



Societate Administrată în Sistem Dualist

Compania Națională de Transport al Energiei Electrice
Transelectrica SA - Punct de lucru: Str. Olteni, nr. 2-4, C.P. 030786, București
România, Număr înregistrare Oficiul Registrului Comerțului J40/8060/2000,
Cod Unic de înregistrare 13328043 Telefon +4021 303 56 11, Fax +4021 303 56 10
Capital subscris și vărsat: 733.031.420 Lei
www.transelectrica.ro

No.26283/22.06.2021

NOTE

Regarding the Financial Results included in the 2020 Annual Report in accordance with the stand-alone Financial Statements as of 31.12.2020 approved by Decision 3 of the Shareholders' General Ordinary Assembly of the National Power Grid Company Transelectrica SA of 22 June 2021

The attached Note provides the key Financial Figures, stock exchange Information, profit distribution and the Financial Report, which have been updated in line with stand-alone Financial Statements elaborated in accordance with Order 2844/2016 of the Minister of Public Finance, with later amendments and additions for approval of Accounting Regulations compliant with the International Financial Reporting Standards approved by decision 3 of 22 June 2021 of the Shareholders' General Ordinary Assembly of the National Power Grid Company Transelectrica SA.

Such update of the stand-alone financial statements is in accordance with majority shareholder's request, namely the difference resulting between the estimated provision provided for employees' participation to profit and the amount that can be paid thereof should be shown in the 2020 profit and implicitly in the dividends owed to shareholders for 2020. The Company made the change, which was approved by decision 3 of 22.06.2021 of the Shareholders' General Assembly and the effect on the result of the financial year 2020 was an increase of 5,064 thousand Lei.

DIRECTORATE

Chairman	Member	Member	Member	Member
Catalin NITU	Andreea-Mihaela MIU	Ovidiu ANGHEL	Corneliu-Bogdan MARCU	Marius-Viorel STANCIU

Key figures

FINANCIAL HIGHLIGHTS					OPERATIONAL				
RON	2,367	mn	▼	1%	Revenues				
				y/y					
RON	448	mn	▲	13%	EBITDA				
				y/y					
RON	145	mn	▲	51%	Net profit				
				y/y					
TWh	53.85		▼	3%	Charged energy volume*				
				y/y					
RON	554	mn	▲	73%	Liquidity				
				y/y					
						2.19	*	▼	0,09
						%			pp
									OTC
									y/y
						53.02		▼	5%
						TWh			y/y
									Net internal production
						2.78		▲	83,8%
						TWh			y/y
									Import sold**
						55.81		▼	3%
						TWh			y/y
									Net internal consumption
						42.86		▼	1%
						TWh			y/y
									Transported energy***

INVESTMENTS					
RON	375	mn	▲	55%	Acquisition of tangible and intangible assets
				y/y	
RON	176	mn	▲	3%	Fixed assets recorded in the accounts (commissioning)
				y/y	

* The share of the own technological consumption in the electricity taken over by the electric transmission network (the energy transmitted)

** Balance of cross-border physical flows (export-import) aggregated across borders

*** The quantity transmitted is defined by the amount of electricity physically transmitted in the transmission network

**** The tariff amount is defined by the amount of electricity extracted from public electricity networks (transmission network and distribution networks), less electricity exports

Note: For the ease of reading and understanding the results, some figures presented in graphs and / or tables use mill. Lei as unit of measure and are rounded to this unit. This presentation convention might cause, in certain cases, minor differences between the total figures obtained by adding up the components.

Table 1: Stock exchange information, 2020-2018

Indicator	2020	2019	2018
Number of shares	73,303,142	73,303,142	73,303,142
Stock exchange capitalisation (mill Lei)	1,877	1,448	1,576
Stock exchange capitalisation (mill Euro)	385	303	338
Maximum price (Lei/share)	25.60	22.15	27.25
Minimum price (Lei/share)	15.00	19.48	19.40
Price at the beginning of the year (Lei/share)	19.75	21.50	24.55
Price at year-end (Lei/share)	25.60	19.75	21.50
Profit per share (Lei/share)	1.98	1.31	1.11
PER	12.95	13.92	19.38
P/BV	0.56	0.51	0.57
Gross dividend per share (Lei)	0.59	0.00	0.00
Special gross dividend per share (Lei)*	0.00	0.00	0.91
Dividend return**%	0.02	0.00	0.00
Free Float %	41.31	41.31	41.31

*** special dividend according to HG 29/2017

** the dividend return submitted for approval in the General Assembly of Shareholders was calculated using the latest share price as of December 31 of the year.

Share ID data: ISIN ROTSELACNOR9; Bloomberg TEL RO, Reuters ROTEL.BX

3.3. Dividends

Dividends due to shareholders, amounting to RON 43 mn, will be distributed in accordance with the decision of the General Meeting of Shareholders.

Regarding the determination of the value of gross dividends due to shareholders, the number of shares existing at the date of preparation of the financial statements for 2020, respectively 73,303,142 shares,

will be taken into account, and the gross dividend per share will be established considering two decimal places.

3.4. Rating

On 12 May 2020 Moody's Investors Service credit rating agency published the updated credit opinion whereby it assesses the Company's current and future capacity to fulfil its payment liabilities to creditors. The current credit opinion maintains the Company's rating to the level of the previous year's, namely Ba1 (Corporate Family Rating) with positive outlook.

The valuation of the Company's rating is found just one notch below the country's (Baa3 stable), thereby acknowledging the Company's improved financial

The value of dividends represents 98.43% of the accounting profit remaining after income tax deduction and covering the destinations provided by the law. In this respect we consider to comply with the provisions of Memorandum 769681/04.05.2021 issued by the Ministry of Finance, transmitted by the majority shareholder with letter 20/10746/THG of 24.05.2021.

performance and sound operational results, thus providing premises of optimum cost conditions for future funding of investments assumed for the fourth regulatory period.

Obtaining Ba1 rating with positive outlook strengthens a favourable position regarding the Company's capacity to meet its current and future financial commitments, showing that Transelectrica has got sound financial profile with low indebtedness and strong stable predictable financial values.

Table 2: Transelectrica Rating

Rating agency	2020	2019	2018
Moody's Investors Service	Ba1 positive	Ba1 positive	Ba1 positive
Fitch	-	BBB stable	BBB stable



Financial Report

in accordance with the request of the majority shareholder

11. Stand-alone financial results 2020

In 2020 Transelectrica registered improved in terms of financial profitability compared to 2019.

The Company achieved a 63% higher operational profit, increasing compared to 2019 against the background of 4% drop of total operational costs (amortisement included), slightly compensating the 1% decrease of operational revenues.

Profit allowed activities segment: it registered 2% decrease, mainly determined by 4% drop of transmission revenues and of other revenues on the electricity market, caused by diminished electricity quantities delivered to consumers, when the ANRE-approved average tariff of such services was about 0.08 Lei/MWh higher in 2020 compared to 2019 owing, last but not least to the impact generated by the Covid-19 pandemic.

As of mid-March 2020 EU member states took restrictive measures to slow down Covid-19 spreading. Such measures included shut down of certain factories, schools, restaurants, coffee shops, hotels and compelling population to stay at home.

Many companies reduced their production because of inexistent demand or broken procurement chain. Such measures have been applied in European countries all through April 2020.

The energy sector has also sensed the coronavirus crisis impact, its negative effects showing especially in the renewable sources sector, which depends to a large extent by component imports, especially from China.

Europe-wise the pandemic brought challenges for network operators that had to manage higher volumes of intermittent renewable electricity in an environment of low demand, with less thermal power plants available for balancing; in general networks managed coping with such circumstances and proving their capacity to deal with high inflow of renewable energy sources, which sometimes exceeded significant percentages in certain member states.

Nevertheless, despite higher volatility and fluctuating liquidity the internal market resisted withstood the disturbances and the power system has proved its resilience before such crisis.

In Romania the emergency state stopped producing effects beginning with 15 May 2020.

In its capacity of Transmission and System Operator (TSO) Transelectrica has applied emergency

measures to mitigate the Covid-19 impact, such as additional protection measures to minimise the effects over employees' health and security, to provide business continuity under safe conditions and also secure Company objectives.

Beginning with 15 May the emergency state was replaced by the alert state, which brought about relaxed restrictions and limitations of the former state of affairs.

Both in Europe and in Romania the electricity consumption recovered followed such relaxed restrictions.

This if in April, May and June 2020 consumption drops provided values ranging from -14.73% in April, -11.85% in May to -8.05% in June, beginning with July consumption values ranged as follows: -1.80% in July, -2.78% in August, while September recorded slight 0.23% increase.

Overall the third quarter of 2020 ended with diminished electricity consumption all over Europe in comparison with the third quarter of 2019, however values were closer to last year's (unlike the second quarter, which was strongly impacted by Covid-19).

In the last quarter of 2020 the electricity gross internal consumption recorded recovery (except for October, which recorded 0.26% decrease), registering consumption increases from 2.87% in November to 3.30% in December.

Overall the annual consumption registered 3.48% decrease in comparison with 2019.

During the studied interval revenues from the allocation of interconnection capacities dropped 30% compared to the 2019 value (RON 59 mn in 2020 against RON 84 mn in 2019) corresponding to the utilisation degree of available interconnection capacities by traders on the electricity market. At the same time revenues from OTC transaction were RON 1.3 mn higher in 2020 compared to 2019 with the amount of (RON 9.3 mn in 2020 from RON 7.9 mn in 2019), due to the imbalances of Transelectrica which were contrary to the imbalances of CIGA ENERGY BRP and thus selling the excess electricity by the BRP was more beneficial than selling it on the Balancing Market.

In terms of 2021 prospects, the main factors which can have significant impact over the revenues / expenses from electricity transactions to cover OTC are the legislative changes having occurred on the electricity balancing market, applicable from 1

February 2021 (making settlement every 15 minutes, applying the single settlement price on the balancing market), as well as the Covid-19 pandemic developments and its management nation-wide.

EBITDA recorded positive influence from (4%) decreased system operation expenses compared to 2019, and mainly OTC expenses were RON 32 mn smaller, but also the expenses of functional system services were RON 2 mn below those recorded in 2019.

Operational expenses associated to the profit allowed segment have been mainly impacted by:

- Reduced system operational costs, mainly caused by the epidemiologic context generated by Covid-19 spreading, the PZU / DAM average price being 25% in comparison with last year. The average price of electricity procured on the Balancing Market also dropped 9%, in the context of Transelectrica imbalances contrary to the imbalances of CIGA ENERGY BRP, therefore the balance of imbalances was about half that of last year;
- Beginning with September 1, 2020 ANRE Order 61/2020 became applicable, which has led to important modifications on the balancing market,

among which the possible registration of negative excess prices and, last but not least,

the technological consumption registered in the studied interval has been 40 GWh smaller in comparison with 2019;

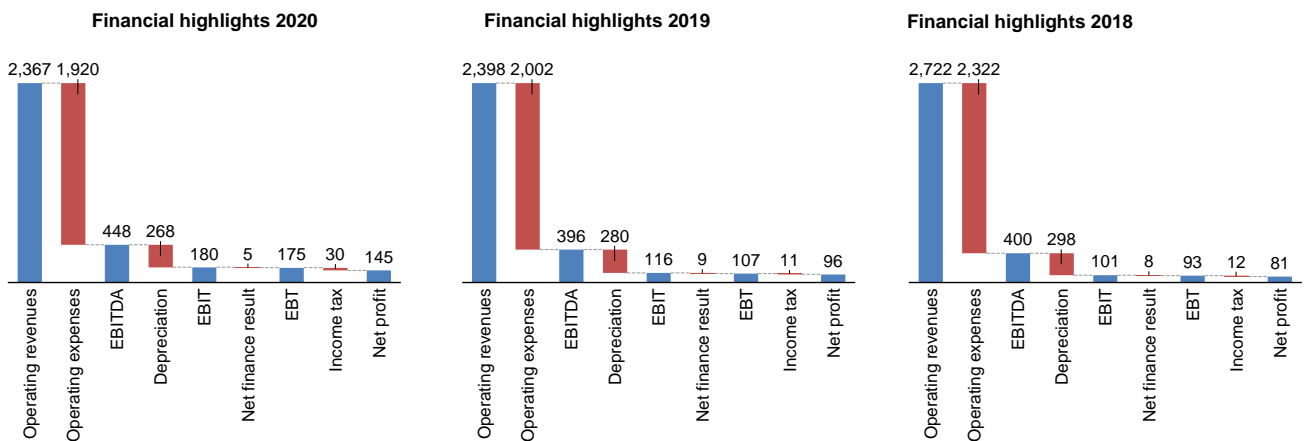
Zero profit activity segment: it registered positive result in comparison with the same period of 2019, as determined by 3% increase in the revenues from technological system.

As regards the *second quarter of 2020* s-au aplicat tariffs were applied as approved by ANRE under Order 142/2020, which tariffs entered in force on 01.07.2020 and have been applicable until 31.12.2020.

Thus in comparison with the same period of last year a slight (-0.29) decrease was found in the transmission tariff, while the electricity quantity that can be billed diminished from 55.34 TWh to 53.85 TWh.

The net financial result registered in 2020 is negative but increasing RON 5 mn in comparison with 2019. This was mainly influenced by the evolution of the exchange rate of the national currency against Euro, currency which the Company has contracted bank loans.

Figure 27: Net result (RON mn)



11.1. Stand-alone profit and loss account

Table 22: Stand-alone profit and loss account

RON mn	2020	2019	2018	20/19
Billed volume of electricity [TWh]	53.85	55.34	55.78	▼ (3%)
PROFIT ALLOWED ACTIVITIES				
Operational revenues	1,198	1,221	1,180	▼ (2%)
Transmission and other revenues from the energy market	1,035	1,082	1,070	▼ (4%)
Functional system services	121	88	64	▲ 38%
Other revenues	42	51	46	▼ (17%)
Operating expenses	859	802	740	▲ 7%
System operating expenses	310	352	309	▼ (12%)
Repairs and maintenance expenses	98	102	91	▼ (4%)
Personnel expenses	273	210	189	▲ 30%
Other expenses	178	139	152	▲ 28%
EBITDA	340	418	440	▼ (19%)
Depreciation	268	280	298	▼ (4%)
EBIT	72	138	142	▼ (48%)
ZERO PROFIT ACTIVITIES				
Operating revenues	1,169	1,177	1,541	▼ (1%)
Technological system services revenues	674	654	637	▲ 3%
Balancing market revenues	495	523	904	▼ (5%)
Operating expenses	1,061	1,200	1,582	▼ (12%)
Technological system services expenses	566	676	678	▼ (16%)
Balancing market expenses	495	523	904	▼ (5%)
EBIT	108	(22)	(40)	▲ n/a
ALL ACTIVITIES (PROFIT ALLOWED & ZERO PROFIT)				
Operating revenues	2,367	2,398	2,722	▼ (1%)
Operating expenses	1,920	2,002	2,322	▼ (4%)
EBITDA	448	396	400	▲ 13%
Depreciation	268	280	298	▼ (4%)
EBIT	180	116	101	▲ 55%
Net finance result	(5)	(9)	(8)	▲ 43%
EBT	175	107	93	▲ 63%
Income tax	30	11	12	▼ n/a
Profit net	145	96	81	▲ 51%
Net result per share	1.98	1.31	1.11	▲ 51%

11.1.1 Profit allowed activities

Profit allowed activities are mainly represented by **electricity transmission** and **functional system services**.

The regulatory framework applicable to these two activities provides premises to obtain financial profitability of invested capital into the assets of such two activities by including in tariffs components meant to remunerate financiers, calculated by applying a regulated profitability rate to the regulated asset base.

The **profit allowed activity** segmental registered negative revenue development of 2% (RON 1,198 mn in 2020 compared to RON 1,221 mn in 2019), determined by the decrease of the amount of electricity delivered to consumers by 2.70%.

Thus transmission revenues registered about 4% drop in 2020, from RON 1,082 mn in 2019 to RON 1,035 mn in 2020 at the same time with significant 38% growth of revenues from functional system services in 2020 from RON 88 mn in 2019 to RON 121 mn in 2020.

Table 23: Revenues from profit allowed activities

RON mn	2020	2019	2018	19/18
Operating revenues	1,198	1,221	1,180	▼ (2%)
Transmission and other revenues on the electricity market	1,035	1,082	1,070	▼ (4%)
Revenues from transmission tariffs	963	986	974	▼ (2%)
Revenues from allocating the interconnection capacity	59	84	82	▼ (30%)
Revenues from reactive energy	13	11	15	▲ 20%
Functional System Services	121	88	64	▲ 38%
Revenues from functional system services tariffs	117	81	62	▲ 44%
Revenues from unplanned shifts on DAM	4	6	2	▼ (36%)
Other revenues	42	51	46	▼ (17%)

Revenues from the allocation of interconnection capacities registered 30% drop in comparison with the 2019 value (RON 59 mn in 2020 against RON 84 mn in 2019) corresponding to the utilisation degree of available interconnection capacities by traders on the electricity market.

The mechanism allocating interconnection capacities consists of annual, monthly, daily and intraday auctions. The annual, monthly and intraday are explicit - as only the transmission capacity is auctioned, while the daily ones with Hungary are implicit - the capacity is simultaneously allocated with the energy by means of the coupling mechanism.

The establishment beginning with 19 November 2014 of the regional energy exchange by Romania, Hungary, Czech Republic and Slovakia means these four countries shall reach to a single price for the electricity transacted on spot markets. Capacity allocation between Romania and Hungary, the only country of the 3 which Romania has frontier with, is performed by transmission operators: Transelectrica and MAVIR by means of common mechanism under 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 subsequently sold under daily bids. On the Hungarian border the sense is reversed, meaning that MAVIR remunerates participants for unused capacities.

The market allocating interconnection capacities is fluctuant, and its prices are developed depending on the demand and needs of electricity market participants to procure interconnection capacity.

Beginning with November 2019 the second wave was launched under the single European coupling of intraday markets (SIDC – Single Intraday Coupling). The single mechanism coupling intraday markets provides continuous amortisement of sale and purchase offers from market participants in a bidding area with sale and purchase offers from within its bidding area and any other bidding area where cross-border capacity is available. Thus explicit intraday bids are only on the Serbian border, while on the Bulgarian and Hungarian frontiers are implicit (under SIDC).

Net revenues from the allocation of interconnection capacities are used in accordance with the provisions of ANRE Order 171/2019 and EU Regulation 2019/943 of 05 June 2019 on the internal electricity market, as financing source for investments made to upgrade and develop interconnection capacities with neighbouring systems.

Revenues of OTC transactions were RON 1.3 mn higher in the studied interval of 2020 compared to 2019 because Transelectrica imbalances were contrary to the imbalances of CIGA ENERGY BRP and thus selling the excess energy by the BRP was more beneficial than selling it on the Balancing Market.

Revenues from electricity transacting for OTC were mainly obtained from sales of excess energy on the Intraday Market managed by OPCOM and under CIGA Energy BRP on the Balancing Market.

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

Revenues from functional system services registered about RON 33 mn growth in 2020 compared to 2019,

determined by the increase of the ANRE-approved tariff of such services against a background of

electricity quantity delivered to consumers diminished by 1,493,978 MWh, namely 2.70%.

Figure 28: Revenues from profit allowed activities (RON mn)

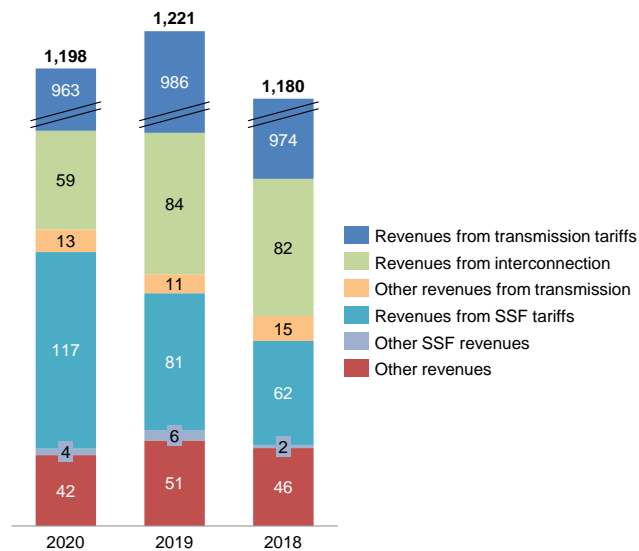


Figure 29: Expenses from profit allowed activities (RON mn)

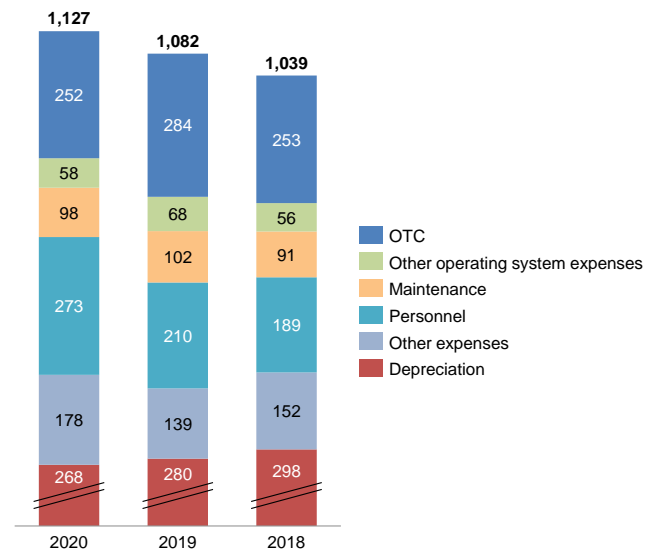


Table 24: Expenses of profit allowed activities

RON mn	2020	2019	2018		20/19
Operating expenses	859	802	740	▲	7%
System operating expenses	310	352	309	▼	(12%)
Expenses on own technological consumption	252	284	253	▼	(11%)
Expenses on congestions	0	2	8	▼	(100%)
Expenses on electricity consumption in ETG substations	16	20	17	▼	(21%)
Expenses regarding the functional system services	30	33	15	▼	(7%)
Expenses on Inter TSO Compensation (ITC)	11	13	15	▼	(13%)
OPCOM administration expenses	0.20	0.15	0.13	▲	30%
Repairs and maintenance expenses	98	102	91	▼	(4%)
Personnel expenses	273	210	189	▲	30%
Other Expenses	178	139	152	▲	28%
Depreciation	268	280	298	▼	(4%)
Operating expenses inclusive of depreciation	1,127	1,082	1,039	▲	4%

Operational expenses from profit allowed activities (amortisement included) made in 2020 increased 4% compared with the same period of last year (RON 1,127 mn from RON 1,082 mn).

System operational expenses

Such expenses dropped 12% in 2020 compared to 2019 from RON 352 mn to RON 310 mn, mainly because of reduced OTC expenses.

OTC expenses

In order to cover one's own technological consumption (OTC) the Company participates managed by OPCOM in different time horizons as follows:

- In the long term it participates on the Centralised Bilateral Contracts Market of electricity by means of extended bid (PCCB-LE) and on the Centralised Market of Bilateral Contracts of Continuous Negotiation (PCCB-NC), based on minimum OTC forecasted by UNO-DEN at the end of last year, which represents about 50% of the totally forecasted OTC.
- In the short term there are two available markets:
 - Day-Ahead Market (PZU/DAM):** With a view to cover the minimum forecasted and the daily forecasted OTC. The Company participates every day by submitting electricity purchase offers on the PZU / DAM on the specific platform of OPCOM;

- o **Intraday Market (PI):** in case forecasts change within one day, the necessary

electricity can be transacted on this market, as close as possible on the delivery time;

Differences between the hourly quantities actually achieved and those procured after PCCB, PZU and PI transactions are compensated on the **Balancing Market (PE)** during the operational day.

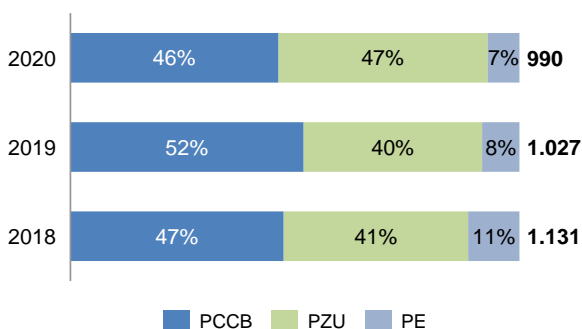
Beginning with 18.01.2018 the “Electricity procurement to cover imbalances from notified quantities related to technological electricity losses in electricity transmission networks by transferring the balancing responsibility” Contract C380/06.10.2014 became applicable, concluded between NPG Transelectrica SA and CIGA ENERGY SA, whereby energy procurement prices on the balancing market were reduced.

In 2020 expenses relating to one’s own technological consumption were smaller in comparison with 2019, because of the following issues:

- In the epidemiologic context generated by Covid-19 (coronavirus) spreading, the average price on the PZU / DAM provided deep decrease trend (about 25%) beginning with January 2020;
- The average electricity price procured on the Balancing Market also decreased in the context of Transelectrica imbalances contrary to the CIGA ENERGY BRP, thus the balance of imbalances was about half that of the last year’s;
- Beginning with 1 September 2020 ANRE Order 61/2020 became applicable, which led to important changes on the balancing market, among which the possible registration of negative excess prices.

In September such prices were registered in most intervals, which has led to higher OTC expenses because the excess energy sold on the balancing market does not longer bring revenues, but generates additional costs.

Figure 30: Procurement mix depending on the quantities purchased on the markets (GWh)



In accordance with the European Union Regulation 1222/2015 (CACM) establishing guidelines on capacity allocation and congestion management, one of the main obligations resulting from such regulation is uniting the short-term (daily and intraday) markets, which has to be met both by OPEED, Designated Electricity Operators and by TSOs, Transmission System Operators of Europe.

To this respect in 2020 the project was launched to couple the daily electricity markets of Romania and Bulgaria, a project which means coupling the daily electricity markets between the EU member states Romania and Bulgaria.

On 22.09.2020 national regulatory authorities of Austria, Germany, Poland and the 4M Market Coupling (4M MC) countries, namely Czech Republic, Hungary, Romania and Slovakia, received from the European Commission (DG ENER) guidance for Designated Electricity Operators (OPEED) and Transmission System Operators (TSO) that participate to the DE-AT-PL-4M MC Project (known also as Interim Coupling Project or ICP) which establishes the priority for the ICP solution implemented in due time.

Such guidance was requested by the respective national regulatory authorities after a few months of debates, because in the first quarter of 2020 several stakeholders involved in the fore-mentioned project detected blockage in the local implementation.

Such blockage is owed to the inter-dependencies between the projects which are developed in parallel, such as CORE FB MC, Allegro, NorNed, Polish MNA, thus resulting delay of implementation activities for Interim Coupling.

DG ENER consider the sequential implementation of Interim Coupling and CORE Flow Based Market Coupling (Core FB MC) projects as the best path to follow, since the Interim Coupling will facilitate Single Coupling of Day-Ahead Markets and especially the geographical extension to all EU relevant frontiers in accordance with the requirements of CACM Regulation during the shortest time possible.

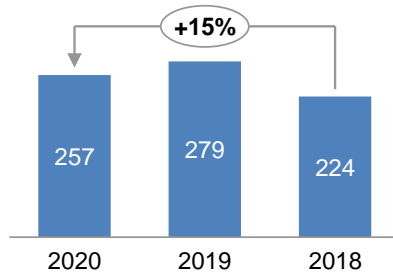
It will also provide welfare gains to market participants. DG ENER notified as well that the Interim Coupling project will bring about added value, by providing un-isolated central and eastern European countries even in case other delays occur with the implementation of CORE FB.

In addition this will enable comparing the results of flow-based trial coupling with the generation data of the NTC coupled operation during the external parallel running of the CORE FB MC project. Taking

into consideration the received guidance the launching date of the Interim Coupling project is forecasted for April 2021.

The next steps of the Interim Coupling project will be directed towards updating the detailed roadmap of this project, completing the items left open and internal solution testing (planned currently at the beginning of 2021), as well as the tests with external parties.

Figure 31: Average unit cost of electricity procured for OTC (Lei/MWh)



The differences between the electricity actually consumed to cover RET losses and the procured electricity represent imbalances, which are automatically covered by the **Balancing Market**.

In 2018 the caps that limited the minimum and maximum deficit electricity prices on this market were removed, which led to significant increase of the average price on the same market.

Congestions

Congestions (network restrictions) represent electricity transmission requests beyond the network's technical capacity limits, thus corrective activities are necessary from the transmission system operator and they occur upon operational scheduling or during real time operation when the power flow between two system nodes or areas leads to incompliance with the operational security parameters in the operation of a power system.

Congestion occurrences are managed by changing the network topology and in the last resort by redispatching electricity generation.

