 Lei into 3 equal monthly instalments due on the 20th day of each month, beginning to November 2019, in quantum of 61,930.10 Lei each. Re-examination request right was granted within 15 days from notification.

On 17.02.2020 the case file was deferred taking into account Decision 3/06.02.2020 of the General assembly of judges from the Appeal Court Bucharest, deciding to continue the protest forms previously applied which consisted in suspending the activity beginning with 22.01.2020, except for urgent cases of civil law.

On the hearing term 18.05.2020 the appeal was denied as groundless. Appeal right was granted within 30 days from notification; Ruling 287/18.05.2020.

At the same time the Company is also involved in disputes with former Directorate and Supervisory Board members as regards their mandate contracts concluded with the Company.



Annexes

ANNEX 1: Stand-alone statement of financial position

[RON mn]	H1 2020	2019	Δ	Δ (%)
	1	2	3=1-2	4=1/2
ASSETS				
Non-current assets				
Tangible assets	3,429	3,440	(11)	(0%)
Intangible assets	27	23	4	17%
Financial assets	82	82	0	0%
Assets of the usage rights for leased assets - buildings	2	6	(4)	(67%)
Total non-current assets	3,540	3,551	(11)	(0.3%)
Current assets				
Inventories	42	38	4	11%
Trade and other receivables	613	706	(94)	(13%)
Other financial assets	92	85	7	8%
Cash and cash equivalents	428	321	107	33%
Total current assets	1,174	1,150	25	2%
Total assets	4,715	4,700	14	0%
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' Equity				
Share capital, of which:	733	733	0	0%
<i>Subscribed share capital</i>	733	733	0	0%
Share premium	50	50	0	0%
Legal reserves	129	129	0	0%
Revaluation reserves	880	922	(42)	(5%)
Other reserves	16	16	0	0%
Retained earnings	1,556	1,434	122	8%
Total shareholders' equity	3,364	3,284	80	2%
Non-current liabilities				
Long term deferred revenues	361	361	0	0%
Long term borrowings	113	123	(10)	(8%)
Deferred tax liability	135	137	(2)	(2%)
Employee benefits liabilities	64	64	(0)	(0%)
Total non-current liabilities	672	684	(12)	(2%)
Current liabilities				
Trade and other liabilities	417	556	(140)	(25%)
Other loans and assimilated liabilities - Leasing of building	2	6	(4)	(67%)
Other tax and social security liabilities	9	9	1	8%
Short-term borrowings	142	56	87	156%
Provisions	70.0	70.0	(0)	(0%)
Short-term deferred revenues	29	37	(8)	(21%)
Income tax payable	9	(2)	11	n/a
Total current liabilities	679	732	(54)	(7%)
Total liabilities	1,351	1,416	(66)	(5%)
Total shareholders' equity and liabilities	4,715	4,700	14	0%

ANNEX 2: Stand-alone profit or loss statement

[RON mn]										
Indicator	2019	2018	H1 2020	H1 2019	Budgeted H1 2020	Achieved 2020 vs 2019	Achieved 2020 vs 2019 (%)	Achieved vs Budgeted 2020	Achieved vs Budgeted 2020 (%)	
0	1	2	3	4	5	6=3-4	7=3/4	8=3-5	9=3/5	
Operating revenues										
Transmission revenues	1,082	1,070	507	552	532	(45)	(8%)	(25)	(5%)	
System services revenues	742	702	392	328	412	65	20%	(20)	(5%)	
Balancing market revenues	523	904	166	280	332	(114)	(41%)	(165)	(50%)	
Other revenues	51	46	24	24	28	(0)	(0%)	(4)	(13%)	
Total operating revenues	2,398	2,722	1,090	1,184	1,304	(94)	(8%)	(214)	(16%)	
Operating expenses										
System operating expenses	352	309	143	180	183	(37)	(21%)	(40)	(22%)	
Balancing market expenses	523	904	166	280	332	(114)	(41%)	(165)	(50%)	
Technological system services expenses	676	678	298	353	374	(55)	(16%)	(76)	(20%)	
Depreciation and Amortisation	280	298	136	142	131	(6)	(4%)	5	4%	
Personnel expenses	212	189	108	103	125	5	5%	(17)	(13%)	
Repairs and maintenance expenses	102	91	37	44	40	(8)	(17%)	(3)	(8%)	
Materials and consumables	9	12	3	3	7	0	0%	(4)	(52%)	
Other operating expenses	118	141	53	39	72	14	36%	(19)	(26%)	
Total operating expenses	2,271	2,620	945	1,144	1,264	(200)	(17%)	(319)	(25%)	
Operating profit	126	101	145	40	40	106	267%	105	265%	
Finance income	10	17	5	6	4	(1)	(14%)	1	14%	
Finance expenses	17	25	7	10	7	(3)	(33%)	(1)	(7%)	
Net finance result	(7)	(8)	(2)	(4)	(3)	3	57%	1	37%	
Profit before income tax	119	93	143	35	37	108	307%	106	290%	
Income tax	15	12	28	5	5	23	462%	23	439%	
Net profit	104	81	116	30	32	85	282%	84	265%	