Network congestions removed by redispatch are estimated using regimes that take into consideration different operational scenarios of power plants, taking into calculation at least the following minimum hypotheses

- Fuel supply restrictions of electric power plants
- Hydrologic regime involving reduced flow rates on the Danube and internal rivers

- Highly deficit / excess areas
- Drought, high temperature values
- Frosty time intervals

Generation redispatch results in out-stepping the merit order which results on the Balancing Market, additional expenses being covered by Transelectrica. This is a measure applied by Transelectrica only in circumstances when the transmission system has to be maintained in operation.

Expenses regarding electricity consumption in ETG substations

Electricity consumption expenses in RET substations registered RON 4.2 mn drop in January - December 2020 compared to the same period of 2019, determined by the increasing trend of electricity prices 2020.

Expenses regarding functional system services

Such expenses represent uncontracted international exchanges of electricity with neighbouring countries and the expenses with unplanned exchanges on the day-ahead market (PZU/DAM).

Functional system services registered RON 2.2 mn drop in comparison with 2019, decrease mainly determined by reduced balancing market expenses regarding unplanned electricity exchanges with neighbouring countries interconnected to SEN.

Inter TSO Compensation (ITC) expenses

Such ITC expenses represent monthly payment / settlement obligations for each transmission and system operator (TSO). They are established under the compensation / settlement mechanism for the effects of the electricity transmission grid (ETG) being used for electricity transits in-between TSOs of the 35 countries that adhered to such ENTSO-E mechanism.

In 2020 such expenses registered about 13% decrease (from RON 13 mn in 2019 to RON 11 mn in 2020).

Maintenance and repairs

These expenses decreased 4% in 2020 (from RON 102 mn in 2019 to RON 98 mn in 2020). The 2020 annual maintenance schedule provided priority to the work / services leading to increased operational security of installations, to completing the contracted work / services and those contributing to the good operation of installations.

11.1.2 Zero-profit activities

Table 25: Revenue synthesis of zero profit activities

RON mn	2020	2019	2018	20/19
Operating revenues	1,169	1,177	1,541	▼ (1%)
Technological system services revenues	674	654	637	▲ 3%
Balancing market revenues	495	523	904	▼ 5%

In 2020 revenues from technological system services registered RON 20 mn growth compared to 2019, determined by higher ANRE-approved tariff for such services while electricity quantities delivered to consumers diminished 2.7%, namely 1.49 MWh.

Revenues from the balancing market registered RON 28 mn reduction in 2020 compared to 2019, determined by:

- Price limits on the balancing market were eliminated beginning with September 2020;
- Beginning with the same month September 2020 the obligation to participate on the balancing market was removed;
- Reduced negative imbalance registered by electricity suppliers on the balancing market;
- The contracting mode on the markets previous to the balancing one;
- The development of hydraulicity;
- The development of the average deficit price registered on the balancing market;

- Reduced electricity demand (consumption) because of a mild winter;
- Reduced electricity consumption as a result of regulations issued by the Public Central Administration to prevent Covid-19 spreading;

At the same time taking into consideration the legislative changes announced by ANRE for the electricity market beginning with 1 April 2020, the balancing market is no longer compulsory but it has become optional; all price limits were removed (which means the electricity price on this market can vary between minus 99.999 Euro and 99,000 Euro/MWh).

Transactions on the balancing market are settled at the marginal price, thus providing the aggregation possibility on this market, including consumption prices, while producers of renewable sources are further provided priority dispatching.

Tabel 26: Sinteza cheltuielilor din activități zero-profit

RON mn	2020	2019	2018	20/19
Operating expenses	1,061	1,200	1,582	▼ (12%)
Technological system services expenses	566	676	678	▼ (16%)
Balancing market expenses	495	523	904	▼ (5%)

Expenses of technological system services registered in 2020 a 16% decrease compared to 2019, from RON 676 mn in 2019 to RON 566 MN in 2020.

The value of STS procurement expenses in 2020 was mainly determined by the following factors:

- Maintaining in 2020 procurement prices of technological system services around the values registered in 2019 for secondary reserve (RS) and fast tertiary reserve (RTR)
- In 2020 a high level of concentration was registered on the market of technological system services for secondary reserve (RS) and fast tertiary reserve (RTR).

In 2020 technological system services were procured under regulated regime according to ANRE Decisions 1551/2019 and 1078/2020 (from the

Electricity Generating Company by Hydropower Plants Hidroelectrica SA), ANRE Decisions 2212/2019 and 1211/2020 (from the Energy Complex Co. Hunedoara SA), ANRE Decision 1851/2019 (from the Electric Power Plants Company Galati SA), as well as according to HG 593/12.08.2019 approving the "Measures regarding the operational security of the National Power System from 1 November 2019 to 31 March 2020".

The Company procures technological system services from producers with a view to maintain the operational security of SEN and the quality of transmitted electricity at parameters required in

applicable norms. Such services are contracted as follows:

- Under regulated regime based on Governmental Decision and ANRE Decisions;
- By competitive mechanisms;

Transelectrica reinvoices the technological system services procured from producers to the ANRE-licenses electricity suppliers that further include such cost in the invoice of end consumers, who finally benefit of such services.

Balancing market expenses result from transactions performed on this market, being fully covered by revenues on the balancing market.

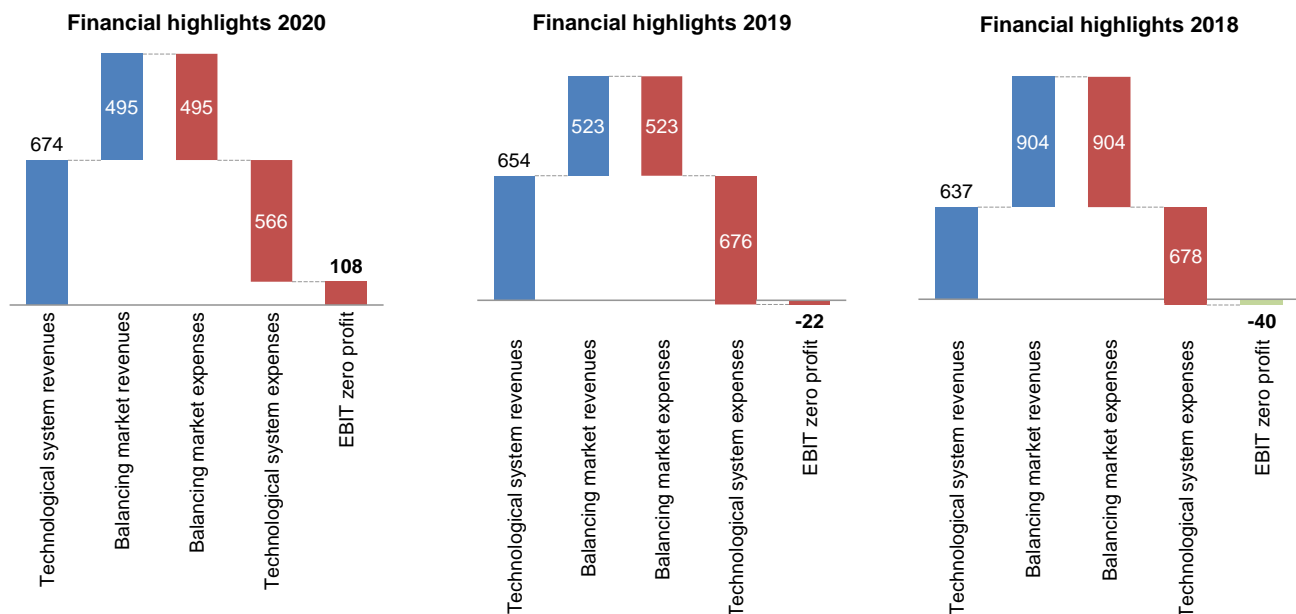
The balancing market development is analysed by taking into account the following factors:

- The development of hydraulicity;
- Unpredictability and volatility of renewable source output (especially wind);

- In winter months system balancing is estimated by start-up / maintaining operational several thermal units / boilers and selecting a high increasing power volume;
- Overcontracting / subcontracting on markets previous to the balancing one;

2021 estimations provide that, according to the regulations to be implemented in the national legislation in accordance with the provisions of Regulation (EU) 2019/943 of the European Parliament and Council of 5 June 2019, contracting technological system services by 15 minutes' settlement interval, providing settlement on the balancing market every 15 minutes, the development of economy and of the national electricity consumption will have significant impact over the revenues / expenses on the balancing market and on the procurement expenses for system services in Transelectrica SA.

Figure 32: Results of zero-profit activities (RON mn)



11.2. Financial result

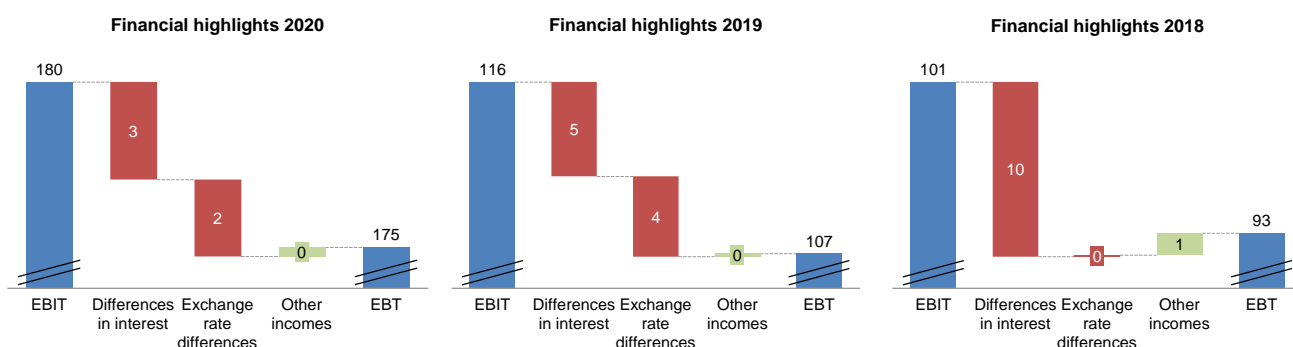
The net financial result registered in 2020 was negative, amounting to RON 5 mn. It has been mainly influenced by the developments of the

national currency's exchange rate against Euro, a currency in which the Company has contracted bank loans with a view to finance its investment programmes.

Table 27: Development of the exchange rate

Ron	2020	2019	2018	20/19
1 EUR	4.8694	4.7793	4.6639	▲ 1.9%
1 USD	3.9660	4.2608	4.0736	▲ 7%

Figure 33: Financial results (RON mn)



11.3. Balance – financial position

RON mn	2020	2019	2017		20/19
Non-current assets					
Tangible assets	3,561	3,440	2,988	▲	4%
Intangible assets	7	30	23	▼	(70%)
Financial assets	82	82	80	▲	0%
Assets related to the rights to use leased assets - buildings	38	6	0	▲	n/a
Total	3,687	3,551	3,091	▲	4%
Current assets					
Inventories	38	38	35	▲	2%
Trade and other receivables	848	706	1,064	▲	20%
Other financial assets	0	85	0	▼	(100%)
Profit tax recoverable	1	0	0	▲	n/a
Cash and cash equivalents	554	321	482	▲	73%
Total current assets	1,442	1,150	1,581	▲	25%
TOTAL ASSETS	5,129	4,700	4,672	▲	9%
Shareholders' Equities					
Share capital	733	733	733	▼	0%
Reserves	1,047	1,117	763	▼	(6%)
Retained earnings	1,616	1,434	1,313	▲	13%
Total shareholders' equity	3,395	3,284	2,809	▲	3%
Non-current liabilities					
Long term borrowings	102	123	144	▼	(17%)
Other non-current liabilities	574	561	520	▲	2%
Total non-current liabilities	676	684	664	▼	1%
Current liabilities					
Short-term borrowings	25	56	53	▼	(56%)
Trade liabilities	888	563	1,021	▲	60%
Other current liabilities	145	114	125	▲	20%
Total current liabilities	1,058	732	1,199	▲	44%
Total liabilities	1,733	1,416	1,863	▲	22%
TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES	5,129	4,700	4,672	▲	9%

Assets

Non-current assets registered 4% increase at the end of 2020 in comparison with 2019, against a background of higher tangible assets in progress, mainly determined by investment projects in electric substations and to high voltage lines, but also by the recognised usage right for assets under leasing –

buildings, which represent the utilisation right for the spaces the Company rented in the Platinum office building according to the provisions of IFRS 16 – Leasing contracts.

In 2019 lands were revalued, being tangible assets classified in Group 2 of Technical installations,

transportation means; and lifecycles were reviewed for tangible assets classified in Group 1 of Constructions and in Group 2 Technical installations, transportation means by an independent valuator licensed by the National Union of Licensed Valuers of Romania (ANEVAR).

These assets were revalued mainly using the cost-based method. In accordance with such method the gross replacement cost was established using the indirect method. The cost-based method was used for considerations of asset specialisation where insufficient market information was found and/or which do not have an active market.

On 31 December 2019 the Company recognised a net surplus from the revaluation of special installations, outfits and equipment, of instrumentation and control as well as motor cars amounting to RON 494.7 mn, of which RON 503.4 mn in the revaluation reserve account, and (RON 8.7 mn) were registered in the profit and loss account of the year.

At the same time mention should be made tangible assets in the Buildings & Special buildings group have been revalued for the financial year ending on 31 December 2018. Thus the Company recognised a net surplus from the revaluation of special constructions and installations amounting to RON 99.4 mn, of which RON 100.4 mn were recognised in the credit of the revaluation reserve account and (RON 0.93 mn) were recognised in the profit and loss account of 2018.

Special buildings and installations consist mainly of transformer substations and high voltage electric lines.

Utfits and equipment consist mainly of 110 kV, 220 kV, 400 kV and 750 kV transformers and bays associated to SEN.

Special buildings and installations are provided with their net value in the financial statements. The Company has changed the registration method of such revaluation on 31 December 2015 passing from the gross to the net method with a view to provide a clearer, more concise and relevant picture, without impact from the artificial denaturation of the gross accounting value and amortisement.

In 2020 surfaces were corrected for two plots of land belonging to UTT Sibiu, which had been wrong on the 31 December 2019 revaluation.

The Erratum to the Land Revaluation Report 1781/08.09.2020 of JPA Romania established the new value of the following lands:

- Headquarters of CE Mures, Str.Tamas Erno 3, incorrect area 1,115 mp, correct being 557.5 mp;

- Alba Iulia headquarters, Str. Ferdinand 83, incorrect area 334.52 mp, correct being 325.49 mp, thus the land value was diminished by RON 0.48 mn for the revaluation reserve account;

In terms of intangible assets, the greatest 2020 entry was the connection of the 400 kV Isaccea - Varna OHL and of the 400 kV Isaccea - Dobrudja OHL connection in the 400 kV substation Medgidia Sud, stage I - Extending the 400 kV substation Medgidia Sud – 2,717. In 2020 the greatest transfers from intangible assets underway to intangible assets were represented by:

- Upgrading the hardware and software platforms of the SCADA system in Substatiib Stuparei – RON 0.15 mn;
- Upgrade of antivirus BITDEFENDER licences – RON 0.05 mn;
- Software and licence for the online monitoring system of the 200 MVA AT1 – RON 0.04 mn;

The growth of intangible assets on 31 December 2020 was mainly represented by the recognised usage right of assets taken under leasing, buildings; it represents the utilisation right of spaces the Company rented in the Platinum Office Building of Str. Olteni 2-4, Bucharest 3 (contract C217/2015 concluded with Dagesh Rom SRL), according to the provisions of IFRS 16 – Leasing contracts.

The former contract ended on 30.09.2020, and a new leasing contract became applicable on 01.10.2020, valid for 5 years.

Financial assets

Financial assets on 31 December 2020 compared to 31 December 2019 registered slight increase, determined by the Company's affiliation to the shareholders of Southeast Electricity Network Coordination Centre (SEleNe CC) Societe Anonyme.

Decision 3 of 6 March 2020 of the Shareholders' General Extraordinary Assembly approved Company participation as founder owner to the establishment capital of the Regional Centre coordinating operational security in the coordination calculation regions of cross-border exchange capacities SEE (Bulgaria, Greece, Romania) and GRIT (Greece-Italy).

Current assets registered 25% growth in 2020 compared to the value registered on 31 December 2019, mainly determined by increased trade receivables and other assimilated accounts.

The greatest impact over the growth of trade receivables and other receivables came from the

clients' turnover on the electricity market, as well as from other activities.

Thus on 31 December 2020 clients on balance from operational activities and the balancing market registered increase in comparison with 31 December 2019, mainly determined by:

- Higher transaction volume on the balancing market in October, November and December 2020 compared to the same period of 2019, determining higher receivables on balance on 31 December 2020 in comparison with 31 December 2019.

Out of the total trade receivables registered on 31 December 2020, 23% represented payable receivable under the bonus type support scheme to promote high efficiency cogeneration, percentage similar to what was registered in 2019.

The balance amounting to RON 195 mn is represented by issued invoices associated to the bonus type support scheme to promote high efficiency cogeneration, of which:

- 2011-2013 overcompensation amounting to RON 76.7 mn, namely from RAAN – RON 63.5 mn and CET Govora SA – RON 13.2 mn;
- 2014 undue bonus amounting to RON 3.9 mn, namely from RAAN – RON 2 mn, CET Govora – RON 1.9 mn;
- 2015 undue bonus amounting to RON 0.6 mn, namely from CET Govora – RON 0.5 mn, Interagro – RON 0.03 mn;
- Cogeneration contribution not cashed from the suppliers of electricity consumers, amounting to RON 21.1 mn, namely from: Transenergo Com – RON 5.9 mn; PetProd – RON 4.4 mn; Romenergy

Industry – RON 2.7 mn; RAAN – RON 2.4 mn; UGM Energy – RON 1.8 mn; CET Govora – RON 0.9 mn, KDF Energy – RON 0.9 mn and others;

To the date of this report the Company collected fully the receivables associated to the 2019 overcompensation of support scheme activities (RON 32.3 mn) by bank transactions from Electrocentrale Bucharest, as well as the undue bonus established by ANRE Decisions for 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, Electroulaj SA, CET Arad, Polytechnic University of Bucharest, Colonia Cluj Napoca energy SRL and Vest Energo SA.

To liquidate receivables generated by overcompensation and undue bonus the Company

requested the generators qualified under the support scheme to make mutual compensations. In case of generators (RAAN, and CET Govora) that did not agree with this manner to extinguish mutual receivables and liabilities the Company has applied and further applies the provisions of article 17 para 5 of Order 116/2013 of ANRE president approving the Regulation on establishing the collection mode of the contribution for high efficiency cogeneration and the payment mode of the bonus for electricity generated under high efficiency cogeneration: "in case the generator did not make the payment in full to the support scheme administrator for its payment obligations resulted in accordance with the provisions of this Regulation, the support scheme administrator pays to the producer the difference between the producer invoices and its payment obligations under the support scheme, with explicit mention of the respective amounts on the payment document" and withheld from payment the due amounts under the respective support scheme.

On 31 Decembrie 2020 other receivables amounting to RON 111.4 mn, decreasing 2% in comparison with 2019 mainly include:

- Various debtors, RON 83 mn, representing payment delay penalties calculated for defaulting clients, amounting to RON 74 mn (of which RON 35 mn represent penalties under the support scheme);
- Compensations owed by suppliers for electricity not supplied (Arelco Power RON 0.9 mn and Enol Group RON 2.5 mn). Impairment allowances were registered for compensations owed by suppliers from operational activities;
- Receivable recoverable from OPCOM representing the VAT associated to the contribution in kind to the subsidiary's capital amounting to RON 4.5 mn;
- Deferred expenses amounting to RON 1.1 mn represented mainly by rent and maintenance of office building; down payments to contracts concluded with electricity suppliers as necessary to cover one's own technological consumption in future periods;
- Other non-current receivables amounting to RON 4.3 mn, of which 4.2 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 carry out the 400 kV OHL Resita – Panchevo (Serbia) investment project;

Cash and cash equivalents registered increase against the background of 30 March 2020 expiry of bank

deposits with initial maturity beyond 90 days, constituted on 31 December 2019.

Bank deposits of initial maturity below 90 days constituted from monetary availabilities found in current accounts amounted RON 266.3 mn on 31 December 2020.

Shareholders' equity and liabilities

Non-current liabilities registered a slight decrease, in percentage of 1% in 2020 compared to 2019, mainly due to the decrease of the debt on deferred taxes, respectively of long-term loans (from RON 123 mn to December 31, 2019 to RON 102 mn to 31 December 2020).

At the same time **current liabilities** registered 44% growth (from RON 732 mn on 31 December 2019 to RON 1,058 mn on 31 December 2020) mainly against a background of higher volume of transactions on the balancing market at the same time with the decrease of monthly bonus of the support scheme in 2020 compared to 2019.

On 31 December 2020 in comparison with 31 December 2019 *liability on balance on the energy market* amounted to RON 468.1 mn compared to RON 390.2 mn, being influenced by:

- The higher liability balance from operational activities was mainly determined by greater payment obligations on balance on the electricity market on 31 December 2020 upon due term in January 2021;
- The greater balance of liabilities for the balancing market was determined by higher payment obligations on balance on the electricity market on 31 December 2020 on due term and greater volume of transactions on the balancing market in the quarter IV 2020 compared to quarter IV 2019;
- The smaller liabilities under the support scheme to suppliers (producers) were mainly determined by a decreased monthly bonus payable in December 2020 compared to the monthly bonus associated to December 2019;

Suppliers on the electricity market are mainly represented by: SC Hidroelectrica SA, Electrocentrale Bucharest, OPCOM, Mavir, Energy Complex Oltenia, Energy Complex Hunedoara, OMV Petrom, IBEX, Veolia Energie Prahova, Veolia Energie Iasi, and Ciga Energy.

On 31 December 2020 their share was about 81% in the total electricity suppliers.

On 31 December 2020 payment obligations are 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 2014 & 2015 ex-ante overcompensation, and the unpaid bonus of 2015 and 2016.

Amounts representing Company liabilities under the support scheme to RAAN and CET Govora were withheld from payment in accordance with article 17 para 5 from Order 116/2013 of ANRE president, because suppliers (producers) registered payment obligations to the Company under the bonus type support scheme.

- Other liabilities amounting to RON 38.2 mn are mainly represented by the payment securities of contracts on the electricity market concluded by NPG ranelectrica SA amounting to RON 16.9 mn, not requestable VAT during reporting intervals, and others;

Provisions registered increase at the end of 2020 in comparison with the end of 2019, from RON 70 mn on 31 December 2019 to RON 91 mn on 31 December 2020, mainly determined by:

- Updating provisions established for litigations with former members of the Supervisory Board and the Board of Directors, representing the variable component related to the OAVT packages allocated and not revalued during the mandates executed in 2013-2017 (OAVT options for virtual actions) ;
- Constituting provision for employees' participation to the profit of 2020 financial year;
- provision established for future payments related to the benefits granted to the retirement of employees for the age limit and benefits related to jubilees. The amounts provided for litigations representing OAVT and post-employment benefits, resulted from the actuarial calculations, which were determined by an authorized actuary.
- Provision constituted for the fiscal audit in progress, targeting VAT checks in 2014-2016, which began in November 2019, estimated to be completed in February 2021 (Endorsement F-MC-326/13.11.2019);

Interest-bearing liabilities

On 31 December 2020 non-current borrowings diminished in comparison with 31 December 2019, mainly because of repayments made according to existent loan agreements.

Shareholders' equity

Shareholders' equities increased 3%, mainly determined by recording the net profit in sum of RON 145 mn in the retained result, as achieved on 31 December 2020.

11.4. Cash flow

Table 28: Cash flow

RON mn	2020	2019	2018	20/19
Operational activities				
Cash flow before changes in the current capital	494	373	426	▲ 33%
Changes to working capital	177	(97)	33	▲ 283%
Paid interest and taxes	(54)	(24)	(33)	▼ (122%)
Net cash of operational activities	617	251	426	▲ 146%
Investments				
Acquisition of tangible and intangible assets	(375)	(242)	(171)	▼ (55%)
Collections from the investment activity	-	-	0	- n/a
Participation titles held with TSC NET	-	-	(2)	- n/a
Proceeds from investment activity	7	5	23	▲ 40%
Other financial assets	85	(85)	-	▲ 200%
Cash used in investments	(283)	(322)	(149)	▲ 12%
Financing activities				
Net (reimbursements) / proceeds from loans and bond emission	(65)	(23)	(314)	▼ (186%)
Dividends paid	(36)	(67)	(1)	▲ 47%
Cash used in financing activities	(100)	(90)	(315)	▼ (12%)
Net diminution of cash and cash equivalents	233	(161)	(39)	▲ 245%
Cash and cash equivalents on 1 January	321	482	521	▼ (33%)
Cash and cash equivalents at year end	554	321	482	▲ 73%

11.5. Indicators

Table 29: Profitability, liquidity, risk and activity indicators

Indicator	Formula de calcul	2020	2019	2018
Profitability ratios				
EBITDA in total sales	<u>EBITDA</u> Turnover	19%	17%	15%
EBITDA shareholders' equity	<u>EBITDA</u> Shareholders' equity	13%	12%	14%
Gross profit rate	<u>Gross profit</u> Turnover	8%	5%	3%
Rate of return on capital	<u>Net profit</u> Shareholders' equity	4%	3%	3%
Liquidity ratios				
Current ratio	<u>Current assets</u> Current liabilities	1.36	1.57	1.32
Quick ratio	<u>Current assets-Inventory</u> Current liabilities	1.33	1.52	1.29
Risk ratios				
Indebtness ratio	<u>Debt capital</u> Shareholders' equity	3.7%	5.4%	7.0%
Indebtness ratio	<u>Debt capital</u> Committed capital	3.6%	5.2%	6.6%
Interest coverage rate %	<u>EBIT</u> Interest expenses	18.45	11.35	5.26
Activity ratios				
Clients' turnover	<u>Average client balance* x no.days</u> Turnover	83.51	98.45	90.96
Non-current assets turnover	<u>Turnover</u> Non-current assets	0.63	0.66	0.87

* Clients that contribute to the turnover (energy, balancing, other clients, clients with invoices to execute) have been taken into consideration when calculating the average balance of clients. Corresponding values



Report

Corporate governance and social responsibility

Organisation of the Directorate

Directorate members are appointed and recalled by the Supervisory Board. One of the Directorate members is appointed by the Supervisory Board as Directorate chairperson (alternatively called Executive Director General or Chief Executive Officer – “CEO” – of the Company), that convenes the Directorate meetings and is also responsible for the good organisation of Directorate activities in the capacity of collective management body with a view to fulfil the attributions and responsibilities incumbent to them, or respectively are on its behalf according to the applicable law and the Articles of Association.

Directorate members are appointed and recalled by the CS. The CS therefore establishes the number of Directorate members, provided such number is no smaller than three and no greater than seven, as it has to be always odd. A Directorate member will be appointed Directorate chairperson (alternatively called Executive Director General or Chief Executive Officer – “CEO” – of the Company).

In accordance with the provisions of OUG 109/2011, their mandate is provided for a 4 (four) years' term. In case a Directorate member position becomes vacant the Supervisory Board will appoint another member for the remaining term of the replaced member's mandate, selected in accordance with the provisions of the Governmental Emergency Ordinance 109/2011.

Remuneration of the Directorate

In 2020 until 16.11.2020 Directorate members had gross fixed monthly indemnification established by the Supervisory Board in accordance with applicable legal provisions as follows:

- Indemnification for Directorate chairperson – 33,600 Lei gross/month;
- Indemnification for Directorate members – 31,200 Lei gross/month;

Beginning with 17.11.2020, according to the mandate contract approved by CS Decision 74/2020, Directorate members have fixed gross monthly indemnification of 46,597 Lei gross/month and an annual variable component for accomplishment of performance indicators assumed in the Management Plan.

On 10 December 2020 the Company's 2020-2024 Administration Plan was published, structured by two components, namely the administration part elaborated by the Supervisory Board and the

management component elaborated by Directorate members.

The annual variable component for the indicators mentioned in the Management Plan, associated to each mandate year, is in quantum not exceeding 12 fixed indemnities and is owed to the grantee only when the actual achievement of such performance indicators in the year the determination is made of is accomplished at the values assumed under the Management Plan. The mandatee will cash annually the sum calculated as such, within 15 days from the AGA's approval date of the annual stand-alone audited financial statements.

In case of a grantee whose mandate contract ends before term (regardless of cause), in the time period from the beginning of the respective calendar year and the end date of the mandate contract, the annual variable component of the remuneration pertaining to the performance indicators mentioned in the Management Plan will be granted by fractions in proportion to the number of days of the respective year when the mandate contract was valid, based on which such is granted.

Since the mandatee was appointed on 17 November 2020, in the time period from the appointment date and the end of such calendar year the annual variable component of the remuneration pertaining to the performance indicators mentioned in the Management Plan will be granted by fractions, in proportion to the number of days of the respective year when the mandate contract was valid, based on which such is granted.

Such annual variable components will be paid within 15 days from the AGA approval date of the annual audited stand-alone financial statements.

Performance indicators, objectives and criteria mentioned in the Administration Plan can be reviewed and properly changed in case force major events occurred or if significant changes were made in the legislative framework or were decided by regulatory authorities like for instance without limitation ANRE.

Performance criteria and objectives

In accordance with AGOA Decision 11/21.12.2020 and CS Decision 82/21.12.2020, the financial and non-financial performance indicators approved by AGOA Decision 11/21.12.2020 constitute Annex 3 to the Mandate Contract approved by CS Decision 74/2020.

The strategic objectives taken into calculations to grant the Directorate the variable component of remuneration, included in the Management Plan, are:

1. Strategic objective 4.1 – providing the profitability degree

Accomplishment of at least 70% EBITDA (gross operational result), calculated annually based on the Revenue and Expense Budget approved for 2020 – 2024;

Minimum annual threshold: EBITDA realizat x 70%

Formula: (Revenue) – (Expenses excluding interest, tax, depreciation and amortisement) = EBITDA

2. Strategic objective 4.4 – indebtedness indicators

Throughout the mandate the Net liability rate / EBITDA indicator should in no case exceed annually 4.0 where:

Formula: Net liability rate / EBITDA ≤ 4.0 where:

Net liability rate = all interest-bearing loans, of which bank cash is subtracted;

EBITDA = profit before interest, tax, depreciation and amortisement

3. Strategic objective 4.8 – providing RET maintenance

During the mandate RET maintenance should be provided 90%, calculated annually with the values of the Revenue and Expense Budget for 2020 – 2024;

Minimum annual threshold = approved maintenance budget x 90%

4. Strategic objective 4.6 – RET upgrade/development

Achieving at least 70% of the annual investment plan of 2020 - 2024 (Annex 4 to the Revenue and Expense Budget approved by AGA);

Minimum annual threshold = approved investment plan x 70%

Performance objective

Outstanding payments to the state budget during the 2020 - 2024 mandate period should be “zero” thousand Lei.

Note:

- In case of possible distortion of key performance indicators included in mandate contracts, which distortions can come from conjectural activities as described in the State budget law 5/2020, article 48 para (1) & (3) providing that, when determining the gross result prelimited / estimated to be obtained “no operational revenues and / or expenses will be taken into account if achieved upon conjectural situations or activities”, they will not be taken into consideration;
- Also any negative impact over the key performance established indicators, which is owed to past events with negative influence in the current and future Company results will not be taken into consideration;

Index	Key performance indicators (p.a) Approved by SGOA no. 11/21.12.2020	2020 Objective Acc. to SGOA Decision no.11/21.12.2020	2020 Indicators Acc. to IEB approved by SGOA Decision no. 2/06.03.2020	Achieved 2020	Degree of achievement %	Δ
		1	2	3	4=(3/2)	5=(3-1)
4.1	EBITDA (RON mn values)	265	379	448	118%	+RON 182 mn
4.4	Indebtedness degree	4	-	-0.90	100%	< 4
4.8	Ensuring PTG maintenance	84	93,5	92.6	99%	+RON 8 mn
4.6	PTG investment plan (RON mn values)	269	384	360	94%	+RON 92 mn
5	Outstanding payments to the state budget	0	-	0	100%	-

NOTE:

4.8 - Maintenance costs include PTG maintenance (major, minor), spare parts and auxiliary materials used for PTG maintenance

4.6 - Investment plan - Revision A11

We lead the power



Transelectrica®

Societate Administrată în Sistem Dualist

Annual Report 2020

ANNUAL REPORT

NPG TRANSELECTRICA SA

on the stand-alone financial statements of NPG Transelectrica SA, drafted according to Order 2844/2016 of the Ministry of Public Finances, as subsequently amended and supplemented and according to Law 24/2017 on the issuers of finance instruments and market operations and to Annex 15 of Regulation 5/2018 issued by the Financial Services Authority for the financial year concluded on December 31st, 2020

Date of the report:	25 March 2021
Issuer:	NPG TRANSELECTRICA SA, two-tier company
Registered head office:	Bucharest 1, 33 Gen. Gheorghe Magheru Blvd., zip code 010325
Working Point:	Bucharest 3, No. 2 - 4 Olteni Street, zip code 030786
Phone / fax numbers:	021 303 5611 / 021 303 5610
Single code with the ORC:	13328043
Number in the Commercial Register:	J40/8060/2000
LEI (Legal Entity Identifier) code:	254900OLXOUQC90M036
Company's establishment date:	31.07.2000/ GEO 627
Registered capital:	733,031,420 Lei, subscribed and paid
Regulated market where the issued securities are transacted:	Bucharest Stock Exchange, Premium Category
The main features of the issued securities:	73,303,142 shares with a nominal value of 10 Lei / share as per dematerialised, registered, ordinary, indivisible shares, freely tradable from August 29 th , 2006 under TEL symbol
Total market value:	1,876,560,435 lei (25.60 Lei/share on 31.12.2020)
Applied accounting standard:	International Financial Reporting Standards
Audit:	The stand-alone financial statements elaborated on 31.12.2020 have 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

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**REPORT OF
MANAGING
STRUCTURES**

2020

Message from the Supervisory Board

Dear shareholders,

Dear investors,

Transelectrica performs an essential mission by providing safe operation of the National Power System. In this respect the Supervisory Board involves proactively and provides the necessary support for Transelectrica with a view to successfully carry out its mission.

Transelectrica in its capacity of Transmission and System Operator is a Company of direct impact over the national society. This is the reason why the Board make sure permanently the Company's flow of activities follows an organisational plan outlined by clear operational lines.

In 2020 the occurrence of Covid-19 virus generated a pandemic situation that required restrictions and rules impacting all domains. Thus Transelectrica had to manage the implementation of a new organisational behaviour within the Company in a very short while. The Supervisory Board provided assistance permanently during this process that Transelectrica passed through in order to continue its activities in the energy sector. From the very beginning of the pandemic episode we made sure the measures applied were compliant with the authorities' requirements so as not to imbalance the Company's development.

By elaborating and observing the plan imposed by the new sets of rules Transelectrica managed maintaining a coherent development in 2020. We focused on furthering Company activities without hindrance and carry out the investment objectives that revive the infrastructure of the electricity transmission network. At the same time the Supervisory Board sustained the Company's efforts to increase the sustainability level by integrating renewable sources in the electricity grid. In the context of a future forecasting diminished electricity output from fossil resources, the importance paid to extending the renewable sector became priority for Transelectrica in order to provide energy security. Thus the Supervisory Board sustain facilitating the energy transition by providing the necessary corridor for an intense cooperation between transmission system operators, stakeholders, industry and the authorities.

We are keeping close to all activities performed by Transelectrica and commit to provide the necessary support for all objectives included in the 2020-2029 Development Plan for the Electricity Transmission Grid.

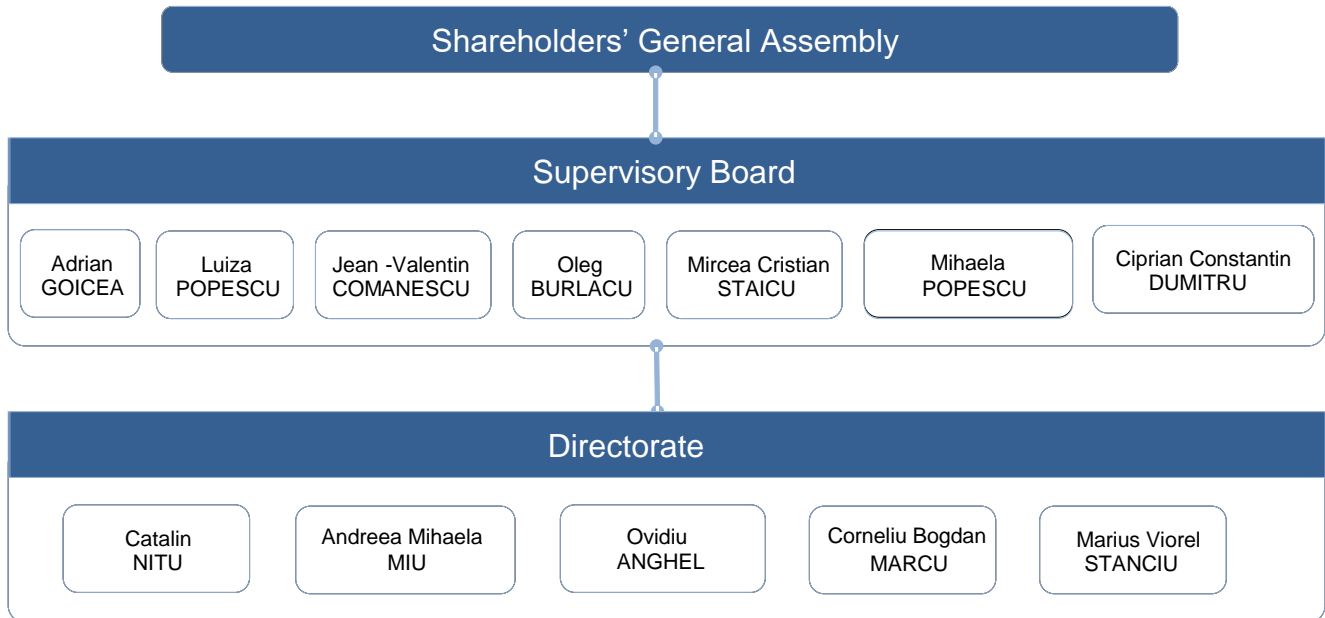
The Supervisory Board of NPG Transelectrica SA

The Supervisory Board

The National Power Grid Company Transelectrica SA (“NPG Transelectrica SA”, “Transelectrica” or the “Company”) is a joint-stock company organised and operating in accordance with Romanian laws,

being managed under two-tier system according to the decision of the Shareholders’ General Extraordinary Assembly of 18 July 2012, by a Directorate (5 members) supervised by a Supervisory Board (7 members).

Figure 1: Organisational structure



On the elaboration date of this Report the Supervisory Board members with 4 years’ term mandate, namely by 29.09.2024, are as follows:

Adrian GOICEA, Chairman of the Supervisory Board

Mr. Adrian Goicea has acquired vast experience in the energy domain and as of 2006 he held the Director position in consultancy domain for an energy company, in his career leading various country projects for Romania, of which the giant project of Iberdrola Renovables (1200 MW), but also different development projects for wind energy in Romania.

In 2001 - 2003 Mr. Adrian Goicea was Director General of OPCOM SA, subsidiary of NPG Transelectrica SA, promoting this company into international stock exchange associations and energy market operators, APEX (worldwide) and EUROPEX (in Europe), thus contributing to a greater prestige of OPCOM among the most appreciated entities in the domain.

In 1979 - 1985 Mr. Adrian Goicea was active in diplomacy, being Diplomat Secretary II and responsible for economic and consular issues in the relations with the PDR of Korea.

Mr. Adrian Goicea is bachelor of economy, having graduated the courses of the Academy of Economic Studies (1972-1977), having also attended speciality and improvement courses of accounting and renewable energy.

Luiza POPESCU, Supervisory Board member

Having managerial experience in the oil and natural gas domain, after working 8 years (2010-2018) in the petroleum industry of the United Arab Emirates as sales and business development manager in the oil, gas and energy sector Mrs. Luiza Popescu is now senior engineer with ELCEN Romania.

Mrs. Luiza Popescu attended a master’s course in the Polytechnic University of Bucharest, as well as other professional qualification and training courses in countries such as: Switzerland, the Netherlands, Czech Republic, Ontario- Canada, France, Denmark, United Arab Emirates and the UK.

Jean-Valentin COMANESCU, Supervisory Board member

Economist by profession, specialising in business administration Mr. Jean-Valentin Comanescu has acquired experience both in the economic-financial sector and in public procurement and investments.

Mr. Comanescu also holds the title of diplomat engineer in management of agricultural tourism.

At present he is public procurement economist with the Independent Authority Motor Car Romanian Register, while also being Supervisory Board member of NPG Transelectrica SA as of November 2019.

For more than ten years Mr. Comanescu has been active with the Motor Car Romanian Register, where he performs and monitors procurement and investment projects Authority-wide. Mr. Comanescu has consolidated his expertise in public procurement by means of many training courses graduated in 2013-2018. Mr. Comanescu has also widened his professional aptitudes by attending training courses in internal public audit (2008).

Mr. Jean-Valentin Comanescu graduated the Faculty of Economic Studies of the Nicolae Titulescu University, Bucharest (2014-2017) and the Agro Touristic Management Faculty, Economic Engineering profile, speciality of Engineering and Management of Public Food and Agro Tourism of Bioterra University, Bucharest (2004-2009). Mr. Comanescu attended post graduate economic studies (Finance - Accounting, speciality of Public Finance and National & Community Fiscal Policies of Nicolae Titulescu University, 2009-2011), as well as technical studies (Science and Engineering of Materials, speciality of Metallic materials processed by special procedures from the Polytechnic University of Bucharest, 2009-2011).

Oleg BURLACU, Supervisory Board member

Mr. Oleg BURLACU has got sound experience in the juridical domain, consolidated in more than 19 years' activity as lawyer and juridical consultant.

In 2000 he began his professional career as juridical counsellor with Bytel SRL (2000-2003), and in 2003 he was appointed Director General of CONT LEX SRL, until 2005.

In 2007-2014 he was coordinator lawyer with SCA Burlacu & Associates, and as of 2014 he is coordinator lawyer with SCPA Burlacu & Partners.

Mr. Oleg Burlacu completed his professional experience by writing more than 12 professional articles published in specific juridical publications, and by participating as speaker to referential conferences.

Mr. Oleg Burlacu is doctor candidate in institutional, public and European law and graduated the master courses of Titu Maiorescu University of Bucharest.

He was bachelor of the Law Faculty from Bucharest University.

Ciprian Constantin DUMITRU, Supervisory Board member

Having graduated the Law School of the Romanian-American University (2000), with bachelor degree from the Police Academy A.I. Cuza (2001), Mr. Ciprian Constantin Dumitru has worked almost exclusively in the private sector, either with top multinational companies such as McDonald's Corporation or local private companies providing marketing services, market studies or business audit and development programmes.

At McDonald's Corporation beginning from the first level and reaching to top management Mr. Ciprian Constantin Dumitru improved starting from specific activities, in the projection, analysis and monitoring of sale targets, their analysis (of sales) and design, monitoring and submission of P&L budget. He was part of the team opening the route for other European countries, participating directly to the company's entrance on the Ukrainian market.

At present as director general of New Challenge Marketing Research, he deals directly with establishing development objectives; concept, check and approval of company budget and its corrections; identification of business opportunities; representing the company in relation with suppliers, clients and other bodies / organisations of actual / potential impact over the company's results, including state control bodies; selecting / providing company management; checking up activity reports and taking the necessary measures to increase the efficiency of the management team's activities.

Mr. Dumitru graduated various courses such as: Business Leadership Practices Course (2003 – HU – Berlin), Basic and Methods in Offensive Marketing (2003, Ludwig Maximilians University Munchen), Operations Training Workshop with MSPA Europe (2008, Berlin).

Mihaela POPESCU, Supervisory Board member

Mrs. Mihaela Popescu holds managerial competence both in the privat and in the public sectors, having held a number of top management positions in time.

Beginning with 2017 to date Mrs. Popescu has been member in the Board of Administration of CASA OPSNAJ. Also from March to November 2019 Mrs. Popescu was member in the Supervisory Board of NPG Transelectrica SA.

Being licentiate of the Academy of Economic Studies Bucharest, Management Faculty, Mrs. Popescu graduated the post graduate course on Public Administration and Good Governance with Babes Bolyai University under partnership with Michigan State University; she has a Master of Political Science and Criminalistics. Mrs. Mihaela Popescu has also attended courses in the following domains: National Security, Good Governance and Diplomacy.

Mircea Cristian STAIU, Supervisory Board member

Mr. Mircea Cristian Staicu has got professional experience in public central administration.

In time he held several governmental positions: personal counsellor of the Minister of Transportation (July - December 2016), Deputy Secretary General in the Ministry of Transport and Infrastructure (October 2010 - June 2012), Secretary General in the Ministry of Culture, Cults and National Heritage (April 2009 - October 2010), as well as personal counsellor of the Minister of Culture (December 2008 - April 2009).

Mr. Mircea Cristian Staicu graduated the Political Science Faculty of the National School of Political and Administrative Studies (2000), Faculty of Juridical and Administrative Sciences of the Dimitrie Cantemir University, speciality of juridical sciences (2000), as well as the master courses in political science and public communication in the SNSPA.

Consultative committees of the Supervisory Board

The Audit Committee

Mr. Jean-Valentin COMANESCU (chairman), Mr. Adrian GOICEA, Mrs. Luiza POPESCU, Mr. Ciprian-Constantin DUMITRU, Mr. Mircea Cristian STAIU, Mr. Oleg BURLACU, and Mrs. Mihaela POPESCU are members in this committee.

The Audit committee has got as attributions, among others, to monitor the efficiency of internal control, internal audit and risk management systems of Transelectrica, to check and monitor the independence of external auditors, the statutory audit of annual financial statements and the approaches proposed by external auditors, while also coordinating their activity with internal auditors.

The Audit committee monitors the financial and management reporting, as well as the financial plan and the elaboration of annual financial statements and the annual consolidated statements; it monitors and reviews the achievement of performance

indicators of the transmission system and the economic-financial performance of company activities.

The Audit committee has got an important part in checking the efficiency of the system monitoring the compliance with laws and regulations applicable to Company activities and the results of managerial investigations in case of non-compliance.

At the same time it assists the Supervisory Board in achieving its supervision and overseeing responsibilities for the elaboration and update of the Company's general development strategy; it assists the Supervisory Board in identifying the major development paths in the domain.

Complying with the corporate governance principles established in the Corporate Governance Code of the Bucharest Stock Exchange is a permanent commitment assumed by the Supervisory Board. The Supervisory Board through its Audit committee aims at enhancing transparency regarding the activities of Company's organisational entities by implementing new internal regulations on internal public audit and significant risk management within NPG Transelectrica SA.

The Nomination and Remuneration Committee

Mr. Oleg BURLACU (chairman), Mr. Adrian GOICEA, Mr. Jean-Valentin COMANESCU, Mrs. Luiza POPESCU, Mr. Ciprian-Constantin DUMITRU, Mr. Mircea Cristian STAIU, and Mrs. Mihaela POPESCU are members in this committee.

As far as the nomination area is concerned the Nomination and remuneration committee coordinates the appointment of Directorate members and makes recommendations both for Directorate member positions and in order to fill the vacant seats in the Supervisory Board.

The Nomination and remuneration committee establishes the requirements for a person's holding a certain position in Company administration and permanently updates the professional competences of Directorate members.

As regards the remuneration area the Nomination and remuneration committee elaborates the remuneration policy for Directorate and Supervisory Board members and submits it to the approval of the Shareholders' General Assembly.

The Nomination and remuneration committee submits the total amount of the direct and indirect remuneration of Directorate and Supervisory Board

members in the annual report, while observing the proportionality principle of such with the responsibility and time dedicated by them to exercising their positions.

The Energy Security Committee

Mrs. Luiza POPESCU (chairperson), Mr. Ciprian-Constantin DUMITRU, Mr. Adrian GOICEA, Mr. Oleg BURLACU, and Mrs. Mihaela POPESCU are members in this committee.

The Energy security committee monitors and advises the Supervisory Board, the Directorate and the Company's specific departments on the implementation of strategic objectives of a system operator and the energy security ones within the entire National Power System (SEN), being concerned with the energy security of RET (Electricity Transmission Grid) and the energy security & protection of critical infrastructure.

Another committee attribution is to get involved, under the Supervisory Board's mandate, together with the Directorate in the dialogue with public authorities having attributions and competence in energy security (Ministry of Energy, specific Parliamentary Commissions).

Changes in the Supervisory Board

In accordance with AGOA Decisions 24, 25, 26, 27, 28, 29 and 30 of 26 November 2019 from 30.11.2019 to 29.03.2020 the members in the Supervisory Board ("CS" or "Board") of Transelectrica were: Luiza Popescu, Sebastian Burduja, Jean Badea, Jean-Valentin Comanescu, Oleg Burlacu, Adrian Goicea, and Manuela Petronela Stan-Olteanu.

On 2 December 2019 CS members appointed Mr. Adrian Goicea as Supervisory Board chairman.

On the same date they designated Mr. Jean-Valentin Comanescu as chairman of the Audit Committee with the following members:

- Adrian Goicea
- Luiza Popescu

They designated Mr. Sebastian Burduja as chairman of the Nomination and Remuneration Committee with the following members:

- Adrian Goicea
- Jean-Valentin Comanescu
- Oleg Burlacu
- Luiza Popescu
- Jean Badea

They designated Mr. Oleg Burlacu as chairman of the Energy Security Committee with the following members:

- Sebastian Ioan Burduja

- Adrian Goicea
- Luiza Popescu
- Jean-Valentin Comanescu
- Jean Badea

6 January 2020 – CS members appointed Mr. Ciprian Constantin Dumitru as provisional Supervisory Board member with mandate term until 29 March 2020.

7 January 2020 – Decision 18 in accordance with the provisions of article 153[^]7 para (1) of the Company Law 31/1990, republished, with later amendments and additions and of article 18 para (6) from the Articles of Association, the Supervisory Board members appointed Mrs. Mihaela Constantinovici as provisional Supervisory Board member with mandate term until 29.03.2020.

13 January 2020 – CS members designated Mr. Ciprian Constantin Dumitru as member in the Nomination and Remuneration Committee of the Supervisory Board; they designated Mrs. Luiza Popescu as chairperson of the Nomination and Remuneration Committee and Mr. Ciprian Constantin Dumitru as member in the Energy Security Committee of the Supervisory Board.

6 February 2020 – Supervisory Board members acknowledged Mr. Jean Badea's renunciation to the provisional Supervisory Board member mandate beginning with 04.02.2020.

11 February 2020 – Supervisory Board members appointed Mr. Mircea Cristian Staicu as provisional Supervisory Board member with mandate term until 29 March 2020.

14 February 2020 – CS members designated Mr. Mircea Cristian Staicu and Mrs. Mihaela Constantinovici as members in the Energy Security Committee of the Supervisory Board and designated Mrs. Mihaela Constantinovici as member in the Audit Committee.

6 March 2020 – Mr. Ciprian Constantin Dumitru, Mr. Mircea Cristian Staicu and Mrs. Mihaela Constantinovici were appointed provisional Supervisory Board members under AGOA decision 1, with mandate term until 29.03.2020.

26 March 2020 – AGOA decision 4 approved extending the provisional Supervisory Board member mandates by two months, beginning with 30 March 2020 until 29 mai 2020 for the following persons: Adrian Goicea, Luiza Popescu, Oleg Burlacu, Jean-Valentin Comanescu, Mihaela Constantinovici,

Ciprian Constantin Dumitru, and Mircea Cristian Staicu.

28 May 2020 – AGOA decision 6 appointed the following people: Adrian Goicea, Luiza Popescu, Oleg Burlacu, Jean-Valentin Comanescu, Mihaela Constantinovici, Ciprian Constantin Dumitru, and Mircea Cristian Staicu as provisional Supervisory Board members; mandate term was established to four months beginning with 30 May 2020 until 29 September 2020.

6 June 2020 – CS members reelected Mr. Adrian Goicea as chairman of the Supervisory Board in Transelectrica SA.

On the same date they designated Mrs. Luiza Popescu as chairperson of the Nomination and Remuneration Committee with the following members:

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

They designated Mr. Jean-Valentin Comanescu as Audit Committee chairman, with the following members:

- Adrian Goicea
- Luiza Popescu
- Ciprian Constantin Dumitru
- Mihaela Constantinovici

They designated Mr. Oleg Burlacu as chairman of the Energy Security Committee with the following members:

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

28 September 2020 – AGOA decision 9 according to article 18 para (5) of the Company's Articles of association approved appointing as Supervisory Board members with mandate of 4 (four) years beginning with 30 September 2020 until 29 September 2024 the following people:

- Adrian Goicea
- Luiza Popescu

The mandate of the current Supervisory Board is carried out over a period of 4 (four) years beginning with 30 September 2020 until 29 September 2024.

- Oleg Burlacu
- Valentin Jean Comaescu
- Mihaela Popescu (Constantinovici)
- Ciprian Constantin Dumitru
- Mircea Cristian Staicu

30 September 2020 – CS members designated Mr. Oleg Burlacu as chairman of the Nomination and Remuneration Committee of the Supervisory Board with the following members:

- Adrian Goicea
- Jean-Valentin Comanescu
- Luiza Popescu
- Ciprian Constantin Dumitru
- Mircea Cristian Staicu
- Mihaela Popescu

They designated Mr. Jean-Valentin Comanescu as Audit Committee chairman, with the following members:

- Adrian Goicea
- Luiza Popescu
- Ciprian Constantin Dumitru
- Mircea Cristian Staicu
- Oleg Burlacu

They designated Mrs. Luiza Popescu as chairperson of the Energy Security Committee of the Supervisory Board with the following members:

- Ciprian Constantin Dumitru
- Adrian Goicea
- Oleg Burlacu
- Mihaela Popescu

12 November 2020 – CS members designated Mr. Jean-Valentin Comanescu as chairman of the Audit Committee of the Supervisory Board with the following members:

- Adrian Goicea
- Luiza Popescu
- Ciprian Constantin Dumitru
- Mircea Cristian Staicu
- Oleg Burlacu
- Mihaela Popescu

Report of the Supervisory Board with respect to the stand-alone financial statements executed in accordance with the International Financial Reporting Standards

The Supervisory Board relies on the corporative governance principles, which require responsible professional objective Company attitude to stakeholders. The Board review the Company strategy and the premises of the environment it operates in with a view to provide good planning of its development and performance, while also formulating the objectives rigorously.

The stand-alone financial statements of 2020 were submitted for the Supervisory Board's examination and the Company's Directorate provided detailed information about the annual results. On the occasion of its meeting to approve the 2020 financial statements the Audit Committee provided the Supervisory Board with their analysis of the 2020 financial results and recommended the Supervisory Board to endorse these stand-alone financial statements elaborated in accordance with OMFP 2844/2016.

Also Supervisory Board members reviewed the Directorate's Annual Report elaborated in accordance with the requirements of the capital market legislation. The 2020 Annual Report provides fair accurate image of Company results obtained in the financial year 2020.

The Audit Committee assists the Supervisory Board in achieving its supervision responsibilities with a view to monitor financial and management reporting, the internal control system, the audit system, the risk management system and the organisational monitoring of the compliance with laws, regulations and the code of conduct.

Sincerely yours,

The Supervisory Board, represented by the

Chairman of the Supervisory Board

Message from the Directorate

Dear shareholders,

Dear investors,

The beginning of 2020 introduced us into a different context, which is entirely new for the world of today and required reconfiguring the mode of operation of each activity domain. The pandemic caused by Covid-19 virus brought about a set of important changes and established reorganisation by means of special rules and a new operation model worldwide. Our Company aligned to all implemented measures from the very beginning, performing activity in accordance with the regulations tailored for such crisis situation. During 2020 we responded to the global pandemic challenges by adapting to the new business conditions.

In the energy sector the pandemic variables generated a chain of challenges. Economic activities reduced their scope, which has led to nation-wide lower electricity consumption in the first months of 2020.

For Transelectrica the main target aimed at from the beginning of the pandemic was to maintain the safe operation of the National Power System and implicitly furthering investment projects with a view to develop the electricity transmission infrastructure. We manage a vital pillar for the daily operation of all activities that maintain our normality, therefore each decision we made in 2020 was screened using complex impact analysis. We were receptive and took safety measures to avoid possible negative scenarios.

In a difficult context with no predictability, where very many changes have overlapped, in 2020 Transelectrica assumed in full responsibility to continue carrying out important investment projects meant to upgrade and extend the infrastructure of the Electricity Transmission Grid. We have concluded a complex year marked by globally unprecedented circumstances that included important achievements in its portfolio. Among these the 400 kV OHL Oradea Sud-Nadab segment was completed and enabled initiating the commercial operation of the 400 kV OHL Oradea Sud – Nadab – Bekescsaba. Making this line operational is an outstanding result, which enables many opportunities of sustainable economic development in the area, by possible connection of both new consumers and of new power parks generating from renewable sources.