ANNEX 3: Stand-alone cash flow statement

[RON mn]	H1 2020	H1 2019	Δ	2020 vs 2019 (%)
Cash flows from operational activities				
Profit of the period	115.5	30.2	85	282%
Income tax expense	27.7	4.9	23	462%
Amortisement expense	131.9	135.5	(4)	(3%)
Expenses with adjustments for trade receivables impairment	0.7	3.8	(3)	(81%)
Revenues from reversal of adjustments for trade receivables impairment	(1.5)	(2.4)	1	38%
Net revenues with adjustments for various debtors impairment	0.9	(0.7)	2	228%
Net expenditures with adjustments for inventories impairment	0.2	0.1	0	51%
Net profit/ loss on sale of tangible assets	0.02	0.0	0	n/a
Net expenditures on adjustments of value regarding tangible assets	0.6	1.4	(1)	(57%)
Expenses/Revenues regarding provisions for risks and expenses, net	(0.0)	(31.3)	31	100%
Interest expense, interest revenue and unrealised exchange rate gains	2.2	4.7	(2)	(53%)
Cash flows before changes to working capital	278.2	146.3	132	90%
Changes in:				
Clients and assimilated accounts - energy and other activities	72.1	(6.1)	78	n/a
Clients – balancing	21.5	253.6	(232)	(92%)
Clients – cogeneration	(0.1)	(7.2)	7	98%
Inventories	(4.0)	(4.7)	1	15%
Trade and other liabilities - energy and other activities	(49.0)	(95.3)	46	49%
Liabilities - balancing	(19.2)	(289.8)	271	93%
Liabilities - cogeneration	(86.0)	(64.7)	(21)	(33%)
Other taxes and social insurance liabilities	0.7	(1.8)	2	136%
Deferred revenues	(7.6)	(13.2)	6	42%
Cash flows from operational activities	206.5	(82.9)	289	349%
Interests paid	(4.2)	(4.6)	0	10%
Income tax paid	(19.4)	(5.3)	(14)	(267%)
Net cash generated from operational activities	182.9	(92.9)	276	297%
Cash flows from the investment activity				
Acquisition of tangible and intangible assets	(111.6)	(100.8)	(11)	(11%)
Participation titles held in SELENE CC Societe Anonyme	(0.2)	0.0	(0)	n/a
Received Interests	3.7	2.2	1	67%
Other financial assets	(7.0)	(50.0)	43	86%
Net cash used in investments	(115.1)	(148.6)	33	23%
Cash flows used in financing activities				
Repayments of non-current borrowings	(13.2)	(39.5)	26	67%
Utilisation of the credit line for cogeneration	117.4	161.8	(44)	(27%)
Bond repayment	(29.5)	0.0	(30)	n/a
Dividends paid	(35.2)	(66.4)	31	47%
Net cash used for financing	39.5	55.8	(16)	(29%)
Net diminution of cash and cash equivalents	107.3	(185.6)	293	158%
Cash and cash equivalents on 1 January	320.8	482.2	(161)	(33%)
Cash and cash equivalents at the end of the period	428.1	296.5	132	44%

ANNEX 4: Economic-financial indicators of the reporting period

Indicators	Formula	H1 2020	2019
Current liquidity ratio (x)	$\frac{\text{Current assets}}{\text{Current liabilities}}$	1.73	1.57
Indebtedness indicators (x):			
(1) Indebtedness indicator	$\frac{\text{Debt capital} \times 100}{\text{Shareholder's equity}}$	7.6%	5.4%
(2) Indebtedness indicator	$\frac{\text{Debt capital} \times 100}{\text{Committed capital}}$	7.0%	5.2%
Clients' turnover (days)	$\frac{\text{Average client balance}^* \times \text{no.days}}{\text{Turnover}}$	75.08	98.46
Non-current assets turnover (x)	$\frac{\text{Turnover}}{\text{Non-current assets}}$	0.30	0.66

* The clients contributing to the turnover (energy, balancing, other clients, and clients with invoices to issue) were taken into consideration. The values corresponding to doubtful clients, the cogeneration scheme and the overcompensation were not included in the average balance.