Europe-wise, we focused our strategic investment interests on the impact of a daring document in all Europe: the European Green Deal Ecologic Pact. We paid attention to elaborating a proper implementation of strategies and mechanisms to develop power systems integrated by the European Union. The Green Deal package will have consistent impact in outlining our future investment & digitalisation strategies and in applying new technologies.

In 2021 we will maintain the steady-state of the National Power System with the same rigour and will pass through new stages of investments, which sustain the best operation of the Electricity Transmission Grid. We also intend to implement the best solutions with respect to further developing the infrastructure, which can enable integrating the renewable energy generated on Romania's territory. The path of our Company follows a direction by which we intend to contribute to developing Romania overall.

Directorate of NPG Transelectrica SA

Directorate

On the issuance date of this report the Directorate membership of Transelectrica este următoarea:

Catalin NITU, Directorate Chairman

Mr. Catalin Nitu was appointed chairman of the Directorate of NPG Transelectrica SA beginning with 21 December 2019.

Having acquired vast experience of over 25 years in the information technology and communication domain, since 2017 Mr. Catalin Nitu has been Department manager in the Information Technology and Communication Division of NPG Transelectrica SA, capacity in which he coordinated and supervised the Company's IT & communication projects, in the substations and other entities found under the direct control of the system operator. Also as such Mr. Nitu monitored the maintenance provided to the Company's communication infrastructure. From 1991 until 2016 Mr. Catalin Nitu held several positions in the Ministry of Internal Affairs, General Directorate for Communications and Information Technology. Mr. Catalin Nitu graduated the Electronics and Communications Faculty of the Polytechnic University of Bucharest (1997). In 2009 he graduated the Master courses on IT security with the Faculty of Electronic Systems and Military Intelligence, the Military Technical Academy. Also Mr. Nitu attended several post-graduate speciality and enhancement courses in management, communication and information technology.

Andreea Mihaela MIU, Directorate member

She was appointed Directorate member beginning with 21 December 2019.

Having acquired more than 19 years' experience in the juridical domain Mrs. Andreea Mihaela Miu has been practicing attorney in the Lawyer Cabinet Miu Andreea Mihaela beginning with 2008. As far as managerial activities are concerned in 2014-2016 she was Board of Administration member in Co. ICEM SA, and in 2015-2016 a BA member of RADET.

From 2008 to date Mrs. Andreea Miu was representative of the juridical department in the ANTALIS Romania's multinational division.

Also from 2007 to 2012 Mrs. Miu provided juridical assistance and representation for Co. HIDROELECTRICA SA and Co. Transelectrica SA.

Mrs. Andreea Mihaela Miu graduated the Law Faculty of the Christian University Dimitrie Cantemir of Bucharest (1995-1999), as well as master's

courses on law with the Law Faculty of the Police Academy A. I. Cuza, Bucharest (2001-2002).

Also Mrs. Miu attended several speciality and development courses on the capital market and in communication: the Capital market course in Romania (Bucharest Stock Exchange, 2007), Jurists on the capital market (Commodity Exchange, Sibiu, 2007), Communication management in public relations (Public Relations Faculty and SNSPA, 2002).

Marius Viorel STANCIU, Directorate member

Mr. Marius Viorel Stanciu holds economic and juridical competence, having acquired rich managerial experience.

In 2017-2019 Mr. Stanciu held the deputy director general position with FISE ELECTRICA SERV.

Beginning with 1991 Mr. Marius Viorel Stanciu developed professional activities in the banking domain with the Agricultural Bank, Giurgiu Branch; Raiffeisen Bank, Giurgiu Branch and Piraeus Bank, Giurgiu Branch. In 2008-2016 he was director of the Giurgiu Branch of Piraeus Bank Romania.

In the public sector Mr. Marius Viorel Stanciu was counsellor in the Environment & Ecologic Balance Commission of the Chamber of Deputies all along 2017 (January - November).

Mr. Marius Viorel Stanciu has graduated Juridical Sciences with Bioterra University of Bucharest, Law Faculty but also Economic Sciency with Spiru Haret University of Bucharest, Financial Accounting Management Faculty, speciality of accounting and management informatics.

Corneliu Bogdan MARCU, Directorate member

Mr. Corneliu Bogdan MARCU was appointed Directorate member of NPG Transelectrica SA beginning with 10 January 2020.

Engineer by profession and having acquired more than 15 years' experience in the energy sector Mr. Corneliu Bogdan Marcu held different positions in Hidroelectrica SA, Hydropower Subsidiary Curtea de Arges, coordinating the maintenance and development activities. Mr. Corneliu Bogdan Marcu graduated the Energy Faculty of the Polytechnic University of Bucharest (UPB), speciality Environmental engineering in energy. In 2005 he graduated the master's studies regarding the impact

of electricity generation on the environment and society with UPB. Also since 2014 Mr. Marcu has held the Doctor engineer title granted by the Hydro technical Faculty of the Construction University from Bucharest.

Ovidiu ANGHEL, Directorate member

Mr. Ovidiu Anghel has acquired rich managerial experienced consolidated by administrative competence. In 2011-2020 Mr. Anghel held the director position with Electrica Furnizare SA, AFEE Buzau.

From 1997 to 2001 Mr. Ovidiu Anghel was active in the private environment as entrepreneur. In the public sector he was director of the Postal Office

Buzau in 2005–2009, and from 2009 to 2011 he was under-prefect of Buzau County.

Mr. Ovidiu Anghel graduated the Faculty of Engineering of Technological Systems Management of the Polytechnic University of Bucharest (UPB). From 1994 to 1996 he attended courses on local public administration. In 2006 he graduated the courses of the master's programme Executive Power & Public Administration developed within SNSPA Bucharest.

On the issuance date of this Report, Transelectrica is not aware of any agreements, understandings or family connections of Directorate members and other persons.

As of the drafting of this report, Transelectrica has no knowledge about pending litigations or administrative proceedings against the Directorate pertaining to its activity within the Company or related to the ability of said persons to fulfil their duties in the Company.

No Directorate member held participations in the Company's registered capital as of 31.12.2020.

Changes in the Directorate of Transelectrica

01 January 2020 – On 01.01.2020 the Directorate membership was as follows: Catalin NITU, Ionut-Bogdan GRECIA, Adrian MOISE, Ioan FOLESCU, and Andreea-Mihaela MIU.

09 January 2020 – The Company's Supervisory Board acknowledged Mr. Ioan FOLESCU's renunciation to the provisional Directorate member mandate in the Company as of 09 January 2020.

On the same date it designated Mr. Corneliu-Bogdan MARCU as provisional Directorate member from 09 January 2020 until 20 April 2020.

08 April 2020 – Supervisory Board members acknowledged on 20 April 2020 Mr. Adrian MOISE's provisional Directorate member mandate reached its term and decided extending by 2 (two) months beginning with 21 aprilie 2020 until 20 June 2020 the mandates of provisional Directorate members for the following people:

- Catalin NITU
- Ionut-Bogdan GRECIA
- Andreea-Mihaela MIU
- Bogdan MARCU

At the same time Supervisory Board members designated Mr. Marius Viorel STANCIU as provisional Directorate member with mandate of 2 (two) months from 21 April 2020 to 20 June 2020.

On the same date the Supervisory Board elected Mr. Catalin NITU as Directorate Chairman, alternatively called Executive Director General or Chief Executive Officer, CEO, of the Company.

09 June 2020 – Supervisory Board members designated as provisional Directorate members with 4 (four) months' mandate beginning with 21 June 2020 and possible extension for 2 (two) more months for solid reasons, however the mandate date will not exceed the completion day of selection procedure for Directorate members in the Company, the following:

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

On the same date the Supervisory Board elected Mr. Catalin NITU as Directorate Chairman, alternatively

called Executive Director General or Chief Executive Officer, CEO, of the Company.

12 October 2020 – The Supervisory Board acknowledged that on 20 October 2020 provisional Directorate member mandates of: Catalin NITU, Ionut-Bogdan GRECIA, Andreea-Mihaela MIU, Marius Viorel STANCIU and Bogdan MARCU reached their term. It decided extending the mandates by 2 (two) months from 21 October 2020 to 20 December 2020 and reelected Mr. Catalin NITU as Directorate Chairman, alternatively called Executive Director General or Chief Executive Officer, CEO, of the Company.

27 October 2020 – Supervisory Board acknowledged Mr. Ionut-Bogdan GRECIA's renunciation to the entrusted mandate of provisional Directorate member in the Company as of 27 October 2020, as per the record in the Company. On 28 October the Directorate performed with the members in office.

29 October 2020 – Supervisory Board members designated Mr. Ovidiu ANGHEL as provisional Directorate member with mandate from 30 October 2020 to 20 December 2020

16 November 2020 – At the meeting of 16 November 2020 following the selection procedure for Directorate members in the Company the Supervisory Board appointed from 17 November 2020 for 4 (four) years, namely to 16 November 2024, as per article 23 para (2) of the Articles of Association the following people:

- Catalin NITU
- Andreea-Mihaela MIU
- Bogdan MARCU
- Marius Viorel STANCIU

and elected Mr. Catalin NITU as Directorate Chairman.

14 December 2020 – Supervisory Board members elected Mr. Ovidiu ANGHEL as provisional Directorate member with mandate of four (4) months from 21 December 2020 and possible extension for 2 (two) more months for solid reasons, however the mandate date will not exceed the completion day of selection procedure for Directorate members according to the provisions of OUG 109/2011.

Statement of the responsible persons

To the best of our knowledge the stand-alone financial-accounting statements as of 31 December 2020, elaborated in accordance with OMFP 2844/2016 approving the Accounting regulations compliant with the International Financial Reporting Standards, as approved by the European Union, provide fair accurate image and true to reality of the assets, liabilities, financial position, profit and loss account of NPG Transelectrica SA, and the Directorate Report comprises fair truthful information with respect to the Company's development and performance, as well as a description of the main risks and uncertainties specific to the activities performed.

Directorate,

Catalin NITU	Andreea-Mihaela MIU	Ovidiu ANGHEL	Corneliu-Bogdan MARCU	Marius-Viorel STANCIU
Directorate Chairman	Directorate Member	Directorate Member	Directorate Member	Directorate Member

Key figures

FINANCIAL HIGHLIGHTS					OPERATIONAL				
RON	2,367	mn	▼	1%	Revenues				
				y/y					
RON	442	mn	▲	12%	EBITDA				
				y/y					
RON	140	mn	▲	46%	Net profit				
				y/y					
TWh	53.85		▼	3%	Charged energy volume*				
				y/y					
RON	554	mn	▲	73%	Liquidity				
				y/y					
						2.19%	*	▼	0,09
								y/y	pp
									OTC
						53.02	▼	-5%	Net internal production
						TWh		y/y	
						2.78	▲	84%	Import sold**
						TWh		y/y	
						55.81	▼	3%	Net internal consumption
						TWh		y/y	
						42.86	▼	1%	Transported energy***
						TWh		y/y	

INVESTMENTS					
RON	375	mn	▲	55%	Acquisition of tangible and intangible assets
				y/y	
RON	176	mn	▲	3%	Fixed assets recorded in the accounts (commissioning)
				y/y	

* The share of the own technological consumption in the electricity taken over by the electric transmission network (the energy transmitted)

** Balance of cross-border physical flows (export-import) aggregated across borders

*** The quantity transmitted is defined by the amount of electricity physically transmitted in the transmission network

**** The tariff amount is defined by the amount of electricity extracted from public electricity networks (transmission network and distribution networks), less electricity exports

Note: For the ease of reading and understanding the results, some figures presented in graphs and / or tables use mill. Lei as unit of measure and are rounded to this unit. This presentation convention might cause, in certain cases, minor differences between the total figures obtained by adding up the components.

Important events

Jan



Feb



Mar

► According to AGEA Decision 3 of 6 March 2020 approval was given to amend article 7 para (2) pt 1 of the Articles of association by replacing the phrase “Romanian State by the Ministry of Economy” with “Romanian State by the Secretariat General of Government” and approved Company participation to establishing the regional coordination centre of operational security to serve the coordinated calculation regions of cross-border transmission capacities in SEE (Bulgaria, Greece, and Romania) and GRIT (Greece, Italy) in Greece at Saloniki.

Apr

► In view of limiting COVID-19 spreading the Company recommended the Co. shareholders and their representatives to use indirect communication ways to exercise their voting rights at AGOA of 28/29 April 2020.

It also informed it endorsed and applied the action plan on business continuity and the necessary measures to provide safe SEN operation, in the epidemiologic context generated by the pandemic.

May

► The Company obtained for the third consecutive year the Ba1 rating (Corporate Family Rating) with positive outlook from the International Rating Agency Moody's Investors Service.

Moreover the Company's individual rating (Baseline Credit Assessments) has upgraded from Ba2 to Ba1.

Jun

► On 02 June 2020 admission was given to register the Directorate Decisions 116 & 117/2020 in ONRC whereby from 10 June 2020 it was approved to cancel and reestablish Company secondary offices on 10.06.2020 and on the same date the entry in force of amendments made in the Articles of association approved by HAGEA 7/28.05.2020.

Jul

► On 27 July 2020 Transmission and System Operators of Greece (IPTO), Italy (TERNA SpA), Romania (Transelectrica) and Bulgaria (ESO-EAD) announced they established the Centre Coordinating the Electricity Network in South-Eastern Europe (“CC SEleNe”) in Tesaloniki, Greece. The four TSOs participate equally to the share capital of the new Company.

Aug



Sep

► Decisions 9 and 10 of 28 September 2020 approved appointing Supervisory Board members in the National Power Grid Company Transelectrica SA as of 30 September 2020 for 4 (four) years beginning with 30 September 2020.

► On 25 September 2020 Transelectrica notified the major holdings of PAVAL HOLDING SRL and DEDEMAN SRL (over 5% of the share capital of TEL).

Oct

► On 12 October 2020 the fifth edition began of the International “Regional South-East European Conference – RSEEC 2020” which took place online on 12-14 October 2020. RSEEC 2020 conference is a traditional biennial event organised by the National Romanian Committee of CIGRE (International Council of Large Electricity Systems) with Company support as co-organiser.

Nov

► At the meeting of 16 November 2020 the Supervisory Board appointed as Directorate members in the Company from 17 November 2020 onward for 4 (four) years, namely from 17 November 2020 to 16 November 2024, as per article 23 para (2) of the Articles of Association the following: Catalin NITU, Andreea-Mihaela MIU, Corneliu Bogdan MARCU, Marius Viorel STANCIU and elected Mr. Catalin NITU as Directorate Chairman.

Dec

► On 21 December AGOA approved the financial and non-financial performance indicators resulting from the Company's 2020-2024 Administration Plan structured by two components, namely the administration component devised by the Supervisory Board and the management component, elaborated by Directorate members.



Transelectrica®

Societate Administrată în Sistem Dualist

Management Report

1. Business model

1.1. Position on the electricity market

Transelectrica was established as Romanian legal person under HG 627 / 13 July 2000 on the reorganisation of the National Electricity Company CONEL SA, published in Romania's Official Gazette 357/31.07.2000. This decision was issued according to HG 138/2000 on the restructuring plan in the energy sector, which fully outsourced the electricity transmission and dispatch from electricity generation, distribution and supply activities.

When it was established the Company had a share capital of 4,959,822,000 thousand Lei, fully paid on the establishment date and divided into 49,598,220 registered shares of 10 Lei each.

In accordance with the Electricity and Natural Gas Law 123/2012, with later amendments and additions, electricity transmission constitutes a public service of national interest. Electricity transmission is performed by transmission system operators which are legal persons certified by the competent authority according to legal provisions. The Electricity Transmission Grid (RET) existent on the Romanian territory is the public property of the Romanian State in terms of the assets assigned to Transelectrica and

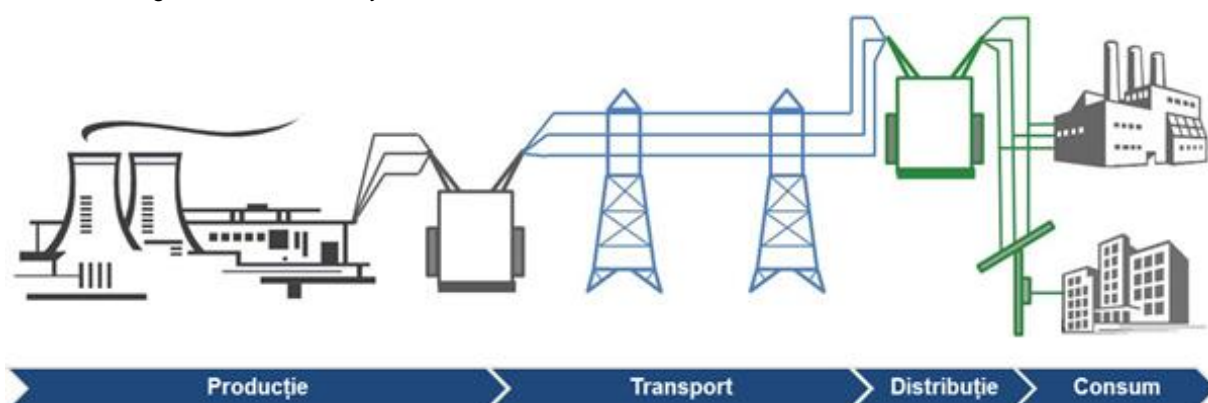
they constitute returnable goods, according to the assignment nature and legal provisions.

In its capacity of transmission and system operator Transelectrica operates according to Licence 161/2000 for the provision of electricity transmission and system services and for the management of the balancing market, amended by ANRE Order 641/25.04.2018.

The concession over RET and the lands it is located on was granted for 49 years under concession agreement 1/29.06.2004, concluded between the Ministry of Economy in its capacity of grantor authority and NPG Transelectrica SA, in the capacity of grantee.

In the value chain of electricity activities, Transelectrica holds the central place of transmission system operator, natural monopoly activities situated between producers and suppliers – the main players on the competitive electricity markets. The electricity transmission activity is not the only natural monopoly in the electricity value chain, the distribution activity as network operation is also a natural monopoly.

Figure 2: The electricity value chain



Transelectrica has the mission to provide the public service of electricity transmission while maintaining the operational safety of the national power system under non-discriminatory access conditions for all users; to actively participate by developing the electricity transmission infrastructure and the sustainable development of the national power system; to facilitate the operation and integration of energy markets.

The key role of Transelectrica is of transmission system operator (TSO), besides being balancing market administrator, metering operator as well as capacity allocation operator on interconnection lines.

Basic activities relate to infrastructures of strategic importance in the electricity sector, which include multiple critical infrastructure elements. Thus transmission services have the electricity transmission network as support while dispatch

activities, including balancing, use the dispatch and metering infrastructure for support.

The activities of Transelectrica are regulated under primary legislation (the national framework being Law 123/2012, as subsequently amended and supplemented, while the European one is Directive 2009/72/EC and Regulation 714/2009) and secondary legislation issued by ANRE - substantiated by licences, establishment permits, tariff-setting methodologies (ceiling type for transmission and cost plus for system operation), tariffs, framework agreements, procedures and others.

Business profitability comes from the return of the regulatory asset base, which depends on the regulated profitability ratio and the regulatory asset base ("RAB").

The business model corresponds to the standard profile of a TSO and is designed uniformly at European level under the European strategy and legislation, applied in all community countries and transposed as such in the national legal framework.

TSO companies are subject to an European certification process as transmission and system

operators. The certification procedure can be mainly implemented in accordance with three possible models: ownership unbundling - OU, independent system operator - ISO, and independent transmission operator - ITO.

At present according to ANRE Order 164/07.12.2015 published in MO 908/08.12.2015, Transelectrica has been finally certified as transmission system operator of the national power system and it operates in accordance with the ownership unbundling model.

The certification notification was sent to the European Union, which published it in the EU's Official Journal of 08.01.2016, in accordance with article 10 para (2) of Directive 2009/72/EC.

In accordance with the certification conditions as transmission and system operator according to the ownership unbundling model, the Company's shareholders representing at least 5% of the Company's share capital will exercise their rights ensuing from Company shares while observing the provisions of Law 123/2012 regarding the non-simultaneous exercise, directly or indirectly, of control or right over an economic operator that performs any of the generation or supply activities.

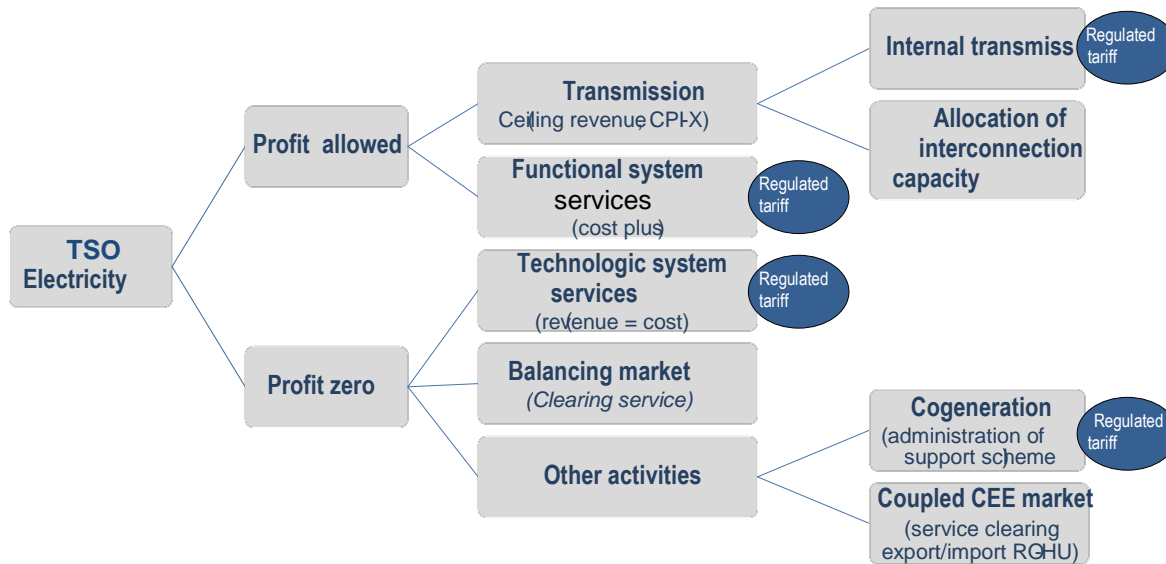


Photo Cover Transelectrica

1.2. Portfolio of activities and tariff-setting model

Transelectrica's portfolio includes allowed profit activities (transmission services plus functional system services) and zero profit activities (technological system services, balancing activities, and support schemes), all such activities being regulated by ANRE.

Figure 3: Portfolio of activities



The activities provided in the graph above in the 'zero profit category' are designed using neutral bases against the Company's profit, according to the applicable regulatory framework.

Revenues associated to technological system services are estimated using the respective tariff with a view to fully covering the costs associated to activities. Similarly, the cash flows associated to the support scheme administration to promote high-efficiency cogeneration rely on the contribution set by

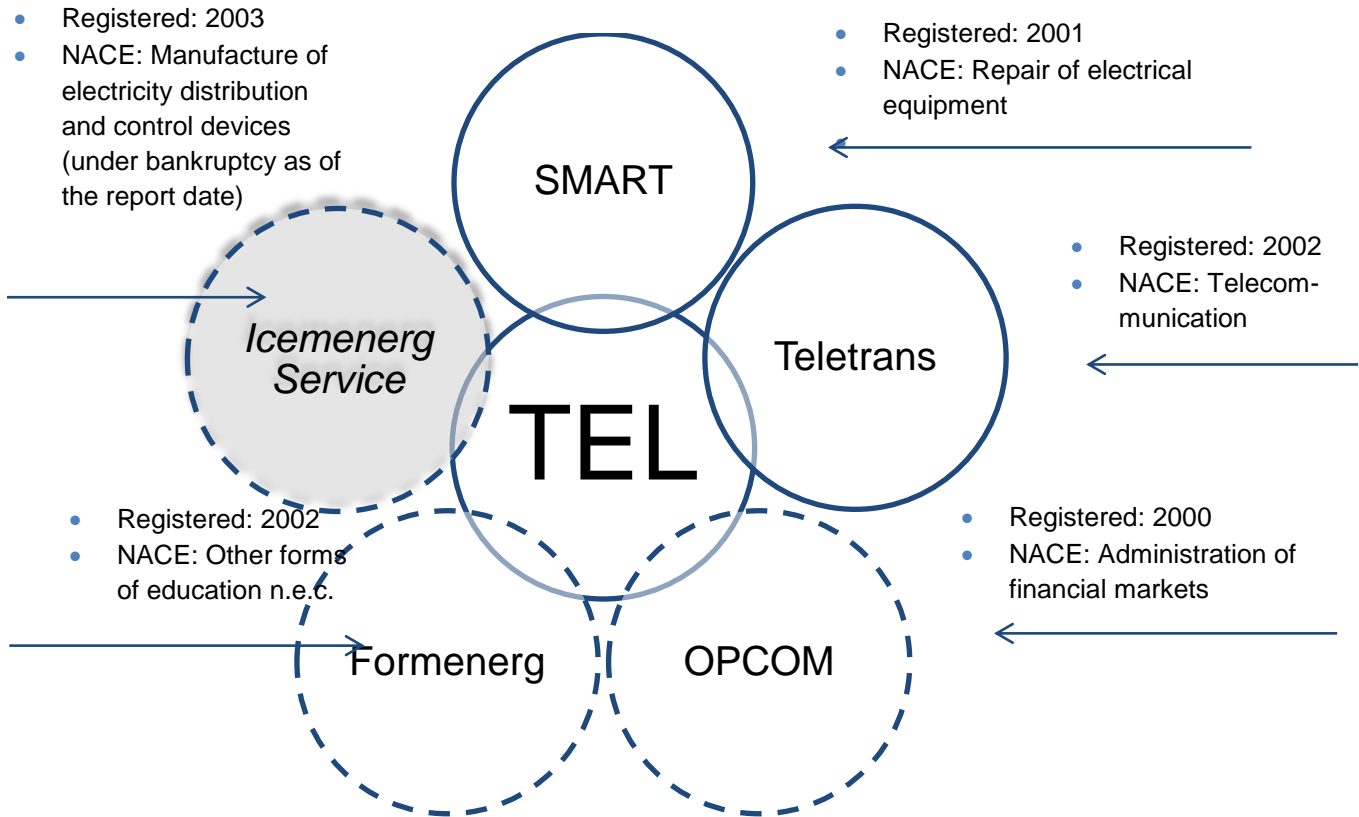
ANRE and estimated so as to fully cover the costs associated to the support scheme administration.

In case annual non-null positive or negative results are reported from technological system service activities, determined by differences between the forecasted values used for tariff calculation and actual values, the neutrality of such activity against the company profit is re-established within a multi-annual timeframe by means of proper adjustments included in the tariffs.

Allowed profit activities	
Transmission	<p>Domestic transmission</p> <ul style="list-style-type: none"> • Activity regulated by ANRE; • The tariff is reviewed and updated every year; • Tariffs associated to transmission activities is established according to preset settings in multi-annual intervals (usually 5 years) using a revenue cap stimulative model; • The revenue cap model enables recovering operational and investment costs and obtaining financial profitability dedicated to proper remuneration of financiers, in correspondence with the general risk of regulated activities performed by Transelectrica; • Certain cost components included in tariff calculation are limited to levels preset by ANRE (according to operational efficiency requirements), the superior efficiency values recorded by Transelectrica being partially withheld by Company by means of a mechanism dividing the additional profit with the users of transmission services;
	<p>Interconnection management</p> <ul style="list-style-type: none"> • Allocation of available electricity cross-border transfer on the interconnection lines of the power systems from neighbouring countries; • The allocation mechanism relies on a competitive system based on the price offered by market participants for the available cross-border transmission capacity applicable when the capacity demand exceeds the available quantity offered on the market; •
Functional system services	<ul style="list-style-type: none"> • ANRE-regulated activity; • SEN dispatching operations with a view to maintain the operational security of the system (maintaining a stable generation-consumption system balance; maintaining the system parameters within preset margins in order to provide safe stable operation of SEN; operational schedule to cover consumption) using the technical operational infrastructure of SEN represented by the EMS-SCADA and telecommunication, remote control, protection and control systems; • Tariffs associated to functional system services is established annually by ANRE beforehand, based on a cost-plus model enabling recovery of operational and investment costs and obtaining financial profitability dedicated to proper remuneration of financiers, in correspondence with the general risk of regulated activities performed by Transelectrica.

Zero profit activities	
Technological system services	<ul style="list-style-type: none"> • Activity regulated by ANRE; • Planning and procuring operations for power reserves necessary to permanently provide the generation-consumption balance, to provide secure SEN operation, from dispatchable producers or consumers; • Tariffs associated to technological system services is established annually by ANRE beforehand, based on a zero-profit (pass-through) model devised to fully recover costs necessary to procure power reserves by means of competitive means;
Balancing market	<ul style="list-style-type: none"> • Market administration activities which provides generation and consumption balancing in real time; • Control power procurement from dispatchable generating units and full recovery of balancing costs from balancing responsible parties; • Costs are recovered based on a pass-through (zero profit) mechanism;
Other activities	<p>Cogeneration</p> <ul style="list-style-type: none"> • Administration of the support scheme to promote high efficiency cogeneration. The target of such support scheme is to promote electricity generation systems by high efficiency cogeneration, with the benefit of low pollutant generation; • The role of Transelectrica under the support scheme is to collect the contribution from the suppliers of electricity consumers and pay the bonus to qualified electricity and heat producers in cogeneration; • Recovering the paid amounts is zero profit; <p>Shipping agent of the Romania-Hungary connection on the regional electricity market</p> <ul style="list-style-type: none"> • Compensation-settlement activities (transfer agent role) on the regional electricity market (price-coupled market in central-eastern Europe, by the markets of the following countries: Czech Republic, Slovakia, Hungary, and Romania) in the transaction horizon of a day before delivery (day-ahead market). Transelectrica performs financial clearing on the Hungarian border, an important role in the settlement chain of electricity transacted on the wholesale market between Romania and Hungary (export and import);

2. Group structure



On the date of this report Transelectrica has five subsidiaries in its structure, Romanian legal entities, organised as joint stock companies where it is the sole shareholder, namely: Formenerg, Teletrans, and Icemenerg Service (which at the date of this report is under bankruptcy proceedings).

Among the Company's subsidiaries, only Smart and Teletrans are included in the Group's financial consolidation area. Formenerg and Icemenerg-Service have not been taken into consideration for the consolidation because, according to the applicable accounting legislation, the impact of their activities is considered insignificant for the purpose of the consolidation, while OPCOM is subject to ANRE regulations and holds an independent position on the energy market.

The subsidiaries participating to the consolidation area (Smart and Teletrans) began procedures with a view to implement the corporate governance principles, in accordance with the regulations of GEO 109/2011 on the corporate governance of public enterprises. Thus, the recruited managers will be made responsible and remunerated as provided in GEO 109/2011. By implementing the corporate

governance principles, the Company intends to increase the efficiency of the two Subsidiaries' activities, thus taking steps to achieve the assumed objectives.

SMART



The main activity of Co. SMART SA consists of reviewing and repairing live devices and equipment, transformers and autotransformers, as well as the remedy of incidents in electric installations and micro-production of electric equipment. It has 8 subsidiaries without legal personality, situated in the same locations as the Company's territorial units.

The mission SMART SA was established for has been and still is to provide preventive maintenance, special works and corrective maintenance of the Electricity Transmission Grid (RET) starting from the primary objective of Transelectrica: to safely and stably provide electricity transmission in the national transmission network.

The following are at least envisaged as general strategic objectives:

- Providing high asset reliability within RET
- Increasing operational resilience
- Diminishing intervention times
- Coordinating maintenance services/works with the operating outage schedule of the National Power Dispatcher (DEN)

On 31 December 2020 the share capital was of 38,529 thousand Lei. SMART results are consolidated with the Company's financial ones.

On 20.11.2020 Subsidiary SMART SA registered with the National Trade Register Office of Bucharest Tribunal the changes from civil sentence 598/11.06.2020 pronounced in File 37718/3/2019 by Bucharest Tribunal, Section VI Civil, pertaining to cancelling the record 449314/23.12.2014.

Also another ORCB registration was of the Articles of Association amended on 25.09.2019 by approval of the Shareholders' general extraordinary assembly in order to make the Articles of association agree with civil sentence 835/2019 pronounced by the Appeal Court Bucharest.

When the Appeal Court Bucharest pronounced civil sentence 835/2019 under file 7763/2/2018 it cancelled Decision 12375/22.12.2014 of the President of the Board of Administration, which in 2014 indexed the share capital of Smart SA by the value of lands which ownership certificates were obtained for and introduced the Romanian State shareholder.

Civil ruling 598/11.06.2020 pronounced under file 37718/3/2019 by Bucharest Tribunal decided cancelling record 449314/23.12.2014, registration number with the ORCB of Order 12375/22.12.2014 of the Board of Administration's with respect to share capital increase and Articles of association amendment.

Consequently the share capital of SMART SA on the date of this report has been fully subscribed and paid by NPG Transelectrica SA as single shareholder.

TELETRANS



Subsidiary TELETRANS SA was established by Decision 13/04.12.2002 of AGA from Transelectrica as per Law 31/1990 and Orders 3098 and 3101 / 23.10.2002 of the Ministry of Industry and Trade and it is the provider of specific communication & IT services for the operational and managerial governance of

Transelectrica; its main business being the supply of specific telecommunication services and information technology in electrical transmission networks.

In accordance with its By-laws and applicable norms Teletrans holds the ANCOM certificate for networks supplier or electronic communication service provider since 2002 (GEO 679/2002), allowing it the right to provide the following electronic communications services:

- Public networks of electronic communications (beginning with 11.11.2004);
- Electronic communications services meant for the public: (i) Leased line services and (ii) Electronic communication services other than telephony and leased lines (as of 01.07.2003);
- Privat electronic communication networks and services (beginning with 15.01.2003).
- TELETRANS personnel also benefit of certifications relevant for the operation and administration of IT&C systems dedicated to critical infrastructures.

TELETRANS competences are structured by the following guidelines:

- Telecommunication services - mainly as the manager of the Company's main optic fibre network, which is about 5,000 km long and covers the entire territory of Romania;
- Process information services, especially for the energy sector;
- Managerial information services, which include consultancy, design, implementation, maintenance, technical assistance and training for complex systems, software applications, Oracle databases, communication equipment, structured cabling, and Internet/Intranet.

TELETRANS uses cross-border connections with Hungary, Bulgaria and Serbia and provides EMS/SCADA integration services for renewable energy producers and new command-control systems in refurbished substations.

The share capital was of 6,874 thousand Lei on 31.12.2020, Transelectrica being the only shareholder. Teletrans results are consolidated with the Company's financial ones.

TELETRANS are 100% held by Transelectrica.

FORMENERG



FORMENERG
Dam forma energiei!

Company FORMENERG SA was established as per Decision 33/19.11.2001 of the Shareholders' General Assembly of Transelectrica SA by outsourcing the activities of

the Subsidiary Training and Qualifying the Personnel of the Energy Sector.

FORMENERG began operating on 21 March 2002.

Subsidiary FORMENERG is a company mainly dealing with the initial and continuous training of staff with attributions in the energy sector, in all domains related to energy of the national economy, as well as other beneficiaries; its clients include Transelectrica, GDF SUEZ Energy Romania, Romgaz, Transgaz Medias, Nuclearelectrica and Hidroelectrica.

FORMENERG SA is the oldest professional training centre in Romania, with an experience of more than 48 years in the field of professional training, that has managed to upgrade and adapt to its clients' requirements, currently providing a wide range of courses in various fields: management, marketing, finance, accounting, legislation, IT, quality, environment, labour health and safety, constructions, energy strategy, ECDL, communication, human resources, EU funds, public procurement, technical courses, and energy-specific courses.

FORMENERG competences are structured by the following guidelines:

- Carrying on training courses;
- Launching new courses;
- Participating to auctions;
- Re-licensing courses;
- Improving the company's technical-material basis;

On 31.12.2020 the share capital was 1,948 thousand Lei, fully paid, represented by 194,842 shares of 10 Lei nominal value each.

FORMENERG shares are 100% held by Transelectrica.

ICEMENERG – SERVICE

On 09.06.2017 Bucharest Tribunal, Section VII Civil, decided entering under bankruptcy under simplified procedure the debtor Subsidiary Company ICEMENERG SERVICE SA, designating Solvendi SPRL as provisional judiciary liquidator.

- Subsidiary ICEMENERG Service SA focused on the design, manufacture and distribution of metering, running and control apDefendantuses meant for the power system, being ISO 9001 and IQ NET certified by SRAC ROMANIA, licensed by ANRE.
- In accordance with Order 855/10.12.2004 of the Minister of Economy (establishing special administration procedures and financial supervision) from 23.12.2004 onward a special administration and financial supervision procedure was instituted in Co. ICEMENERG SERVICE SA during the privatisation period of ICEMENERG SERVICE SA, subsidiary of Transelectrica, with a view to determine the manner of administration and management as well as the measures to be taken in order to expedite the company's privatisation process.
- AGA Decision 1/28.02.2017 approved instituting the company's insolvency in simplified form.
- On 9 June 2017, according to the Ruling issued by Bucharest Court, Civil Section VII, the bankruptcy procedure was ordered for the company under file 18051/3/2017 through simplified procedure. In 2016 Transelectrica recorded an impairment allowance amounting to 493 thousand Lei for the shares held at Subsidiary ICEMENERG SERVICE SA.
- NPG Transelectrica SA submitted to the court registry (Bucharest Tribunal) a statement of claim under file 18051/3/2017 requesting to be recorded in the creditors' list of debtor Icemenerg Service SA with 92.2 thousand Lei representing the value of the financing made by NPG Transelectrica SA under Convention C 156 / 21.06.2006, preparing the privatisation of Subsidiary Company Icemenerg Service SA, of which: 63.1 thousand Lei representing registration fee at the ONRC of the share capital increase and the sum of 29.2 thousand Lei as the evaluation report prepared by Inco Consulting SRL, sums recorded and detailed in the supporting documents attached to the application, prior to opening the file. Also 200 Lei were requested, representing the judiciary stamp tax related to request of NPG Transelectrica SA to be recorded in the creditors' list of this file.
- On 07.08.2017 the judiciary administrator SOLVENDI SPRL confirmed including the sum of 92.2 thousand Lei in the preliminary receivables table of debtor Icemenerg Service SA, which represents the financing made by NPG Transelectrica SA under Convention C 156 /

21.06.2006 to prepare the privatisation of Subsidiary Icemenerg-Service SA, which is added 200 Lei representing the judiciary stamp tax related to the request to be recorded in the creditors' list.

➤ After completing the assessment of the company's goods, as resulting from the Regulation on the use of assets (an informative material on the agendas of creditor meetings of 19 April 2018), an asset market value of 10,860,796 Euro resulted, equivalent to 50,337,703 Lei, at 4.6348 Euro/Lei exchange rate on the valuation date of 09 January 2018.

The share capital is of 493 thousand Lei, fully paid and represented by 49,300 shares of 10 lei nominal value each.

OPCOM



OPCOM was established according to HG 627/2000 on the reorganisation of the National Electricity Company SA as subsidiary, whose sole shareholder was Transelectrica.

In accordance the provisions of the applicable primary and secondary legislation the Operator of the Electricity and Natural Gas Market OPCOM SA acts as the administrator of the electricity market, providing an organised reliable efficient framework for the performance of commercial transactions on the wholesale electricity market; it also performs administration of centralised markets in the natural gas sector in consistent fair objective independent equidistant transparent and non-discriminatory manner. The main activities of OPCOM performed according to the provisions of applicable primary and secondary legislation:

- Organisation and administration of the centralised electricity markets;
- Settlement Operator by providing settlement on the Day-Ahead Market and the Intraday Market, namely establishing the payment obligations / collection rights on the Balancing Market and the quantitative and value imbalances of Balancing Responsible Parties;
- Organiser and administrator of the green certificates market;
- Administrator of the Platform for transacting the certificates of greenhouse gas emissions;
- Administrating the centralised natural gas markets;
- Supervising the activities of managed markets;
- Gathering and publishing statistical data about the market according to the provisions of the Energy Law;

Throughout 2019 OPCOM cooperated with the Bucharest Stock Exchange in order to identify projects by which the two entities will propose transacting by-products in view of managing the relativity risk of the energy price and executing compensation and settlement operations through a national Clearing House.

The participation of OPCOM to the CCP RO project has significantly impacted the business plan of CCP RO in terms of transactions on centralised markets for standard products with forward delivery of electricity, transactions performed on OPCOM platforms estimated to 19% of CCP RO's revenues, as well as in terms of the contribution made into CCP RO's revenues by the transactions with by-products having OPCOM indexes as support assets, estimated to over 9%.

Transelectrica has no actual direct control over the decision-making mechanisms of OPCOM, which is managed in accordance with ANRE-established regulations.

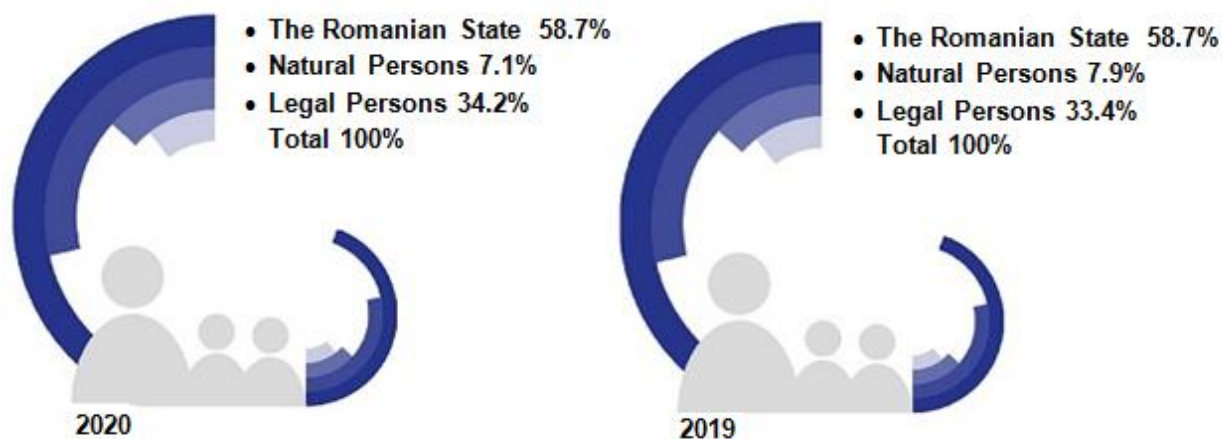
On 31.12.2020 the share capital of company OPCOM was of 31,366 thousand Lei, Transelectrica participating as majority shareholder to the share capital on that date. The shareholder structure is as follows:

- NPG Transelectrica SA – 97.84%
- Romanian State through the Secterariat General of the Government – 2.16%

3. Transelectrica on the capital market

3.1. Shareholding structure

Figure 4: Development of the shareholding structure 2020-2019



Legal person DEDEMAN SRL became significant minority shareholder beginning with 28.09.2017.

On 25 September 2020 Transelectrica notified the major stocks of PAVAL HOLDING SRL and DEDEMAN SRL (over 5% of the share capital of TEL). Thus in accordance with received notifications:

- After the transaction made on 18 September 2020 DEDEMAN SRL yielded a part of its voting rights to an affiliated company. Thus the voting right percentage held by DEDEMAN SRL decreased below 5% after such transaction, namely to 2.058% while PAVAL HOLDING SRL holds 4.085% and PIF INDUSTRIAL SRL holds 0.341% of the voting rights;

- After the transaction performed on 22 September 2020 DEDEMAN SRL yielded to PAVAL HOLDING SRL the 2.058% of the share capit of TEL.

Thus PAVAL HOLDING SRL acquired over 5% of the shares issued by Transelectrica, namely 6.143% of the share capit of TEL.

Consequently on 31.12.2020 the percentage held jointly was of 6.484% of the share capital of Transelectrica SA, namely PAVAL HOLDING SRL with 6.143% and PIF INDUSTRIAL SRL – 0.341%.

The legal person NN Group NV became significant minority shareholder beginning with 11 April 2019. On 31.12.2020 NN Group NV held 5.5% participation (4,007,688 shares).

Free Float Shares	31.12.2020	%
Non-resident individuals	132,518	0.44%
Resident individuals	5,083,992	16.79%
Non-resident legal entities	1,405,758	4.64%
Resident legal entities	23,660,565	78.13%
Total shares	30,282,833	100%

3.2. Share price evolution

Romania was included in the list of countries with substantial potential to pass from “emergent market” to “frontier market” level; this decision of FTSE Russell was published on 29 September 2016. Such decision was taken after the amendments and changes made both in the capital market legislation and also in the regulations specific to this market, besides the conjugated efforts made by NBR, BVB, ASF, PFM and the Central Depository.

Beginning with 5 January 2015 the Company was included in the Premium category of the regulated market managed by BVB.

Transelectrica shares are part of the BET index - which reflects the evolution of the 10 most traded companies on the BVB Regulated Market, excluding financial investment companies (SIFs) and are traded on the regulated market, managed by the Bucharest Stock Exchange under category I and the TEL symbol.

BVB indexes reflect the evolution in the prices of the most traded listed companies or the evolution of certain representative sectors, such as the financial or the energy sector. In terms of calculation methodology, all BSE indexes are price indexes of free float capitalisation weighting, with maximum limits for the shares of component companies. Except for the BET-TR and BET-XT-TR indexes, which are adjusted for dividends, the others only reflect the evolution of market prices.

2020 began with 19.60 Lei/share transaction price. At year end stock exchange capitalisation was of 1,877 mill Lei, the share providing 25.60 Lei/share price. The minimum transaction price of 15.00 Lei/share was registered on 16.03.2020, and the maximum one of 25,60 Lei/share was reached on 30.12.2020.

Mention should be made Romania’s capital market was impacted by the Covid-19 pandemic during the studied period, and implicitly by the economic consequences it generated, which were mirrored by the stock exchange indexes and the development of shares from stock exchange-listed companies.

Throughout 2020 TEL shares transacted on Romania’s capital market recorded 15,592 transactions, with an average of 63 transactions/day and 5,183,060 transacted shares in total value of 111,254 thousand Lei.

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

From among them, the most representative for the Company are:

- BET (Bucharest Exchange Trading - reference index of the capital market showing the development of the most liquid 17 companies listed on the BVB-regulated market);
- BET-NG (Bucharest Exchange Trading Energy & Related Utilities - sector index showing the development of energy companies and of associated utilities listed on the BVB-regulated market);

Beginning with December 2020 worldwide Transelectrica shares belong in the structure of MSCI 100 Frontier Markets index, showing the development of the greatest and most liquid one hundred companies on the share markets considered as frontier ones according to the criteria of MSCI American company.

In accordance with the latest adjustment date on 11.12.2020, TEL shares held 1.94% under BET and 5.72% under BET-NG index.

Figure 5: TEL compared to BSE 2020 indexes

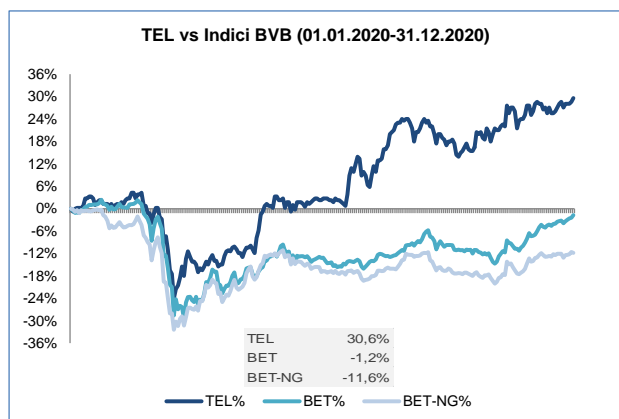


Figure 6: TEL share price evolution 2020

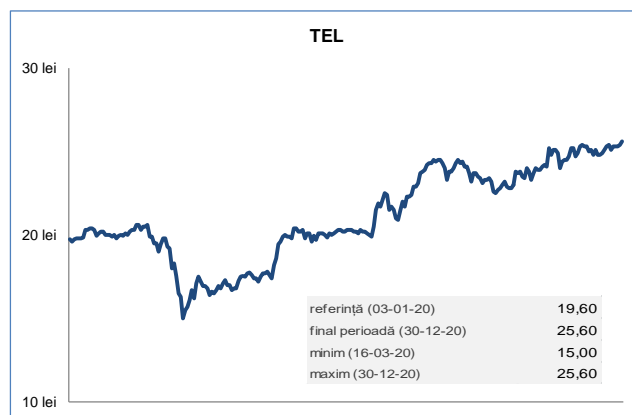


Table 1: Stock exchange information, 2020-2018

Indicator	2020	2019	2018
Number of shares	73.303.142	73,303,142	73,303,142
Stock exchange capitalisation (mill Lei)	1.877	1.448	1.576
Stock exchange capitalisation (mill Euro)	385	303	338
Maximum price (Lei/share)	25,60	22.15	27.25
Minimum price (Lei/share)	15,00	19.48	19.40
Price at the beginning of the year (Lei/share)	19,75	21.50	24.55
Price at year-end (Lei/share)	25,60	19.75	21.50
Profit per share (Lei/share)	1,65	1.31	1.11
PER	15,51	13.92	19.38
P/BV	0,56	0.51	0.57
Gross dividend per share (Lei)	0,53	0.00	0.00
Special gross dividend per share (Lei)*	0,00	0.00	0.91
Dividend return**%	0,02	0.00	0.00
Free Float %	41,31	41.31	41.31

*** special dividend according to HG 29/2017

** the dividend return submitted for approval in the General Assembly of Shareholders was calculated using the latest share price as of December 31 of the year.

Share ID data: ISIN **ROTSSELACNOR9**; Bloomberg **TEL RO**, Reuters **ROTEL.BX**

3.3. Dividends

Dividends due to shareholders, amounting to RON 39 mn, will be distributed in accordance with the decision of the General Meeting of Shareholders.

Regarding the determination of the value of gross dividends due to shareholders, the number of shares existing at the date of preparation of the financial statements for 2020, respectively 73,303,142 shares,

will be taken into account, and the gross dividend per share will be established considering two decimal places.

As of December 31, 2020, the dividends due to the Company's shareholders and unpaid are in the amount of RON 0.19 mn. These amounts are available to shareholders through the paying agent.

3.4. Rating

On 12 May 2020 Moody's Investors Service credit rating agency published the updated credit opinion whereby it assesses the Company's current and future capacity to fulfil its payment liabilities to creditors. The current credit opinion maintains the Company's rating to the level of the previous year's, namely Ba1 (Corporate Family Rating) with positive outlook.

The valuation of the Company's rating is found just one notch below the country's (Baa3 stable), thereby acknowledging the Company's improved financial

performance and sound operational results, thus providing premises of optimum cost conditions for future funding of investments assumed for the fourth regulatory period.

Obtaining Ba1 rating with positive outlook strengthens a favourable position regarding the Company's capacity to meet its current and future financial commitments, showing that Transelectrica has got sound financial profile with low indebtedness and strong stable predictable financial values.

Table 2: Transelectrica Rating

Rating agency	2020	2019	2018
Moody's Investors Service	Ba1 positive	Ba1 positive	Ba1 positive
Fitch	-	BBB stable	BBB stable

3.5. The relation with investors and stakeholders

In the context of implementing the corporate governance rules and best practice, Transelectrica has committed to an active communication with shareholders and investors, using in this respect several communication channels and dedicated interfaces. The Company is aware of its important responsibility in the position of publicly traded company.

The diversity of shareholders and the inclusion in the main indexes published by BSE emphasise exigencies with regards to transparency, information relevance and its quick dissemination, as it also maintains an uninterrupted dialogue with the investor public.

Thus, shareholders and investors have access to relevant information for their investment decisions by accessing the dedicated section of Transelectrica's internet page (financial statements, periodical reports and presentations), by means of written electronic correspondence and phone calls to dedicated contacts.

The Company also keeps in touch with investors by direct meetings organised periodically by the Company to present its results, direct meetings upon requests from investors or their brokers and similar direct meetings when the Company participates to events dedicated to individual or institutional investors, organised by the Bucharest Stock Exchange or by the financial investment service companies.

In accordance with the financial calendar published by the Company at the beginning of the calendar year, Transelectrica organises quarterly meetings/video conferences with shareholders, investors, financial analysts and journalists with a view to presenting the relevant financial elements for the investment decision.

Specifically, between 26 and 27.02.2020, a meeting took place in London with institutional investors participating in the "Romania Investor Days 2020" event organized by Wood & Co in partnership with Property Fund.

The main objective of the Conference was to facilitate a direct dialogue between active investors in the region and representatives of listed companies (blue chips) on the Romanian capital market, mainly to improve understanding of the future value of investment opportunities in Romania in general. and

in Transelectrica in particular. The format of the conference included a series of bilateral meetings with investors.

The main topics of interest addressed during the direct meetings with investors focused on:

- the general business profile of Transelectrica, the positioning of the Company within the market / sector, the framework for licensing and concession of the assets of the transmission network, the portfolio of activities carried out.
- annual results 2020 (preliminary)
- dividend: general policy, profit distribution rate
- the tariff regulation framework for the two licensed activities (transport and system services). News expected from the new multiannual regulatory cycle 2020-2024.

Transelectrica's action is monitored by the research departments of the main financial investment services companies active on the regulated market administered by the Bucharest Stock Exchange. The company maintains contact with the analysts of the companies that hold Transelectrica in their research portfolio.

In the context of the pandemic triggered by the Covid-19 virus in March, all meetings took place in the form of a conference call. The interested persons confirmed their presence and sent specific questions to the Company's activity as well as to the TEL financial results obtained, by e-mail relatii.investitori@transelectrica.ro.

In accordance with Book I, Title II, Chapter VI, Section 2, art. 92, para. 2 of the Bucharest Stock Exchange Code in conjunction with art. 247 of the FSA Regulation no. 5/2018, the Company's representatives had 4 meetings with financial analysts, investment consultants, brokers and investors to present the financial results. The calendar dates for these events were announced in early 2020 through the Financial Communication Calendar of the NPG "Transelectrica" S.A., and took place as follows:

Organized event	Date
Presentation of the financial results for 2019	March 27 2020
Presentation of the financial results for the first quarter of 2020	May 15 2020

Presentation of the financial results related to the first semester of 2020	August 14 2020
Presentation of the financial results related to the third quarter 2020	November 13 2020

Also, in order to prevent and limit the spread of Covid-19, the shareholders of NPG "Transelectrica" SA were encouraged to exercise their right to vote in the General Meetings of Shareholders, using ballot papers by mail, as an alternative to participate directly or through a representative. at the Company's headquarters, thus accessing the indirect communication channels, respectively either by post or courier services (at the address: Bucharest, Sector 3, 2-4 Olteni Street, "PLATINUM Center" building), or by electronic means of communication .

One of the most important rights of shareholders is to enjoy equal treatment, ie to obtain in a non-discriminatory manner relevant information, in a timely manner about important events in the Company's activity that may influence the decision to invest.

At the same time, the Association for Investor Relations on the Romanian Stock Exchange (ARIR) took over from BVB the project "White Paper of listed companies" and coordinates a working group dedicated to reviewing the methodology for communicating listed companies, a project renamed VEKTOR. The proposed methodology aims at an assessment based on objective and clear criteria, which include provisions on: investor relations office, corporate governance, transparency, proactive investor approach, interactive IR tools, coverage by financial analysts and non-financial reporting. financial.

Although 2020 was an atypical and challenging year in all respects, the Company managed to implement the action plan on the continuity of activity and operations necessary to ensure the safe operation of the National Power System (SEN), in the epidemiological context generated by the spread of covid-19.

The Company has always maintained a good communication with shareholders and interested persons, this materializing by receiving on October 19, 2020 the award for the best company from the perspective of the "Investor Relations" activity, during the AR&IR Gala, event organized in online format by the Association for the Relationship with Investors on the Romanian Stock Exchange (ARIR)

This recognition is a real certification of the result of a sustained effort to open Transelectrica to the capital market and investors.

From the pattern of an organization that was not used to working with capital market mechanisms, Transelectrica has become a successful Company in terms of corporate governance and quick access to relevant information for investors.

We have a long way to go to improve IR business and manage to stay in the top of listed companies but the company aims to maintain a proactive communication with investors in order to strengthen and develop advantageous business relationships.

3.6. Main risks and uncertainties

Obviously knowing one's threats enables their hierarchical classification depending on the likelihood of their occurrence, on the impact over objectives and on the costs associated with the measures meant to reduce the occurrence probability or to limit the undesired effects.

Throughout Transelectrica we periodically analyse risks in systematic mode, as associated to one's own activities, elaborating the Register of detected risks and proper Measure plans with a view to limit the possible consequences of such risks in accordance with legal provisions.

The issues that might impact the Company's liquidity include:

- Interest rate fluctuation,
- Exchange rate variation,
- The provision of finance agreements: finance contracts comprise clauses on observing certain financial indicators, control change over the Company, pari passu clauses;

Violation of such clauses may entail, based on preliminary notification and a reasonable time interval, anticipated loan repayment, some credits being attached penalty interest in case of such return.