ANNEX 5: Amending the Company's Articles of Association in 2020

- Amendment of article 7 para (2) point 1 from the Articles of association by replacing the phrase "Romanian State through the Ministry of Economy" with the phrase "Romanian State through the Secretariat General of the Government" approved by decision 3 of AGEA on 06 March 2020.
- Changing the title of article 3 from the Articles of association by replacing the wording "Company Offices, Subsidiaries, Branches and secondary offices" by "Company Offices, Subsidiaries, Secondary offices";
 - Amending paragraph (3) of Article 3, new wording as follows: "(3) Transelectrica comprises subsidiaries organised as joint-stock companies, namely Company Electricity Market Operator Opcom SA, Company for Maintenance Services to the Electricity Transmission Grid Smart SA, Training Company for Power Engineers in Romania FORMENERG SA, Company of Telecommunications and Information Technology Services in Electricity Transmission Networks TELETRANS SA, Trading Company Subsidiary Energy Research and Modernising Institute ICEMENERG SA Bucharest, Subsidiary Company ICEMENERG-SERVICE SA Bucharest, and secondary offices without legal personality for transmission and dispatch activities provided in Annex 1 of these Articles of association".
 - Amending paragraph (4) of Article 3, new wording as follows: "(4) The Company can establish other secondary offices as well without legal personality, situated in other localities from the country or abroad, which will be organised as subsidiaries, territorial units, representation offices, agencies, working points or other similar units without legal personality according to legal provisions".
 - Amending letter f) of paragraph (3) from Article 21, new wording as follows: "f) establishing or cancelling Company's secondary offices, in the country or abroad (subsidiaries, territorial units, representation offices, agencies or other similar units without legal personality)".
 - Amending letter (i) of Article 25, new wording as follows: "(i) approving with the Supervisory Board's agreement the establishment or cancellation of secondary offices (subsidiaries, territorial units, representation offices, agencies or other similar units without legal personality)".
 - Amending paragraph (3) al Article 26, new wording as follows: "(3) The leaders of subsidiaries, territorial units or of other Company secondary offices will not have the capacity to represent the Company in commercial transactions unless the representation capacity was delegated expressly by the Directorate and only within the competence limits established by the Directorate".
 - Amending paragraph (2) of Article 30, new wording as follows: "(2) Hiring and dismissing the personnel from the subsidiaries or territorial units of Transelectrica are performed by the leader of the secondary offices within the competence limit delegated by the Directorate".
 - Changing the Title of Annex 1, new wording as follows: "LIST comprising the territorial transmission units, the system operators and the subsidiaries of the National Power Grid Company Transelectrica SA".
 - Amending item 1 of Annex 1, new wording as follows:

“1. Territorial transmission Units of Transelectrica

No.	Name of the Territorial transmission unit	Locality	Offices
1.	Territorial Transmission Unit Bacau	Bacau	Str. Oituz no. 41
2.	Territorial Transmission Unit Bucharest	Bucharest	Sos. Stefan cel Mare no. 1A, sector 1
3.	Territorial Transmission Unit Cluj	Cluj	Str. Memorandumului no. 27
4.	Territorial Transmission Unit Craiova	Craiova	Str. Brestei no. 5
5.	Territorial Transmission Unit Timișoara	Timisoara	Str. Piata Romanilor no. 11
6.	Territorial Transmission Unit Constanta	Constanta	Blvd. Alexandru Lapusneanu no. 195 A, bl. LAV1, ground floor & mezanine
7.	Territorial Transmission Unit Pitesti	Pitesti	Str. Fratii Golesti no. 25 B
8.	Territorial Transmission Unit Sibiu	Sibiu	Blvd. Corneliu Coposu no. 3

All these changes were approved by Decision 7 of AGEA on 28 May 2020.