To date the Company received no such notification of anticipated repayment for its failure to comply with assumed liabilities.

- Credit risk: the Company incurs financial loss because of the inability or refusal of a contractual partner to fulfil his contractual liabilities. Such risk results mainly in trade receivables, cash and cash equivalents. On the centralised market to allocate interconnection capacities this risk was treated by concluding agreements for capacity

allocation with the transmission system operators of neighbouring countries; the interconnection with markets of Hungary, the Czech Republic, Slovakia and Poland is in progress;

- Risk of not collecting the securities of investment projects: the main cause of such risk comes from the bank or insurance companies that provide security services without having the financial capability to pay the liabilities assumed under the issued security instruments;
- The fiscal level, including the introduction of new taxes and charges;

Other risks that might impact the Company's financial performance can be:

- The deterioration of the credit rating as a result of worsened indicators and macro political environment, or/and worse financial performance of the Company. Such risk mirrors a complex set of factors with potential effect over financial prices, increasing them on the credit market, which might significantly impact the Company taking into account the substantial capital necessary to be obtained to finance the investments of next years. On the other hand the Company rating is strongly dependent on Romania's sovereign rating;
- The investment risk as a result of subsidiaries' financial difficulties, caused both by historical liabilities, the competitive environment and by their own management;
- Impact of Covid 19: in 2020 EU/EEA and UK countries faced the impact of Covid-19 pandemic by greater number of cases; such situation meant major threat for public health. In this context beyond the economic impact the contagion risk for Company personnel has been high and is still as such.

The Company took all measures in order to limit the impact on its employees.

Strategic risks:

- Achieving the Annual Investment Plan under the quantitative or qualitative levels;
- Incompliance with EU regulations;
- Failure to provide classified information security;
- Incomplete achievement of the RET Maintenance Schedule;
- Impacts on the employees' health and security;
- Difficult recruitment, professional training and motivation of personnel;

- Exceeding the terms of work or providing poor quality work;

The Company does not stay only with treating the consequences of events that might occur but provides reactive management, implementing measures meant to mitigate risk occurrence.

At the same time periodical risk revision as provided by standards leads to reallocating resources in compliance with the changes of risk hierarchies and implicitly of priorities.

Transelectrica pays adequate attention to analysing the risk environment and to timely detect possible risks that might occur in the future and have to be dealt with in proper manner.

All through 2020 the Company did not find it impossible to comply with its financial liabilities.

Therefore there are no risks or uncertainties foreseen for the following months of 2021, others than what has been described previously, which might impact the Company's liquidity.

The Company has never been in the position of not complying with its financial obligations but on the contrary it benefits of very good liquidity.

Throughout 2020 no problems were met in the relation with banker partners.

On 03.02.2020 the "First Demand Guarantee Agreement" was issued by BNP Paribas in favour of IEB in accordance with contract C997/20.12.2019 signed by Transelectrica and BNP Paribas to secure the IEB 25710/2010 credit for 3 years.

In conclusion treasury activities did not receive the impact caused by the epidemiologic context generated by covid-19 spreading; as a matter of fact one can notice the net profit registered increase, being higher than the budget of the current year.

At the same time the Company obtained Ba1 rating (Corporate Family Rating) with positive outlook for the third consecutive year from Moody's Investors Service Agency, which translates into a low business profile risk taking into consideration the strategic importance of the Company, into the uninterrupted improvement of the regulatory framework and into the benefit provided by governmental support in case of financial difficulty.

Such Ba1 rating with positive outlook as obtained just strengthens the favourable position held by the Company through its capacity to comply with present and future financial commitments, thus showing that Transelectrica has strong financial profile, low

intebtedness and strong stable predictable financial values.

4. Risk management

4.1. Risk management policy

The Integrated Risk Management System has been implemented in the Company as provided in the strategic requirements for SEN operational safety and continuity, which represents a fundamental condition for a sound internal managerial control. The Company addresses risk management in a proactive manner, thus the Directorate reasonably ensures that objectives will be achieved by managing possible threats. To this effect, potential losses are detected and managed before the occurrence of events with likely negative impact, while preparing beforehand the technical, operational and financial solutions specific for mitigating or counteracting these possible losses.

The Company is managing risks in compliance with the applicable legal and regulatory requirements in order to provide risk control capacities according to the Company's risk profile in view of identifying, assessing, managing, monitoring, notifying, consulting and reporting risks:

- Order 600/2018 of the General Secretary of the Government approving the internal management control of public entities;
- The regulator's requirements and other requirements derived from its capacity of Company listed on the Bucharest Stock Exchange or required by rating agencies or auditors;

The set of risk management solutions used by Transelectrica aims at assisting the organisation in reaching its objectives and contributing to improved planning by means of risk mitigation measures, comprising the organisational and financial solutions within an optimised structure. Thus, in organisational terms, risks are kept under control at an acceptable level with reasonable costs, mitigated or even transferred, by means of activities such as:

- Organising, designing, planning, structuring activities, communication including business continuity measures after the occurrence of a risk. Procedures have also been executed taking into account the principles to be complied with by all employees and labour security and safety measures have been enhanced with a view to mitigate risks;

- Insurance contracts aiming at risk transfer; bank letters of indemnity, financial securities requested by Transelectrica's counterparties; financial solutions including share offers, bond emissions and other instruments provided on the capital, insurance and other financial markets.

The following have been achieved in 2020 as part of Risk Management activities:

- Updating the Risk Management Team members, Company-wide;
- Operations related to ensuring the organisational and procedural framework undertaken by the heads of organisational units in order to enforce the internal control and risk monitoring measures;
- Guidance and control activities;

In 2020 the *Risk Register Company-wide - 2020* was executed as approved by the Company's Directorate, aiming at minimising the impacts on performance of significant risks the Company is exposed to. The *Risk register* was devised in accordance with the requirements of Standard 8 *Risk management* from OSGG 600/2018. At the same time the Directorate approved the *Plan to implement control measures in 2020* which has been elaborated.

The Monitoring Commission for the implementation of the Internal / Managerial Control System analyses and prioritises annually the significant risks that can impact the general objectives of the Company's operations. The Monitoring Commission analyse and classify significant risks, which might impact the achievement of Company objectives, by establishing the risk profile and tolerance limits.

Company-wide 12 significant risks were synthetised and analysed for 2020, which might impact the achievement of Transelectrica's general objectives.

4.2. Objectives of Transelectrica with respect to risk management

The Company's Directorate aims at preserving the continuity of strategic functions as transmission and system operator within the SEN of Romania, even under the most unfavourable circumstances.

Both in direct manner and by implementation in the transmission territorial units and subsidiaries, and by transposing the applicable requirements into the

service contracts with specialised suppliers, the Company's policy aims at operating in accordance with the quality, security and efficiency norms specified in the RET Technical Code and with any other specific applicable regulations, emphasising the compliance with the employees' safety and health criteria, as well as on the protection and preservation of the property and environment.

The Company's management determined the following strategic objectives in terms of risk management:

- Understanding the risks that the Company is exposed to, their causes and the possible budget deviations and costs, as well as the impact they might have over general and specific objectives;
- Maintaining a safe working environment for employees;
- Operating the equipment and installations under safe conditions with no dangers for third parties or environmental impacts;
- Implementing the optimal risk control measures;

The main established objectives include:

- Improving the Company's risk profile by means of managing the global risk identification, assessment, and monitoring while also implementing the necessary control with a view to maintain risk exposure to an acceptable degree;
- Eliminating or minimising the conditions and practices that might lead to inachieved performance indicators, or to interrupting or limiting Company activities;
- Reducing the risk total cost with a view to contributing to ensuring financial resources necessary for operation expenses, payment of liabilities and completing investments;

Company activities are sensitive to the general economic conditions which might impact the quantity of transmitted electricity and implicitly the operational revenues and results. Moreover, the demand for electricity and its price depend on a variety of factors over which Transelectrica has no control, meaning the following issues:

- Economic and political developments at global and regional level;
- The demand of industrial consumers;
- Climatic conditions;
- ANRE-regulated tariffs for transmission and system services;
- Existing laws and regulations;

4.3. Main risks identified

Risk management is an integral part of the Company's management and decision making processes, contributing to a higher degree of objective achievement by better planning, taking risks into account and by measures hedging and controlling the potential negative effects over the Company's financial performance owed to the unpredictability of the economic and financial environment.

During the upgrading process of the Risk Register the level of risk exposure was observed to be the same as the previous year and the residual risks were generally kept at the same level compared to the previous assessment. Risks identified in previous years are properly kept under control.

Technical and operational risks

The actual occurrence of technical risks or of those resulting from non-compliance with existing procedures or systems, generated by the employees' behaviour or by external events – including hazard, might negatively impact the Company's activities, representing a hindrance in reaching the proposed results and also impacting the Company's financial circumstances:

- Deficiencies in scheduling SEN operation and in congestion management;
- Interrupting the provision of telecommunication services for SEN operation;
- Failures occurring to installations and equipment;
- Malfunctions in the operation of the Balancing Market;
- Non-execution or delays in performing the Annual Investment Plan;
- Malfunctions of the systems and platforms used for operational management, communications and telecommunications;
- Unavailability of data collection, storage and access in terms of qualitative measured data for electricity;
- Failure to comply with legal requirements as regards shutting down;
- The Annual Investment / Maintenance / Procurement programmes are performed below the scheduled quantity and quality;
- Delays in procuring the services necessary in order to provide the security and intervention stocks of Transelectrica SA;
- Inadequate application of users' connection to electricity networks of public interest;

- Failure to comply with regulated or contractual terms, determined especially by difficulties while obtaining the rights over lands;
- Failure to achieve the full Annual Procurement Programme and distortions of procurement procedures, with major impact over investment activities;
- Risks associated to energy markets: counterparty risk; risk of non-collecting trade receivables; forecast risk;

Financial risks

In terms of financial risk management, the risks the Company is exposed to with the most significant impacts over financial results come from financial instruments: the interest rate risk, currency risk, credit risk and liquidity risk. Another risk which might affect the Company's performance is the risk associated to the provisions of financing agreements.

The main risks which the Company may be faced with during its activities are summarised below as follows:

The interest rate risk

The Company has concluded (short and long-term) credit agreements in order to finance its investment programmes and to sustain operational activities.

The variable component of the interest rate associated to the credits drawn by the Company can influence both the cash flows from operational activities and profitability, if the values of international indexes based on which the interest rate is calculated are significantly modified. Taking into account the structure of non-current borrowings contracted by the Company has been left only with fixed interest credits, one can state the impact of this risk is non-existent in the long run.

In the short term Transelectrica has contracted a credit line to finance the bonus-type support scheme for high efficiency cogeneration, with variable interest calculated depending on ROBOR 1 reference rate, which is added 0.50% margin.

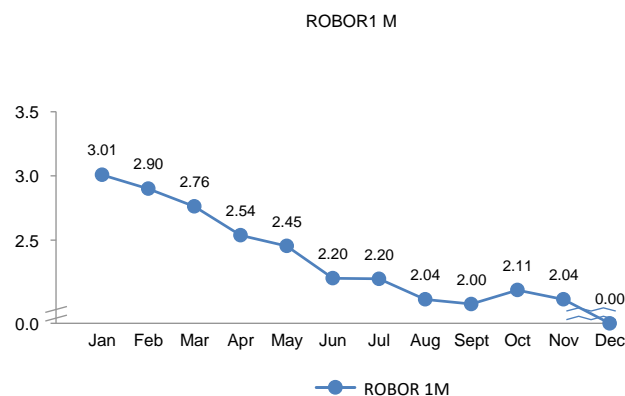
On the national bank market ROBOR at 1 month registered a decreasing trend in 2020, reaching from maximum 3.01% (January 2020) to a minimum of 2.00% (September 2020).

ROBOR decrease was also owed to a reduced interest rate of monetary policy.

Taking into account the delays in transmitting the impulses of interest rate decrease under the monetary policy, such calibration of the monetary policy behaviour can sustain recovery of economic

activities, with a view in the mid term to bring and consolidate the annual inflation rate in line with the 2.5 percent inflation target ± 1 percentage point while at the same time protecting the financial stability.

Figure 7: ROBOR 1M (%)



Exchange rate risk

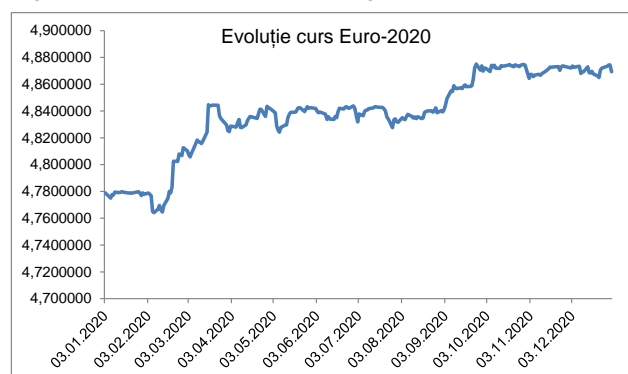
The Company's functional currency is the Romanian Leu. The Company is exposed to the exchange rate fluctuations caused by revaluing assets and liabilities denominated in other currency.

All through 2020 there were periods of higher volatility registered, with short intervals of Leu appreciation, which were followed by unfavourable fluctuations against the background of events that impacted global economy.

Once the Covid-19 pandemic spread internationally tensions grew also on the financial market.

From the beginning of the year the national currency depreciated 1.93% to Euro.

Figure 8: Development of exchange rates 2020



In 2020 revenues from exchange rate differences amounted to RON 2.74 mn, while expenses reached to RON 5.06 mn.

Liquidity Risk

Owing to the liquidity risk, the Company might be faced with difficulties when fulfilling the obligations associated to financial liabilities settled in cash or by transfer of other financial assets. The provisions from the Company's financing agreements can limit its financial and operational flexibility.

A cautious policy managing the liquidity risk implies preserving enough liquid resources in order to comply with liabilities as they gradually reach maturity, as well as financing availability by means of proper credit facilities.

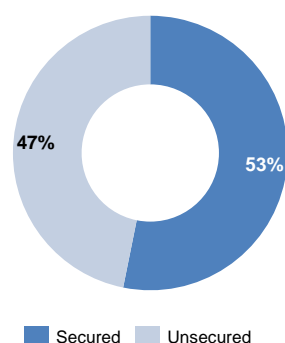
The liquidity risk is diminished by the introduction of the Company's financing mix of unsecured instruments (unsecured corporate bonds and loans offered by international financial institutions), which significantly reduce the dependence on the limitations and constraints of the banking environment and the need to secure commercial credits.

Another component of the liquidity risk comes from the opportunity cost of financial investments towards the liquidity excess that the Company might have at a certain moment.

In this respect, the Company's management was permanently concerned with investing this excess liquidity into low risk but satisfactory return instruments.

The medium return obtained in 2020 corresponds to market conditions.

Figure 9: Debt structure by types of securities as of 31.12.2020



The credit risk

The credit risk is the one whereby the Company incurs a financial loss because of a contractual partner's incapacity or refusal (client or counterparty under a financial instrument) to carry out his contractual obligations. This risk results mainly from trade liabilities, cash and cash equivalents.

As far as collections are concerned, in 2020 no payment delays were recorded, but there have been singular requests from suppliers facing liquidity issues to make payments earlier than the established term.

Treasury activities have not been impacted by the impact generated by the epidemiologic context produced by Covid-19 spreading.

The internal measures the Company applied with a view to keep credit risk under control and reduce it include: diversifying the client portfolio, monitoring the clients' creditworthiness, and contractual measures for insurance purposes.

The Company has enforced a series of policies that ensure that the sale of services is performed towards customers with an appropriate creditworthiness or that their obligation to provide financial guarantees covering the default risk is included in their commercial contracts. The value of receivables, net of the allowances for value losses and including guarantees, represents the maximum amount exposed to the risk of collection.

The risk of not collecting these receivables is relatively limited given the structure of the clients' portfolio, the monitoring of receivables' duly receipt and other measures taken with a view to increase the collection degree, taking into consideration the contractual framework and the applicable ANRE regulations.

Risk associated to provisions from financing agreements

The Company has entered financial agreements with international financing institutions (IFI) and with commercial banks in order to fund its investment projects and to support certain operational activities, as part of its business. Financing contracts include clauses with respect to: compliance with financial indicators, control changes in the Company, pari-passu type clauses, etc.

The potential breach of these clauses might entail, based on a preliminary notification and a reasonable amount of time, the anticipated credit payment as certain credits include penalty clauses in case of repayment in advance. To this date, the Company has received no advance repayment notification for breaching the obligations undertaken.

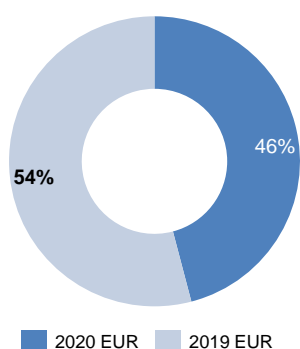
Table 3: Total exposure in the financial position statement

RON mn	Total	RON	EUR	USD
31 December 2020 (mill Lei equivalent)	125	0	125	0
31 December 2019 (mill Lei equivalent)	147	0	147	0
31 December 2018 (mill Lei equivalent)	195	0	195	0

In 2020 bank liabilities reduced from RON 147 mn to RON 125 mn both as result of principal payments under contracted credits, and as result of no longer contracting new borrowings.

On 31.12.2020 the Company had still underway credits in Euro, while the Lei credits had ended by repayment of bonds that have reached maturity in 2018.

Figure 10: Liability structure by types of interest rate on 31.12.2020 vs 31.12.2019



The risk of not collecting the amounts constituted as security under investment projects

Such risk is substantiated by not collecting the amounts of money because the security instruments have been drawn which were used to guarantee the down payments the contractors received under investment projects.

The main cause of such risk springs forth from the bank or insurance companies that provide security services without also having the financial capability to pay the liabilities assumed under the issued security instruments.

This risk has been maintained also throughout 2020, because there were contracts valid for service provision by certain suppliers.

Company-wide the strategy applied consists in requesting damages and interests from contractors and instituting court proceedings against the company that issued the security instrument and failed to provide the Company with the requested amount by enforcing the security instrument.

The tariff (price) risk associated with the regulatory framework

Taking into account the position of regulated natural monopoly, the price risk associated with the

regulatory framework is an important factor which might influence the Company's activities and have a negative impact on the Company's operational results, financial position and perspectives.

The price risk has a structural component as well, namely the manner to determine the tariff (the capacity to fully and quickly recover the costs) and a component regarding the transparency of regulatory norms, as well as the history of tariff setting decisions.

Lately a substantial improvement has been noticed both in the recovery capacity of costs and the transparency of regulatory deeds (the tariff calculation mode and the communication between the Company and the regulator). Nevertheless, the regulatory risk is still maintained by the existence of a historical risk marked by unfavourable regulatory conditions and an insufficient degree of transparency in tariff setting.

The volume risk

The volume risk is an important component of the regulatory risk.

The current tariff-setting system is monomial (with only one billing component: energy) and thus generates a high exposure of revenues to the volume of electricity circulated in the network. When the cost base associated to the transmission activity is prevalently fixed (variable costs represent about 20% from total recognised costs, the about 80% majority component being determined by fixed infrastructure costs: investments, maintenance), the discrepancy created between the cost base structure and the mechanism generating revenues may lead to large revenue deviations from the regulated income approved by ANRE. Such deviations are corrected by means of ex-post tariff adjustments, thus a risk occurs of major fluctuations in the revenue from one year to another and such disturbance is further transmitted to the profit level (as the cost base is prevalently fixed).

ANRE has launched a project simulating the effects of introducing a binomial tariff system (with two tariff components: energy and power). Such simulation is ongoing, the first stage was achieved in 2017-2018 and a the second stage is to be further applied, as ANRE will then assess the opportunity to implement

such tariff system based on the results of this simulation.

The tariff system which was considered for implementation provides the important benefit of correlation between the cost base structure (fixed vs. variable costs) and the structure of the mechanism generating revenues (fixed vs. variable revenues). The volume risk will be substantially subdued by the implementation of the binomial tariff.

Risk control measures to mitigate risks: sound foundation, within the limits of the applicable methodology, of the requests to include in the tariff certain cost levels sufficient to cover costs necessary for regulated activities; rapid response to ANRE proposals in order to amend the existing regulatory framework by analysing the impact of their implementation over the Company and proposing adjustments as required with a view to protect Company interests.

Network codes implementation risk

Taking into account the novelty and complexity of the Company-wide implementation of provisions from European Regulations on networks codes, the implementation risk provides a component related to the failure to comply with certain set dates and another component related to incompliant implementation of certain provisions of these network codes.

This risk can be substantiated in unfavourable reports from ENTSO-E and ACER with respect to the Company's implementation of certain provisions from network codes. Later on, depending on the seriousness of such nonconformity and the lack of proper feedback, the European Commission may initiate infringement actions, which may translate into penalties of 10% from the Company's turnover.

Risks associated with the unpredictability of Energy Markets

- The price risk is a financial one caused by the unpredictability of the energy market, which can lead to cost rises associated to OTC;
- Non-collection risk - failure to meet contractual clauses;
- Counterparty risk - the risk of not collecting receivables (a client's incapacity or refusal to carry out his contractual obligations);
- Forecast risk - a hazard risk related to external events (sudden changes in the atmospheric conditions or in ETG circumstances), thus determining the increase of OTC;

Legality risks resulting from changes in the legal, political, regulatory framework, the social environment or the Company's internal policies

- Company-wide, failure to comply with legal terms;
- Failure to defend the Company's rights and lawful interests;
- Distortion: failure to be informed about one's incompliance with legality;
- Risks associated to licences as well as contractual risks;
- Risks occurring following third parties' instituting court proceedings against the Company;
- Risks occurring after legal proceedings for recovery of prejudices;

Security risks

- Breaching the security and protection of ICN/ICE critical infrastructures as well as the activity continuity in cases of emergency;
- Failure to provide security of classified information;
- Failure to provide security and protection to cyber infrastructures;

Personnel risks

- Difficulties / deficiencies in personnel hiring, professional training and motivation;
- Incompliance or incomplete achievement of the annual professional training plan;
- Improper recruitment of personnel;
- Impacting the health and security of employees;
- Human errors - caused by manual operation, repeatable operations, therefore additional check-ups are proposed in order to limit human risks and conclude insurance to externalise risks;
- High incidence of illnesses in the current context caused by SARS CoV 2 development, which has led to organising a low number of courses and consequently low personnel attendance to training programmes,
- The human risk is determined by the current circumstances with developed SARS CoV2 virus spreading, by human errors, errors occurring in the man-computer interaction, the repeatability of operations;

As far as limiting the virus spreading is concerned, the provisions and recommendations included in Law 55/2020 have been taken into account, as well as the decisions issued by the Company Directorate.

As regards the human risk determined by human errors, additional check-ups are proposed in

view of limiting the effects of human risk, the use of models and dedicated software applications wherever possible as well as concluding insurance policies in order to externalise the risk.

Environmental protection risks

- Environmental pollution;
- Improper waste management;

Risks that occurred in 2020

- Investment risk: the difficult financial situation that SMART subsidiary is facing with, which occasioned reviews and debates in the Company;
- Risk of not collecting the amounts of money as a result of enforcing the security instruments which guaranteed the down payments received by contractors under investment projects;
- Difficult procurement processes leading to incomplete application of the RET Maintenance Plan;
- Difficult procurement processes which have led to achieving the Annual Investment Programme below the scheduled quantitative or qualitative levels;

New risks detected in 2020

The person responsible for the protection of personal data Company-wide has detected specific risks associated to data security with respect to personal data protection in accordance with applicable standards, possible risks that might endanger the integrity, security or confidentiality of personal information.

The activities pertaining to the detection of specific data security risks in terms of personal data protection have been implemented when reviewing the *operational procedure TEL 10.00 Risk management, Edition 1, Revision 1*.

From among the risks that occurred in 2020 the following ones can be mentioned:

- Risks that occurred within the territorial transmission units, namely failure / defect / unavailability of the 220 kV and 400 kV OHL, of the primary equipment of transformer substations, of transformer units and / or shunt reactors; of the protection and automation systems, of the command control monitoring systems (SCC), of alternating and direct current auxiliary service installations; of fire prevention and extinguishing installations; of communication / telecommunication systems; that impacted the health and security of employees; emissions / spills

of dangerous substances into the environment (smoke, SF6, oil, fuels, etc.);

Actions set for 2021

In 2021 the activities established to keep risks under control have been included in the document entitled *Plan to implement control measures in 2021 in view of the significant Company-wide risks*.

The document provides for each risk individually: causes, estimation of the inherent risk (probability and impact), control / prevention measures with terms and responsible people, consequences, control measures to limit such consequences with terms and responsible people; the estimation of the residual risk (probability and impact), entities that manage each risk.

The following measures can be mentioned as progress lines with a view to make risk management efficient:

- The activities / projects proposed for inclusion into annual investment, procurement and maintenance plans should be founded so that they can also include risk management issues, more specifically what Company risks are mitigated as well as their estimated effects such as impact, likelihood of occurrence of such risks; these issues will be also included in the reports with respect to the achievement of annual programmes;
- Reports (synopses) should be transmitted with respect to the manner in which annual investment, procurement and maintenance plans have been achieved in order to keep risks under control;
- Detecting interdependences, meaning what other organisational entities can induce risks in the activities of another similar entity; what other organisational entities might be impacted in case of risks occurring in their activities.
- Correlating the operational procedure and the other internal regulations, as well as using uniform terminology with a view to be in agreement with the current mode of operation and with applicable legislation.

The continuity of Transelectrica activity has not been affected by the impact generated by the epidemiologic context caused by Covid-19 spreading, although the virus-generated pandemic affected entire Romania, where the Company objectives are located.

Since the basic activity of Transelectrica, by means of its territorial transmission units and UNO-DEN, is to provide uninterrupted operation and operational management of the National Power System (SEN) in accordance with the quality, security and efficiency norms provided in RET's Technical Code and in applicable European and national regulations, priority was given and particular attention was paid to the employees' health and safety and also to furthering the strategic functions for SEN, in its capacity of transmission system operator and electricity carrier.

In 2020 even in unfavourable circumstances of pandemic Company-wide activities were fully provided and maintained because technical-organisational measures were established and applied in order to prevent, fight and limit the transmission of Covid-19 virus.

During the entire pandemic period the Company provided continuity of electricity transmission through and with the help of leaders of organisational entities.

Legal provisions have been applied rigorously and measures have been taken to detect, isolate, monitor and report the detected cases while reorganising activities, so as to provide activity continuity and support for the impacted employees.

5. Human resources

5.1. Staff structure

The Company recognises that employees are the most important resource for the proper development of its activity. In this respect it aims at prevailingly provide the development of human resources under its personnel policy, offering a level of material involvement and motivation in accordance with current requirements.

During these last years the human resources management has mainly aimed at increasing employees' involvement.

In accordance with its operating licence, Transelectrica does not usually use temporary employees. The operation of RET electric substations and the provision of dispatch services within SEN are performed by operational personnel organised under working hours with permanent shifts.

Table 4: Number of employees

Year / indicator	2020	2019	2018
Average number Employees	2,021	2,027	2,102

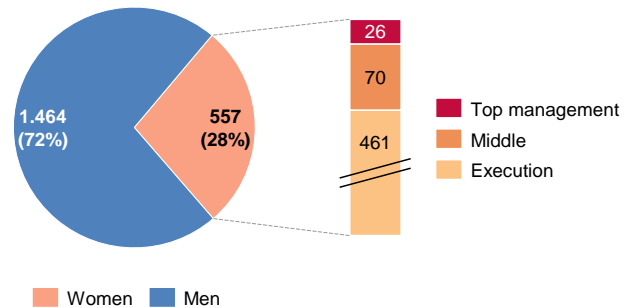
In the current year employees with university studies represent 65% of the total number, 35% being personnel of high school education, in general of electric power profile.

Table 5: Structure of personnel by educational level

Education level	2019	2019	2018
Academic education	1,310	1,267	1,304
Secondary education	709	758	796
Elementary education	2	2	2
TOTAL	2,021	2,027	2,102

Considering the structure of personnel by gender one can ascertain three quarters of total employees are men.

Figure 11: Structure of personnel by gender 2020



Out of the 557 working in Transelectrica on 31.12.2020 (a greater number than the 550 employed on 31.12.2019), 26 held top management positions and 70 - middle management, together representing 17% of the feminine gender personnel. Employees aged above 40 represented 77% of total employees in 2020.

47 years old

Average age in 2020

At the same time the share of employees aged between 18 and 35 is 13%.

Table 6: Structure of employees by age categories

Age [years]	2020	2019	2018
18-35	255	268	291
36-40	211	229	246
41-50	692	711	759
51-60	735	685	643
>60	128	134	163
TOTAL	2,021	2,027	2,102

Figure 12: Structure of personnel by age

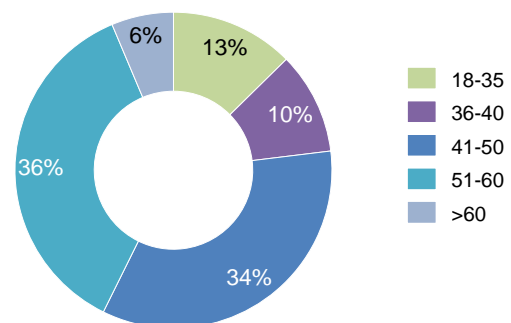


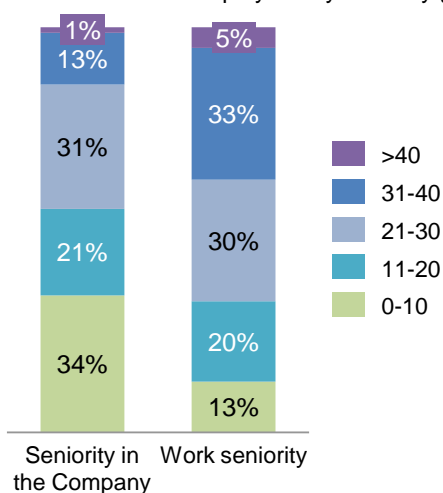
Table 7: Structure of personnel by categories

Personnel categories	Number of employees 2020	Number of employees 2019	Number of employees 2018
Operative and operational personnel (standardised activity), of whom:	1,380	1,656	1,651
NPD	185	180	183
Operational personnel in transformer substations, remote control and operational centers	894	894	864
Admission-reception personnel	111	110	118
OMEPA personnel directly involved in production activities – operational centers, solving non-conformities, tele-metering systems, relations with market participants	42	45	45
Personnel directly involved in organising and monitoring the operations of substations	148	427	441
Personnel for support activities and executive management	641	371	451
TOTAL	2,021	2,027	2,102

The operative and operational domains have the greatest share in personnel categories, namely 68%. Of among them the greatest concentration is held by operational employees at 44%.

Taking into consideration the activity performed by the Company, which is of strategic interest, most employees have from 21 to 40 years' labour seniority, therefore they are experienced and add value to the Company.

Figure 13: Number of employees by seniority groups 2020



The energy sector has been facing a lack of qualified staff in the last years. Since a power engineer's training is complex, the Company pays attention to the continuous training at the workplace, as well as to the motivation and retention of employees with a high potential.

Table 8: Structure of employees by work seniority

Work seniority [years]	2020	2019	2018
0-10	253	244	275
11-20	401	452	471
21-30	607	584	603
31-40	658	648	642
>40	102	99	111
TOTAL	2,021	2,027	2,102

As far as Company activities are concerned, more than half of the employees have over 20 years' seniority, and those with over 20 years' seniority represented 45% in 2020.

Table 9: Structure of employees by their seniority in the Company (years)

Seniority in the Company	2020	2019	2018
0-10	684	664	677
11-20	431	527	598
21-30	620	548	514
31-40	259	261	278
>40	27	27	35
TOTAL	2,021	2,027	2,102

In 2020 HAGEA 7/28.05.2020 approved amending the Company's Articles of Association following cancellation/establishment of secondary offices under the reorganisation made with a view to optimise activities and render them efficient. Thus beginning with 10 June 2020 the 8 Transmission

5.2. Professional training

Employees' professional training in 2020 took place taking into consideration the measures imposed by competent authorities with a view to limit risky situations associated to the infection with the new coronavirus, to protect health and reduce the illness hazard and the transmission of COVID-19.

Thus the epidemiologic context generated by SARS CoV-2 during 2020, the cautious attitude endorsed in order to provide employees' protection and safety but also to maintain business continuity had significant impact on professional training activities compared to similar intervals of previous years.

This is the reason why courses were organised only as strictly necessary in the epidemiologic context provided above.

There were 61 course attendances in 2020, most in the technical domain, organised by means of external providers.

In comparison with the 61 course attendances in the technical domain provided by external lecturers, in 2020 internal courses / training sessions in the technical domain were also organised for 525 employees, all representing operative personnel.

Such training courses have been included in the periodical cumulated training.

Internal training sessions have been delivered by internal lecturers, Company specialists and involved no costs for professional training services.

With a view to improve professional training activities and provide their continuity, in 2021 all these will be also organised in on-line variants.

The table below provides the costs associated to training course attendances delivered by external trainers.

Branches were cancelled and 8 Territorial Transmission Units were established, more resilient entities in terms of managerial deeds and more flexible, coordinated by the Company's Executive part.

Table 10: External professional training courses and expenses with the trainer

Indicator/Year	2020	2019	2018
Number of participants	61	571	606
Number of attendances	61	686	665
Expenses (mill Lei)	0.04	0.30	0.37

5.3. Trade union representation

The Company and the trade union organisation recognise one another as permanent social dialogue partners.

The rights and obligations of personnel are stipulated in the Collective Labour Contract (CCM) of the Company, which relies on Law 62/2011 of social dialogue, on the Labour Code, republished, with later amendments and additions and the applicable legislation in this domain.

In November 2018 a new CCM was negotiated, which was registered in the Labour Ministry and bears effects in the 01 January 2019 – 31 December 2020 time interval (validity that has been also extended during the alert period, according to Law 55 of 15 May 2020 on certain measures to prevent and fight the effects of Covid-19 pandemic).

Company employees are affiliated to the Trade Union of Transelectrica, which is part of the National Federation of Electricity Trade Unions UNIVERS, in its turn affiliated to the National Union Block (BNS) and internationally to the International of Public Services (PSI) and to the European Federation of Public Service Unions (EPSU).

At present more than 99% of total employees are members in the 10 legally constituted unions: one at Company Executive level, one within the Operational Unit of the National Power Dispatcher and one in each Territorial Transmission Unit, but none meeting the representativity conditions at entity level according to Law 62/2011, with later amendments and additions.

The Collective Labour Contract regulates individual and collective labour relations, as well as the parties' rights and obligations regarding:

- Its conclusion, execution, amendment, suspension and termination;
- Working times and recreational times;
- Salaries;
- Labour health and security on the job;
- Professional training;
- Social protection of employees and other rights;
- Rights and obligations ensuing from labour relations;
- Mutual recognition, employer's rights and obligations and those of trade union organisations;

In order to settle the issues that might occur in the application of the valid Collective Labour Contract, to avoid employment conflicts and to create an organisational framework that allows keeping permanently in touch for the preDefendation of CCM negotiations, the parties negotiated to meet at any time needed in the joint Commission employer - Trade Unions. The joint commission operates in accordance with its own regulation.

2020 was a year during which, besides maintaining the rights stipulated in the Collective Labour Contract, Company salaries have been balanced in two stages so as to remove differences accumulated in time with respect to salary levels for the same positions and qualifications.

The objectives of union representation in 2021 will be mainly to negotiate a new Collective Labour Contract which shall stimulate performance by indexing Company salaries and improving health and security conditions for employees' work, taking also into account the new context provided by the Covid-19 pandemic.

5.4. Responsibility towards employees

Company success depends on the value of its employees, therefore:

- Employees are the Company's main resource development, and the care for employees is essential. Thus, ensuring a safe and healthy work environment, aimed at minimising the impact of Company-specific activities on the environment and natural resources, is a main objective in the direct relationship with employees.
- In case of serious disorders, the Company provides financial support to employees for

special medical treatment, flexible or reduced working hours during the time recommended by the physician.



The maintenance and permanent development of the Integrated Management System with respect to operational health and security represents a top priority Company-wide.

In 2020 medical assistance by labour medicine in the Company has been and still is achieved by doctors specialising in labour medicine in medical cabinets found in the Executive part and in Company Subsidiaries.

In order to achieve its assumed objectives, the Company, by means of work health and safety-specific activities, documents the integrated management system by updating operational procedures, updating/drawing up its own Work Safety Instruction; by means of assessments on risk factors for accidents and professional diseases for all the Company's staff, through staff training and awareness programmes, by assessing the risk level of jobs and through regular operational control, mainly consisting of operational control on the observance of legal requirements and other requirements regarding occupational health and safety.



In 2020 health was supervised according to the following structure:

- The periodical medical examination of operational personnel took place for the work provided in electric substations in the first semester 2020.
- In the second semester 2020 took place the periodical examination of non-operational personnel and the periodic control of employees working in isolated conditions.

The 2020 labour health and security plan was achieved 69%, which corresponded to 3,387 thousand RON (691 thousand Euro) compared to the planned amount of 4,916 thousand RON (1,003 thousand Euro).

Among the objectives aimed at under the labour security and health programme Company-wide in 2020 mention can be made of:

- Bringing installations to the level of health and security requirements set in one's own labour security guidelines, aligned to European requirements. Such activities resulted in reduced accident and professional illness risks for personnel active in Company installations;
- Endowing Company personnel with individual protection equipment, according to the Company's own labour security requirements;

➤ Providing and permanently supervising the health condition of personnel, according to the provisions of HG 355/2007;

➤ Training personnel with respect to the accident risks in Company installations;

In 2020 a labour accident was registered, which involved one Company worker.

The following actions are taken into account in order to improve the effectiveness of the integrated management system on operational health and safety:

- Completing the reevaluation of risk factors related to professional accident and illness for all substations refurbished in 2021;
- Monitoring the health of personnel with cardiovascular conditions (forbidden to licensing) and quarterly reporting to the DMI;
- Consulting the main general contractors of works in RET installations with respect to occupational health and safety, by inviting them to CSSM-TEL meetings;
- Consulting one's employees on labour health and security issues by applying activity valuation management.

6. Research and development activities

Presentation of research and development activities

The Company's research and development activities are supported by the following documents and activities:

Strategic level

- Vision – “Transelectrica is a dynamic innovating Transmission System Operator, recognised nationally and internationally for its technical excellence, financial performance and ability to successfully operate in a volatile economic environment. The Company aims at and commits to successfully and responsibly fulfil its public service mission, based on a modern and efficient transmission infrastructure and dispatch management of the SEN, integrating the newest smart grid available technologies, protection of critical infrastructure, etc. and supporting their development” (RET Development Plan, Administration Plan with management component);
- Active contributions to European / international / national strategies, policies and standards as a member of international and national organisations: ENTSO-E, CIGRE, ACER, ANRE, ASRO, etc.;
- RET Development Plan (2020-2029);
- Administration Plan (2020-2024);
- Research and Innovation Strategy (2018-2027);
- Company digital transformation programme (2018-2027);
- Asset management strategy;
- Reference methodologies;
- Applicable standards;
- Good practice guides;

Tactical level

- RET maintenance strategy (2016-2025);
- Smart Grid policy (2018-2027);
- Technical policies in view of digitalising RET assets (4 volumes);
- Partnerships with suppliers and producers of solutions and technology:
 - Technical-scientific sessions;
 - Presentation sessions for products, solutions and technologies;
 - Training sessions and personnel certification for operations and maintenance;
 - Joint meetings to analyse results from operation and maintenance;

- Partnerships in research and innovation:
 - Projects with one's own finance for the needs of basic activities;
 - Projects with external (European and non-European) financing to test and demonstrate certain concepts, technologies and solutions;

Operational level

- Operational Procedure regarding foundation, approval and execution of the annual Study and Research Plan (uniform coordination, priority of expenses, convergence of the Company's specific objectives with the general ones);
- Operational Procedure with respect to annual budgeting of expenses;
- Annual investment programmes leading to upgrading Company assets by using up-to-date technologies, equipment and systems;
- Annual programmes for Company personnel development and maintenance of performance;
- Periodical sessions of information dissemination, which sustains research and innovation;
- Defining and implementing pilot project portfolios which shall enhance managerial and operational decisions with significant impact over Company performance;
- Standardising the solutions and systems specific to RET assets (specific internal technical norms: design topics, technical specifications, portfolio of tests and check-ups, framework terms of reference, etc.);



- Assessing the performance of new technologies that were implemented and their impact over the Company's performance indicators;

In accordance with research & innovation strategic objectives the Company provides the human, informational and financial resources as to:

- Provide priority promotion of innovation for the Company's basic activities, bringing added value by asset digitalisation, service improvement and increasing employees' performance;
- Research within Company shall focus on developing the following pillars:
 - National and international partnerships for fundamental and technologic research (observing the basic principles, devising concepts on technologies, experimental demonstration of concepts, validating the technologies within laboratories);
 - Partnerships with solution & equipment providers for product / technology demonstrations (technology validation in relevant and operational environments);
 - Partnerships under competitive procedures (to deliver and commission products and solutions);
- Company personnel will participate to events with important innovation and research component both nation-wide and at international level (e.g. ENTSO-E, CIGRE, congresses, round tables, symposia, etc.) also including knowledge sharing, spreading best practices within the Company in integrated regulated mode;
- General and specific objectives shall be structured using the methodology promoted under the ENTSO-E research and innovation strategy;
- Financing research and development work will be provided with priority both from one's own sources and others reaching to the level of the most consistent group of European network operators (e.g. non-reimbursable finance programmes, subsidies, grants, partnerships, etc.).

The research and innovation strategy

It consolidates the Company vision about upgrading the transmission network, providing the necessary support to implement Company priorities while sustaining also the application of digitalisation.

Achieving the objectives included in the "*Research and innovation strategy*" will impact by adding plusvalue in the following domains:

- The Company's strategic vision;
- Asset management;
- Improved portfolio of performance indicators;
- Developing key capabilities necessary for network operation;

- Human capital policy;
- Organisation and operation of research & innovation activities in accordance with ENTSO-E's model;
- Capitalising the opportunities to improve Company performance;
- Developing competence for Company personnel;
- Testing and applying new technologies, standards, solutions, policies, etc.;
- Smart grid policy;
- Technical policies of RET assets digitalisation;
- Maintenance and operation policies;
- Defining and implementing pilot projects with great innovation content (e.g Project of digital substation Alba Iulia, condition monitoring projects for transformers, electric lines, GIS, multi-spectral scan using LIDAR techniques, etc.);
- Developing partnerships with the beneficiaries of technologies and solutions;

The new concepts included in the documents on development and research are operationalised by means of:

- Promoting pilot projects (e.g. monitoring RET assets to implement asset management standards, asset digitalisation by applying the digital substation Alba Iulia project, management of renewable resources and storage under the pilot project for microgrid substation Brazi Vest, etc.);
- Participating as partner to research projects with non-reimbursable financing (e.g. Crossbow, Interrface, Phoenix, and Farcross projects);

Digital transformation

The Company's vision for digital transformation in the energy industry will bring about new challenges for the management teams, the operational specialists and Company partners.

The Company complies with all terms to become again a 'Learning organisation' if it fully uses the potential of new technologies from digital transformation.

Activities included in the portfolio of initiatives under the digital transformation programme aim at improving Company performance by means of:

- Innovation of operational and managerial processes;
- Innovation by introducing digital technologies;
- Innovation by introducing new concepts to change the Company's business model;

- Developing the Company's strategic capabilities (e.g. personnel, strategic assets, structure, processes, etc.);

Network digitalisation is a clear opportunity for the efficient development and management of the energy system, providing obvious profitability in terms of improved service quality and operational costs.



In 2020 the most ambitious project was launched within SEN, namely the pilot project “*Refurbishment of substation Alba Iulia using the digital substation concept*”, which is in the elaboration stage of the Feasibility Study and Terms of Reference, which will include the following concepts:

- Digital substation
- Condition monitoring;
- Asset management;
- Passive & smart building;
- E-learning;
- Health index;
- Risk index;
- Health centre;
- Test laboratory for digital technologies and development of personnel competence;
- Geographic Information System;
- Outage Management System;

The following projects have been initiated also aimed at digitalisation:

- Terms of reference on “Optimising the operation of the 400 kV OHL existent within SEN and used for power discharge from nuclear power plant Cernavoda and the renewable power parks in Dobrogea by installing on-line monitoring systems (SMART GRID)”;
- Procuring 21 monitoring systems integrated for the transformer units from transformer substations of NPG Transelectrica SA, which is in the contract signing stage;

The annual studies and research plan

With a view to provide SEN operation under maximum safety and stability conditions according to the quality standards specified in the transmission licence, the Company needs research, support studies and consultancy to ground decisions and implement new technologies similar to what is found worldwide and/or specific to the Romanian power system.

The Company finances its own study and research programmes every year, and in 2020 allocated funds ranged within 0.1 ÷ 0.2% of the turnover (about 2 - 5% are applied by similar international companies).

Company-approved studies included into PASC 2020 have been well documented and are necessary to carry out the following objectives:

- Meeting the requirements associated with the regulatory framework (e.g. ANRE Licence 161, Law 123/ 2012 of electricity and natural gas, with later amendments and additions, technical codes, TSO-associated regulatory framework, etc.);
- Foundation laying to Company decisions with respect to:
 - RET development (2020 - 2029 RET Development Plan), management of RET assets;
 - Operational behaviour of RET equipment and installations;
 - Extending the lifecycle of assets or replacing them;
 - Improving the foundation of long term investment decisions (e.g. cost-benefit methodologies and analyses);
 - Maintenance operations acquiring higher efficiency;
 - Technical support;
 - Integrating an increasing percentage of renewable resources;
- Dispatcher management of SEN and RET under efficient safe conditions;
- Detailed and global analysis of expense chapters associated to performing the TSO part;
- Knowing and applying methodologies, standards and good practice elements in order to turn efficient the strategic vision for Company development;

The need to promote work under PASC 2020 was carefully examined in the light of obligations ensuing from the performance of TSO role under licence and of opportunities to improve decisions with respect to operationalising the Company's vision in the domain of system operation and asset management.

The works carried out within the 2020 Annual Study and Research Programme, which expenses were made under amounting to 789 thousand RON, are annually reported to ANRE.

Studies and Research Programme, 2021

Market balancing has become essential against a background of strong investment growth into intermittent RES these last years, all the more so as basic coal-fired units cannot respond rapidly to wind and sun ray fluctuations unless within a narrow band.

The main categories of generators with quick response to balancing requirements are hydropower units and natural gas-fired units.

Balancing on a regional market requires higher interconnection capacity.

- The 2021 Annual Study and Research Programme takes into account studies relying on higher cross-border interconnection capacity, namely integration of renewable resources in accordance with the provisions of PNIESC 2030 where the installed capacity of renewable sources should reach 5255 MW;
- The development plan for the electricity transmission grid (RET) in accordance with the ENTSO-E elaborated model Europe-wide, aims at discharging power from RES intense areas to consumption zones; developing regions in Romania where RET is under deficit (for instance the north-eastern area), and increasing the cross-border interconnection capacity;
- With a view to increase the safe operation of SEN under the assumption of developing new power sources, in section S6 the Company intends considering the opportunity to apply direct current solutions to develop the electricity transmission network. Thus several 400 kV OHLs planned to be built on alternating current and necessary for transmission of electricity generated in excess areas can be replaced, approaching long distance transmission and electricity injecting into the alternating current network of deficit areas;

Steady-state regimes will be examined for the generation and consumption scenarios considered likely.

Direct current solutions will be found and proposed in order to increase additionally the discharge capacity from S6, above the levels proposed in the projects already included in the approved RET Development Plan.

- Section 6 has become a strongly excess area in terms of electricity generation following changes occurred these last years by SEN connection of many WPP-s in regions Dobrogea, Braila and Galati. In accordance with the data provided in the National Integrated Plan for Energy and Climatic Changes (PNIESC) the 2030 target of installed capacity for renewable sources is of 5255 MW for WPPs;

Estimations are a great number of wind sources forecasted to be installed will be located within Dobrogea.

- For the time being during windy intervals the OHL-s of S6 are operating at maximum load and sometimes, in order to comply with N-1 criterion, power reduction is required on network congestions, thus generating additional expenses;

A great part of such OHLs have different sections, which contributes to power choking.

In this respect careful analysis is required with respect to providing uniformity to OHL segments or even changing active conductors with best-in-class conductor generations of higher electricity transmission capacity.

Research and development activities, 2021

The 2021 objectives are targeting the following issues:

- Implementation, test and validation of the following concepts and methodologies under upgrade projects:
- The online monitoring of the technical condition of the Company's critical assets (e.g. transformer units, power lines, etc);
- Asset health;
- Risk index for RET assets;
- The methodology to elaborate and implement smart grid concepts (e.g. architectures, interoperability standards, telecommunication standards, client interfaces, etc);
- E-learning;
- Smart building;
- Training and certifying personnel to develop strategic capacities in the digitalisation domain (e.g. IT governance courses, cyber security, TOGAF architectures, etc);
- Start-up of development projects with a significant innovation content (e.g. the digital substation project in Alba Iulia, IT&C infrastructure upgrade projects, asset

management platform, technology testing laboratory and professional training, etc);

- Continued participation into projects with non-refundable financing to prepare the environment for the adoption of new models, concepts and methodologies in the Company's operational or enterprise area;
- Further development of partnerships with consultants, solution and service providers to understand the new technological and management trends likely to influence the Company's performance in the future;

Other activities related to research and innovation

The Company considers it important to develop knowledge and promote new technologies and solutions in the energy domain, which have developed and significantly progressed lately both in terms of concepts & solutions and in terms of equipment.



Thus Transelectrica has become partner under different financed projects, whereby it can provide important contributions as TSO in this European geographical area and to carry out the previously mentioned activities.

Such partnership bring revenues from other activity types by contribution of Company experts.

The Company can perform activities while managing projects financed from non-reimbursable European funds along various lines, which overlap with the Company's activity domains.

There are Company representatives with permanent activity within RDIC - Research, Development and Innovation Committee (ENTSO-E). The role of RDIC and of its working groups is:

- Making sure TSO's research and development interests are properly addressed by relevant stakeholders;
- Facilitating research and development activities in-between TSOs;
- Providing comprehensive support and vision mutually devised on the research & development activities of ENTSO-E committees and of other stakeholders;
- Promoting research & development concepts, methods and technologies which will be components of and will govern the future electric power systems;
- Sustaining activities associated to standardisation and interoperability;

Throughout 2020 Transelectrica representatives actively participated to the 5 plenary meetings that were organised.

Also there are 5 working groups within RDIC including also members from Transelectrica:

- WG1 Assets and Technologies;
- WG2 Security and System operation of tomorrow;
- WG3 Flexibility and Markets;
- WG4 Future of energy systems;
- WG5 Digital & Communication.

At the same time despite the unusual mode of operation in 2020 different workshops were organised on topical subjects and extensive novelty with participation from among the representatives and/or experts of Transelectrica. Participation was also provided for the Strategy workshop, organised once a year within RDIC.

Besides the above-mentioned activities our representatives have cooperated with a view to develop the Research, Development and Innovation Roadmap (RDI Roadmap) 2020-2030, to populate the EtipsNet portal and participate to debates during the Innovation Friday events.

7. Perspectives and challenges

Recent evolutions in the world of energy, as well as of global economy, provide a range of new challenges, which require managing a most efficient, safest and most sustainable power system.

Investment and institutional efforts are a part of the Company's strategy to pursue the cross-European integration of energy markets.

The possible reduction in the sovereign rating may influence the Company's credit rating provided by rating agencies.

In case the rating is changed, the Company will borrow money at a higher cost and additional guarantees will be requested.

At the same time, an efficient European electricity market depends, among others, on the capacity of national power systems to host new electricity flows under safe operational conditions and at affordable prices.

Such flows have been piloted by a market characterised by extremely high dynamics and ever increasing cross-border integration.

Consolidating the safe electricity supply of domestic consumers and increasing the energy efficiency of the transmission grid

- Refurbishing the Electricity Transmission Network (RET) - Transelectrica aims at expediting the upgrade and refurbishment process of the entire equipment and installation pool from transformer substations and to modernise the dispatch systems it currently operates;
- In the following 10 years, the time horizon covered by the 2018-2027 edition of the RET Development Plan, Transelectrica aims at operating a park of refurbished equipment, providing high reliability and energy efficiency. The benefits of a refurbished highly reliable equipment fleet mean higher quality of transmission services (network availability, outage frequency and time) and reduced costs to operate and maintain the network (operation, maintenance and internal electricity consumption);
- Continuing the investments with a view to complete the 400 kV national ring, which will

increase the safety of nation-wide consumption supply, especially in areas characterised by an important local deficit of electricity generation, namely the areas where electricity consumption is only partially supplied by the power plants located in those parts (Transylvania, Moldova); the deficit of these regions is covered by electricity transmission over great distances from areas of excess generation;

- Increasing the RET transmission capacity in order to integrate the electricity generation in conventional and/or renewable power plants, estimated to be built in areas that currently are or tend to become excess zones in the near future, in comparison with the local electricity demand;

Photo: The 400/110/10 kV transformer substation Cluj Est



Developing the single electricity market at European Union level (active support for the integration of the single electricity market)

- Expediting the investment projects into Romania's transmission infrastructure with the highest European relevance (projects declared of common interest in the EU electricity transmission sector), mainly oriented towards increasing Romania's cross-border interconnection capacity with the power systems of neighbouring countries;
- Participating into the inter-regional integration processes of electricity markets in all time horizons specific of electricity trading (spot market, day-ahead market, intra-day market, real time balancing market between electricity output and consumption);
- Active participation to the European standardisation of network access by means of grid codes, the operation of electricity grids as well as the calculation and allocation of cross-border exchange capacity and balancing energy systems; grid codes represent common rules established at European level and applied in all European states, developed with a view to enable the uniform and efficient operation of the electricity market to the general benefit of European consumers; they are developed in the European Network of Transmission System Operators (ENTSO-E) according to the priority areas determined by the European Commission (EC) and based on the framework guidelines issued by the Agency for the Cooperation of Energy Regulators (ACER);

At the beginning of 2018 all eight grid codes were approved as EU Regulations. EU Regulations cover three main domains of the electricity sector: grid connection, market functioning and power systems operation. In terms of the regulations in the market functioning domain, Romania is part of two cross-border exchange capacity calculation regions (the Romania-Bulgaria border in the EEA region¹, the Romania-Hungary border in the CORE region).

Within the CORE region, Transelectrica aims at getting actively involved in the governance and decision making mechanisms at regional level by entering the shareholding of the existing regional security centre.

In this context, the Company's focus is translated by its shareholding of the Security Coordination Centre

in the CORE region², TSCNET Services GmbH, by its participation in the share capital of this company and by the shareholding of Joint Allocation Office SA, the European Centre for the allocation of cross-border transmission capacities.

Within the SEE region the Company is founder shareholder into the establishment of the regional centre for operational security, which will serve the entire region. This regional centre has been established in 2020 and will become operational in 2021.

On 05 June 2019 approval was provided to the Regulation (EU) 2019/ 943 of the European Parliament and Council regarding the internal electricity market (reformation) including provisions that impact the Company:

- The operation of day-ahead market and intraday market, including the balancing market;
- Allocation of cross-border capacities and congestion management;
- Resource adequation and principles for the capacity mechanisms;
- Operating the transmission and distribution systems;

Article 16(8) of the Regulation provides the TSO's obligation not to limit the volume of cross-border capacity, which is about to be placed at the market participants' disposal, in order to solve a congestion within its bidding area or as management method for internal transaction flows of bidding areas.

In order to comply with such obligations the minimum available capacity for cross-border trade should be at least 70% of the transmission capacity.

Under such circumstances only a total 30% share can be used for reliability margins, loop flows and internal flows of each network element. In 2020 the Company obtained derogation from ANRE by Decision 2206 / 20.12.2019 but under the obligation, within six months from the derogation date, to identify long-term solutions meant to reach the minimum available capacity provided in the Regulation.

The increase of cross-border capacity and the provision of a minimum amount for cross-border trade can be achieved mainly by enhancing the electricity transmission network; this involves the timely achievement of investment projects included in the 2020 – 2029 RET Development Plan.

¹ The EEA region comprises a series of borders which mark market areas in which electricity trading is carried out via a transmission capacity allocation process (according to ACER Decision 6/2016)

² The CORE region comprises a series of borders which mark market areas in which electricity trading is carried out via a transmission capacity allocation process (according to ACER Decision 6/2016)

Such measures will be part of an Action Plan elaborated as per article 15 of the 2021 - 2025 Regulation so that from 01 January 2026 onward the

minimum available capacity for cross-border trade can reach 70% of the transmission capacity.