ANNEX 6: Appointment / recalling deeds in 2020

Directorate

- In accordance with Decision 2/09.01.2020 of CS
 - Supervisory Board members acknowledged the renouncement to Mr. Ioan FOLESCU's mandate of provisional Directorate member beginning with 09.01.2020.
- In accordance with Decision 3/09.01.2020
 - Supervisory Board members designated Mr. Corneliu-Bogdan MARCU as provisional Directorate member from 09.01.2020 until 20 April 2020.
- In accordance with Decision 30/08.04.2020 of CS
 - Supervisory Board members decided by unanimous votes to extend by two months, beginning with 21 April 2020 until 20 June 2020 of the mandates for provisional Directorate members to the following persons: Catalin NITU, Ionut-Bogdan GRECIA, Andreea-Mihaela MIU and Bogdan MARCU,
 - They designated Mr. Marius Viorel STANCIU as provisional Directorate member beginning with 21 April 2020 until 20 June 2020.
- In accordance with Decision 42/09.06.2020 of CS
 - They designated as provisional Directorate members the following persons: Catalin NITU, Ionut-Bogdan GRECIA, Andreea-Mihaela MIU, Bogdan MARCU and Marius Viorel STANCIU for four months beginning with 21 June 2020 with possible extension with two more months for sound reasons, mandate period which will not exceed the completion date of the selection procedure for Directorate members of the Company, according to the provisions of OUG 109/2011.

Supervisory Board

- In accordance with Decision 1/06.01.2020 of CS and AGOA Decision 1/06 March 2020
 - Mr. Ciprian Constantin DUMITRU was appointed provisional Supervisory Board member with mandate term until 29 March 2020, but no later than the appointment day of a Supervisory Board member by the Shareholders' General Assembly.
- In accordance with Decision 16/06.02.2020 of CS
 - In accordance with letter 4657/03.02.2020 Mr. Jean BADEA gave up as of 04.02.2019 his mandate of provisional Supervisory Board member in the Company.
- In accordance with Decision 18/07.01.2020 of CS and AGOA Decision 1/06 March 2020
 - Mrs. Mihaela CONSTANTINOVICI was appointed provisional Supervisory Board member with mandate term until 29 March 2020, but no later than the appointment day of a Supervisory Board member by the Shareholders' General Assembly.
- In accordance with Decision 19/11.02.2020 of CS and AGOA Decision 1/06 March 2020

- Mr. Mircea Cristian STAICU was appointed provisional Supervisory Board member with mandate term until 29 March 2020, but no later than the appointment day of a Supervisory Board member by the Shareholders' General Assembly.
- In accordance with AGOA Decision 4/26 March 2020
 - Approving the extension of mandates for provisional Supervisory Board members for two months beginning with 30 March 2020 until 29 May 2020 for the following persons: Adrian GOICEA, Luiza POPESCU, Oleg BURLACU, Valentin Jean COMANESCU, Mihaela CONSTANTINOVICI, Ciprian Constantin DUMITRU and Mircea Cristian STAICU.
- In accordance with AGOA Decision 6/28 May 2020
 - Approving the extension of mandates for provisional Supervisory Board members for four months beginning with 30 May 2020 until 29 September 2020 for the following persons: Adrian GOICEA, Luiza POPESCU, Oleg BURLACU, Jean-Valentin COMANESCU, Mihaela CONSTANTINOVICI, Ciprian Constantin DUMITRU and Mircea Cristian STAICU.
- In accordance with Decision 40/02.06.2020 of CS
 - Mr. Adrian GOICEA is elected Chairman of the Supervisory Board.

ANNEX 7 REPORT (according to HAGEA 4/29.04.2015) on the contracts signed in H1/ 2020 to procure assets, services and work, which value is higher than 500,000 Euro/purchase (for assets and work) and above 100,000 Euro/purchase (for services)

No.	Contract number	Contractual object	Term	Value		Contract type	Legal base	Procurement procedure
				thousand RON	thousand Euro			
0	1	2	3	4	5	6	7	8
1	C 50/2020	Installation / disassembling work to the system of emergency intervention poles	48	9.680	-	Work	Law 99/2016 + HG 394/2016	Open bid
2	SB 10/2020	Research and development centre for live work (LW) technologies and fast intervention into SEN - stage 2	24	4.274	-	Work	Law 99/2016 + HG 394/2016	Simplified procedure
3	C 140/2020	Upgrading the 220/110 electric substation Raureni	18	13.719	-	Work	Law 99/2016 + HG 394/2016	Open bid
4	C 127/2020	Extending the 400 kV substation Gura Ialomitei by two bays: 400 kV OHL Cernavoda 2 & 3, equipment procurement, installation and services	12	5.603	-	Work	Law 99/2016 + HG 394/2016	Open bid
5	C 101/2020	Capital repairs to 400 kV double circuit OHL Tantareni - Kozlodui 1+2	48	34.425	-	Work	Law 99/2016 + HG 394/2016	Open bid
6	C 90/2020	Composite and hardened glass insulation for 110-400 kV installations (framework agreement)	18	2.917	-	Work	Law 99/2016 + HG 394/2016	Open bid
7	CT 782/2020	Optimising the operation of the 400 kV OHL Isaccea-Tulcea west and the 400 kV OHL Gura Ialomitei - Lacu Sarat by installing monitoring systems	24	2.847	-	Work	Law 99/2016 + HG 394/2016	Open bid
8	C 77/2020	SDH communication equipment, N-E ring	12	3.010	-	Work	Law 99/2016 + HG 394/2016	Open bid
9	C 69/2020	Connecting the 400 kV OHL Isaccea-Varna and the 400 kV OHL Isaccea-Dobrudja in the 400 kV substation Medgidia Sud, stage I – extending the 400 kV substation Medgidia Sud	11	29.156	-	Work	Law 99/2016 + HG 394/2016	Open bid
10	C 52/2020	Bank revolving credit line necessary to provide the operation of the support scheme under optimum conditions	12	3.913	-	Services	Law 99/2016 + HG 394/2016	One's own procedure
11	C 47/2020	Technical support services associated to Oracle licenses	36	2.336	-	Services	Law 99/2016 + HG 394/2016	Open bid
12	BC 630/2020	Cleaning services within the offices of TB Bucharest and centres	24	593	-	Services	Law 99/2016 + HG 394/2016	Open bid
13	CR 16/2020	Maintenance services for the passage ways of OHL-s in areas with tree vegetation	12	528	-	Services	Law 99/2016 + HG 394/2016	Open bid

14	C 86/2020	Cleaning services for the buildings of NPG Transelectrica SA - executive and UNO-DEN	24	840	-	Services	Law 99/2016 + HG 394/2016	Open bid
15	C 85/2020	Specific consultancy services for work/services to the 110-750 kV overhead lines	48	6.816	-	Services	Law 99/2016 + HG 394/2016	Open bid
16	C 75/2020	Support services to build and operate electronic communication networks in order to use the excess optical fibre capacity existent in Transelectrica, keeping control in NPG Transelectrica SA for 5 years	60	4.800	-	Services	Law 99/2016 + HG 394/2016	Negotiation, NO preliminary invitation
17	CR 20/2020	Specific guard & monitoring services and fast intervention to the objectives of UTT Craiova for 6 months	6	1.112	-	Services	Law 99/2016 + HG 394/2016	Negotiation, NO preliminary invitation

Annex 6 – Glossary

„ANRE”	National Regulatory Authority in the Electricity domain
„BAR”	Regulated asset base
„BVB”	Bucharest Stock Exchange, operator of the regulated market where the Shares are transacted
„CEE”	European Economic Community
„Companie”. „CNTEE”. „TEL”	National Power Grid Company Transelectrica SA
„CPT”	One’s own Technological Consumption (grid losses)
„CS”	Supervisory Board
„DEN”	National Power Dispatcher
„EBIT”	Operational profit before interest and income tax
„EBITDA”	Operational profit before interest, income tax and amortisement
„EBT”	Operational profit before income tax
„ENTSOE”	European Network of Transmission and System Operators for Electricity
„HG”	Governmental decision
„IFRS”	International Financial Reporting Standards
„LEA”	Overhead lines
„Leu” or „Lei” or „RON”	Romania’s official currency
„MFP”	Ministry of Public Finance
„MO”	Romania’s Official Gazette
„OG”	Governmental ordinance
„OPCOM”	Operator of Romania’s Electricity Market OPCOM SA
„OUG”	Governmental emergency ordinance
„PZU”	Day-ahead Market
„RET”	Electricity Transmission Grid, electric network of national and strategic interest and nominal line voltage above 110 kV
„SEN”	National Power Sector
“RS”	Secondary control – frequency restoration reserve
“RTL”	Slow tertiary control – replacement reserve
„SMART”	Trading Company for Maintenance Services to the Electricity Transmission Grid SMART SA
„SSF”	Functional system services
„SST”	Technological system services
„TEL”	Stock exchange indicator for Transelectrica
„TSR”	Total shareholders’ return
„UE”	European Union
„u.m.”	Measuring unit
„USD” or “dolari US”	American dollar, official currency of the United States of America
„WACC”	Weighted average cost of capital