Transelectrica®

Societate Administrată în Sistem Dualist

Operational Report

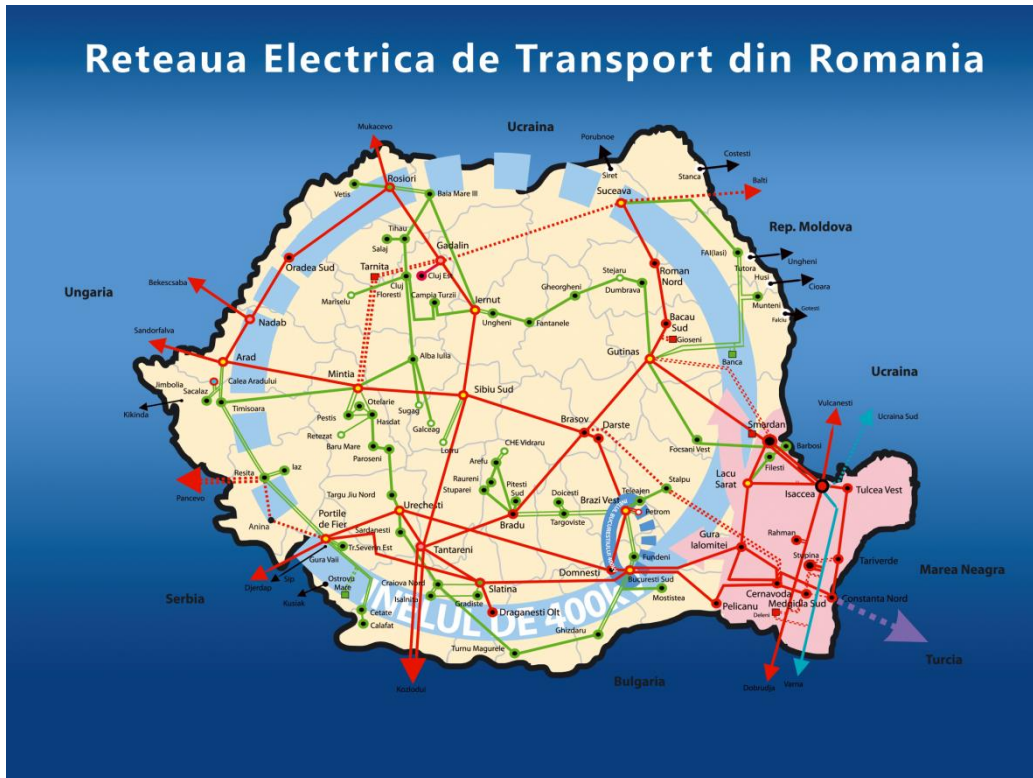
8. Operational data

8.1. Network configuration

The Electricity Transmission Grid (“RET”) is an electricity network of national strategic interest with nominal line voltage above 110 kV and it consists of all lines plus their support, control and protection

elements, of electric substations and other interconnected electrical power equipment. RET provides interconnection between producers, distribution networks, large consumers and the neighbouring power systems.

Figure 14: The Electricity Transmission Grid



A good part of overhead lines (“OHL”) and of the electric transformer substations constituting the RET was built between 1960s and 1980s, with the technologies of that time.

The amount of installed capacities, in accordance with the licence for provision of electricity transmission services and system services, is provided in the following table:

Table 11: Amount of capacities

Voltage (kV)	Substations (no.)	Installed capacity (MVA)	OHL (km)
400	39	21,435	4,984.59
220	42	14,265	3,876.14
750	-	-	3.11
110	-	-	40.42
Total	81	35,700	8,904.26

Of the total length of the electricity transmission network, which is 8,890.87 km, interconnection lines are 489.4 km long.

The Company aims at maintaining the quality of the transmission and system services under economic efficiency conditions, as well as the operational safety of the national power system, in accordance with the applicable regulations and the standards jointly undertaken at European level.

Investments undertaken so far have allowed to maintain adequate dispatch management infrastructure as well as the the infrastructure required for the operation of electricity markets to a suitable level: national optical fibre network, EMS-SCADA monitoring and management system, system metering the electricity amounts traded on the wholesale market, IT platforms for transactions and settlements.

The EMS/SCADA-DEN system supplies the main specific functions: data acquisition, monitoring, alert and event management, energy management, secondary frequency adjustment - exchange power, optimisation and operational safety of the national power system, remote control of equipment, archiving, as well as a complex software environment for dispatcher training. At the same time, it represents the automation system on the upper level of a hierarchy of sub-systems. The EMS/SCADA central system exchanges information with regional control systems, the control systems of manufacturers, the automation and control systems in substations, market systems, as well as external systems, forming a compound global operational structure.

The programme is in progress for the upgrade of the entire network at the level of the highest European standards with modernisation and refurbishment of the most important power substations in the ETG, as well as the development of transmission capacities along interconnecting lines.

To maintain the adequacy of the network so that it can be suitably sized for the transmission of electricity expected to be produced, imported, exported and carried, two categories of investments have been included in the Ten years RET development plan and the following investments will be performed:

- Refurbishment of existent substations;
- RET extension by building new lines, increasing the transmission capacity of existing lines, extending existent substations and increasing the transformer capacity of such substations;

8.2. Selected operational data

The Company’s responsibility is to maintain the National Power System operating uninterruptedly under safe conditions while complying with the quality standards provided in the technical code of the electricity transmission grid. To this effect, the Company uses its own resources called functional system services and purchases technological system services from electricity producers. Furthermore, in order to balance production and consumption on a real time basis, the Company uses balancing market mechanisms.

The operative management of SEN is provided by the:

- National Power Dispatcher
- 5 Territorial Dispatchers: Bucharest, Bacau, Cluj, Craiova, and Timisoara

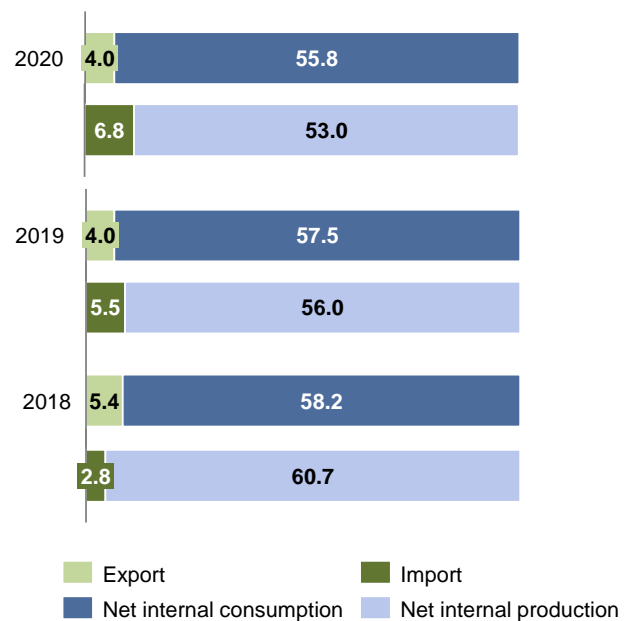
The energy balance of SEN

Table 12: Energy balance

TWh	2020	2019	2018
Net internal production	53.0	56.0	60.7
Import	6.8	5.5	2.8
Export	4.0	4.0	5.4
Net internal consumption	55.8	57.5	58.2

Note: net values do not include the consumption of auxiliary services from the power plants generating electricity; the value of the net load includes the losses from transmission and distribution networks, as well as the consumption of pumps from the pumping storage hydropower substations.

Figure 15: Energy balance (TWh)



In 2020 the net internal consumption decreased 3% compared to the similar period of last year, while the net electricity output dropped about 5.3% compared to the similar time of 2019.

Cross-border exporting physical flows have registered linear development in 2020 as against 2019, with only 0.1% increase compared to the similar period of last year, while importing physical flows registered 23.1% growth.

National generation units pool

In 2020 the gross installed capacity of power plants registered decrease in comparison with the same period of 2019.

The installed capacity in renewable source power parks decreased approximately 0.4% from 4,553 MW installed on 31 December 2019 to 4,532 MW installed on 31 December 2020.

The installed capacity within the National Power System, which is about 24,600*MW as registered in

2018, does not show true facts because at that registration time many units were unavailable in power plants and faced impossible operation for reasons such as: high technical wear; incompliance with environmental requirements; low efficiency; high generation costs, and financial difficulties of the entities operating them.

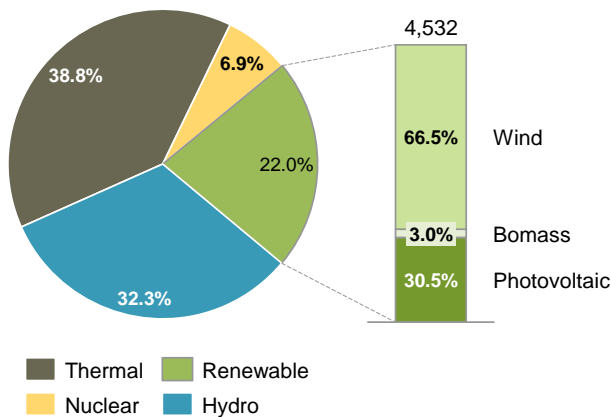
Beginning with 01 January 2020 the units that were uploaded on the site of Transelectrica are only those that received ANRE licence.

Table 13: Installed capacity (gross values)

MW	2020	2019	2018
Thermal	7,993	8,026	11,888
Nuclear	1,413	1,413	1,413
Hydro	6,643	6,704	6,759
Renewable	4,532	4,553	4,546
Total	20,582	20,696	24,606*

The structure of the 2020 generation pool is presented below:

Figure 16: Installed capacity, 2020 (gross values)



Mix of electricity output

In the generation mix structure of the January - December 2020 interval in comparison with the same period of 2019 about 14.8% drop was registered for the thermal component and 1.6% decrease of the hydro component.

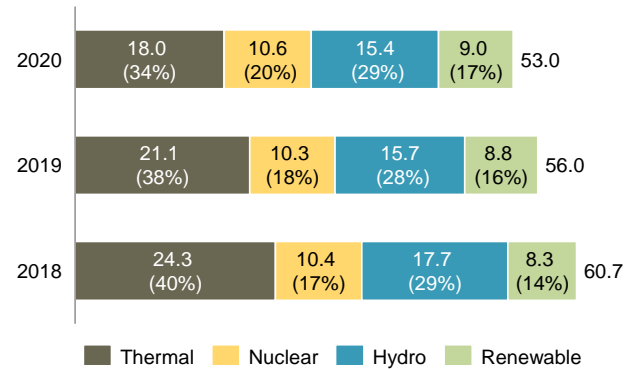
The contributions of renewable and nuclear sources registered 2.2%, namely 2% increases in comparison with the same period of 2019.

Investigating the shares of components in the net generation mix of 2020 one can notice the greatest share (34%) is represented by the thermal component, followed by the hydro component (29%), while electricity generated from renewable sources and nuclear ones provide shares of about 17%, namely 20%.

Table 14: Net electricity generation mix

TWh	2020	2019	2018
Thermal	18.0	21.1	24.3
Nuclear	10.6	10.3	10.4
Hydro	15.4	15.7	17.7
Renewable	9.0	8.9	8.3
Total	53.0	56.0	60.7

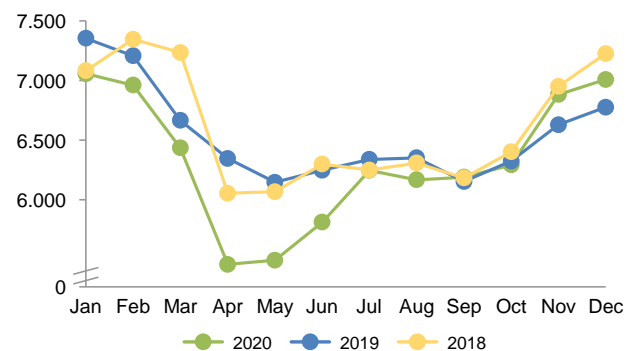
Figure 17: Generation mix 2018 – 2020 (TWh)



Net load

The net average electricity consumption registered in 2020 a decreasing trend in comparison with 2019.

Figure 18: Net average load (MWh/h)



The maximum net hourly consumption corresponding to 2020 registered a maximum value in December, in accordance with the same trend of these last years when maximum values have been recorded during the winter months.

Figure 19: Net maximum hourly load (MWh/h)

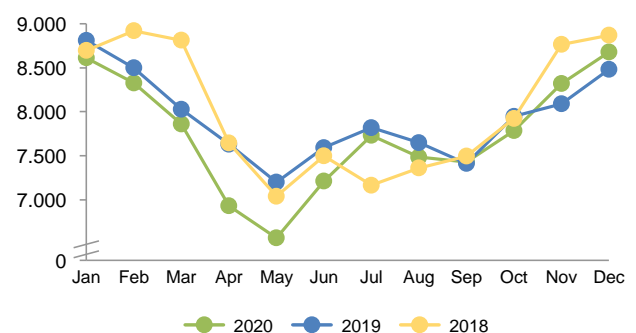


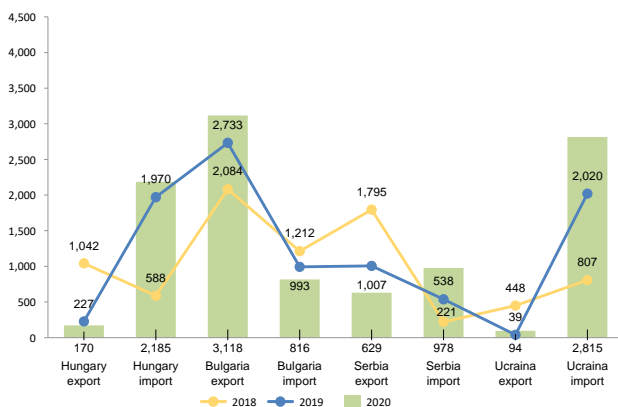
Table 15: Maximum load

Year	Month	Value (MWh/h)
2020	Dec	8,679
2019	Jan	8,812
2018	Feb	8,920

Commercial electricity exchanges

In 2020 the registered trend was increasing in comparison with previous years; thus in 2020 a net 2.8 TWh physical flow was recorded in comparison with 2019 (1.5 TWh).

Figure 20: Cross-border flows (GWh)



In 2020 cross-border flows registered fluctuating developments on the borders with Bulgaria, Serbia, Hungary and Ukraine.

The distribution of import / export physical flows along interconnection lines in 2020 compared to 2019 was as follows:

- Export decreased on the Serbian and Hungarian borders and increased on the Bulgarian and Ukrainian frontiers;

- Import increased on the border situated in the excess area of electricity generation, namely the borders with Serbia, Hungary but also on the interconnection line situated in a deficit electricity generation area, namely the Ukrainian border while it decreased on the frontier with Bulgaria;

In concrete terms in comparison with January - December 2019 interval exporting physical flows decreased towards Serbia (-37.5% -378 GWh) and Hungary (-24.9% -56 GWh) and increased for Bulgaria (14.1% +384 GWh) and Ukraine (141.2% +55 GWh), while at the same time importing physical flows increased on the interconnection lines with Serbia (82% +441 GWh), Hungary (10.9% +215

GWh), Ukraine (39.4% +796 GWh) and decreased on the frontier with Bulgaria (-17.8% -177 GWh).

Use of total allocated capacity

The development of commercial exchanges with neighbouring countries is mainly influenced by price developments on the electricity markets of Europe, but also by the availability of generation capacities and by the value of net cross-border exchange capacities.

In the January - December 2020 interval the utilisation degree of the totally allocated capacity (cross-border capacity allocated under commercial contracts) on interconnection lines increased in comparison with the same period of 2019 and this occurred for most destinations (Hungary, Bulgaria and Ukraine) and decreased towards Serbia.

Gradul de utilizare a drepturilor totale de capacitate pe o granița și direcție, reprezintă raportul exprimat procentual dintre energia aferentă schimburilor comerciale realizate (notificate) la level unei luni și energia corespunzătoare drepturilor totale de capacitate.

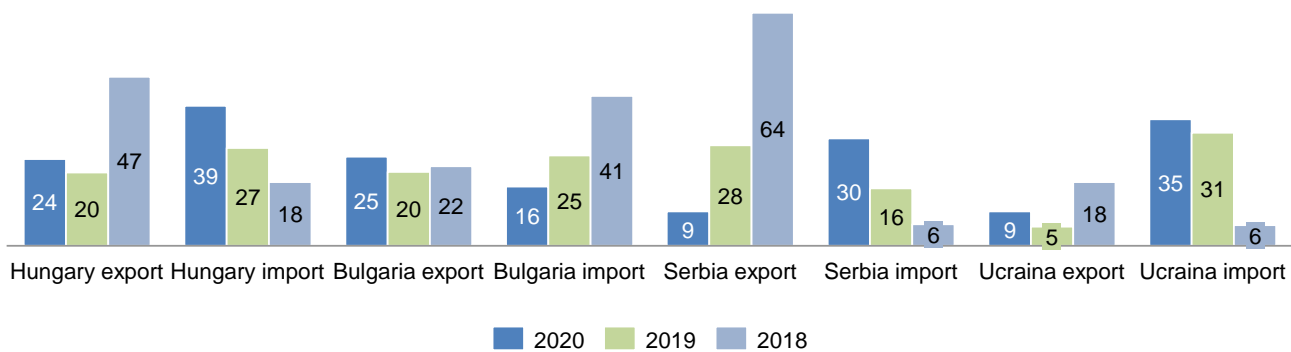
All through 2020, out of the total allocated amount following auctions for interconnection capacities (as a result of annual, monthly, daily and intraday allocations), the utilisation degree for export was higher in comparison with 2019, with 24% average values registered on exporting lines towards Hungary, 25% towards export into Bulgaria and around 9% for export towards Ukraine.

Table 16: Cross-border interconnections (use of total allocated capacity, %)

Border	Direction	2020	2019	2018
		[%]	[%]	[%]
Hungary	export	23.94	20.23	46.57
	import	38.64	26.95	17.55
Bulgaria	export	24.62	20.37	21.94
	import	16.32	24.91	41.30
Serbia	export	9.50	27.71	64.22
	import	29.66	15.83	5.94
Ukraine	export	9.47	5.31	17.61
	import	34.93	31.20	5.69

Note: the values in the table represent annual averages calculated as simple arithmetic averages of monthly averages

Figure 21: Utilisation of total allocated capacity (%)



In accordance with article 14 (7) of Regulation (EU) 2019/943, the Transmission System Operator (TSO) NPG Transelectrica SA reports structural congestions detected within the bidding area Romania and between this bidding area and its neighbouring bidding areas, in accordance with Regulation (UE) 2015/1222 of 24 July 2015 establishing guidelines regarding capacity allocation and congestion management (hereinafter called CACM Regulation).

In the context of enforced general capacity allocation and congestion management principles provided in article 16(8) of the same Regulation, it is provided that transmission system operators (TSO) do not limit the volume of interconnection capacity to be placed at the disposal of market participants in order to solve internal congestion within its own bidding area or as management mode for internal transaction flows of bidding areas.

Similarly, the same article provides this requirement is considered complied with if a minimum share is reached for the capacity available for cross-border trade. This share is 70% of the transmission capacity (hereinafter called the 70% requirement), while also observing the operational security limits.

With a view to provide compliance with the provisions of article 16(8) Transelectrica provides the results of its structural congestion analysis within SEN in accordance with article 14(7) of Regulation (EU) 2019/943.

Such report with respect to structural congestions is transmitted to the National Regulatory Authority in the Energy domain (hereinafter called ANRE) to get its approval in accordance with article 14(7) of Regulation (EU) 2019/943.

When ANRE as competent authority has approved the report the Ministry of Economy, Energy and Business Environment (hereinafter called MEEMA), in accordance with the process provided in article

14(7) of Regulation (EU) 2019/943 shall decide the solution method for structural congestions.

Romania can either endorse a national or multi-national action plan in accordance with article 15 of Regulation (EU) 2019/943 or it can review and amend the bidding area configuration.

In case of the action plan the capacity available for cross-border trade shall be gradually increased by linear development in order to provide by 31.12.2025 at the latest the compliance with the minimum available capacity for cross-border trade (the 70% requirement) provided in article 16(8) of Regulation (EU) 2019/943.

By transmitting this report to ANRE Transelectrica detects the structural type congestions within the electricity transmission grid in the context of applying the minimum capacity in accordance with article 16(8) of Regulation (EU) 2019/943 and requests approval to transmit it equally to MEEMA.

The transmission of the approved report is considered preliminary condition for the Romanian State to decide either establishing an action plan according to article 15, or to review and amend the bidding area according to article 14(8) of Regulation (EU) 2019/943.

The provisions of article 16(8) from Regulation (EU) 2019/943 are applied in the two capacity calculation regions Transelectrica belongs to, namely:

- ✓ Core region with RO – HU border, and
- ✓ SEE region with RO – BG border;

Structural congestions are mainly situated in the western and north-western areas of SEN. Such circumstances occur because the electricity network in this area has prevalingly 220 kV equipment, as well as cross-border exchanges which are focused in this region (as there are no synchronous interconnections in the northern and eastern areas of SEN).

Eliminating structural congestions and increasing the capacity available for cross-border trade can be achieved by means of new investments within RET.

Commissioning the 400 kV OHL Nadab - Oradea Sud will lead to unblocking the 110 kV areas Arad and Oradea and thus removing the structural congestion caused by the 110 kV OHL Salonta – Chisinau Cris. Also the structural congestion caused by the 400 MVA, 400/220 kV AT Rosiori will be removed as well.

The other structural congestions will be removed when the project converting the 220 kV Portile de Fier – Resita – Timisoara – Arad axis to 400 kV has been completed.

In order to achieve the 70% requirement according to article 16(8) of Regulation (UE) 201/943 other investment projects are necessary, including the 400 kV double circuit OHL Cernavoda – Stalpu, with input/output circuit in substation Gura Ialomitei and converting the Brazi Vest – Teleajen – Stalpu axis to 400 kV, namely the 400 kV double circuit OHL Smardan – Gutinas (with one circuit equipped).

Transelectrica SA in its capacity of Transmission and System Operator invests into increased interconnection capacities as well as in order to provide Romania with paths for import of more electricity.

Thus beginning with 1 January 2021 it has provided significant cross-border capacity with the countries it operates in interconnection with – Bulgaria, Hungary, Serbia and Ukraine – of 2,800 MW for export from Romania and 3,000 MW for import into Romania.

The extensive investment programme the Company has engaged into for the following five years enables doubling this cross-border capacity, which will provide developing electricity market coupled at European level, thus contributing to the achievement of European Union's objectives 'Internal electricity market' and 'Clean energy for all Europeans'.

The evolution of own technological consumption in the Electricity Transmission Grid

The development of one's own technological consumption (OTC) within ETG is influenced by several factors independent from Transelectrica's activities, such as: meteorological conditions, output structure vs. load location, physical import/export flows along SEN borders. The lowest values (compared to the energy contour input) are registered in droughty years, given that the low level of the hydro component determines the use of

primarily gas fired electric power plants and thus a better structure is obtained for generation, while corona losses are reduced.

Network losses are mostly influenced by the distance between generation and consumption centres, i.e. by how load coverage is distributed across the units of the system and by the volume and destination of international exchanges.

Table17: Development of OTC

Indicator		2020	2019	2018
Energy input in the network	GWh	42,861	43,358	44,469
Losses	GWh	937	986	1.100
OTC	%	2.19%	2.27%	2.47%

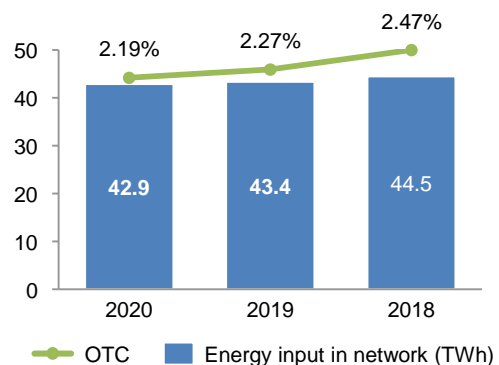
Factors determining the evolution of OTC in 2020 compared to the previous year

In 2020 OTC in absolute value (937 GWh) decreased 4.9% in comparison with 2019 (986 GWh).

A factor contributing to reduced losses overall, by decreasing corona losses, was the lower precipitation amount.

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

Figure 22: OTC development



Monthly evolution of OTC in 2020

The maximum level was reached in October:

In October a maximum value of 2.45% was registered OTC development in the first part of the year was influenced by beneficial import / export physical flows, which led to reduced electricity transmission at long distance and due to better meteorological conditions that determined reduced corona losses.

The minimum level was reached in February:

In terms of each month as compared to the electricity input into ETG the minimum OTC value was achieved in February, namely 1.97% (73.8 GWh). The determining factor of low losses was represented by better distribution of physical flows on borders, which in its turn has led to reduced electricity transmission far from sources.

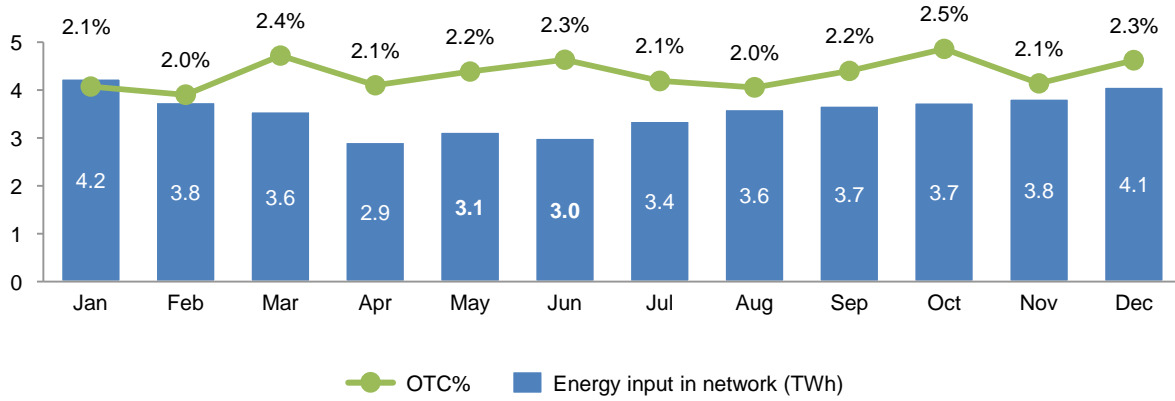
In absolute values there were four months with low losses: February (73.8 GWh, namely 1.97% of the electricity input into ETG), August (73.7 GWh, namely 2.05% of the electricity input into ETG), April (60.1 GWh, namely 2.07% of the electricity input into

ETG) and January (87.1 GWh, namely 2.05% of the electricity input into RET).

In February the OTC (losses) in absolute value decreased because of better export / import physical flows, which thus lead to reduced electricity transmission far from sources.

In April OTC in absolute value decreased because of reduced electricity transmitted against a background of lower electricity consumption impacted by the coronavirus pandemic; because of the slightly better generation that led to reduced electricity transmission far from sources, but also due to better meteorological conditions which determined lower corona losses.

Figure 23: Monthly evolution of OTC in 2020



9. ETG development

The Company's strategy for ETH development includes expediting investment projects with a view to upgrade and reinforce the Electricity Transmission Grid, to increase the interconnection capacity with ENTSO-E and non-EU countries.

Expediting investments is the top priority for the Supervisory Board (CS) and Directorate members, being motivated by the very financial circuit determining financial performance in accordance with the ANRE approved tariff-setting methodology and applicable to the Company, which determines provision of financing sources for operational and investment activities.

ETG development plan 2020 – 2029

In accordance with the competence and attributions established by the Electricity and natural gas law 123/2012 with later amendments and additions and the specific terms associated to Licence 161 for provision of electricity transmission services, system services and balancing market administration the Company plans developing the electricity transmission network taking into account the current stage and forecasted development of consumption, the generation fleet and electricity exchanges and elaborates every two years a Development Plan for the following ten successive years.

The last edition of the Ten years' Development Plan was made for 2020 – 2029. ANRE approved it under Decision 2287/2020. AGA of NPG Transelectrica SA approved the RET Development Plan for 2020 – 2029, main coordinates under Decision 12/2020.

The ETG Development Plan represents a highly important document for Company activities, which detects and proposes development and upgrade projects for the transmission network in the following ten years.

The "RET development plan in 2020 - 2029" ("ETG Plan") approved by ANRE was elaborated using analysis of prospective ETG operational regimes, relying on scenarios with respect to the development of consumption, generation fleet and exchanges with neighbouring systems in the mid- and long run.

The main objectives of the projects included in the ETG Development Plan are as follows:

- Increasing the interconnection capacity with other power systems;
- Integrating the output of power parks from eastern and south-eastern regions;

- Integrating the output from power parks in other areas;
- Safe consumption supply in deficit areas at rated quality and security parameters;
- Refurbishment and upgrade of existent substations;
- Upgrading the metering, command and control systems, etc.;

The generation park in Dobrogea region has known fast development. Many wind power parks were built, as well as photovoltaic ones, as well as many projects of power plants which actually are necessary to achieve the targets that Romania assumed in the renewable energy domain. Plans also include two more nuclear units in NPP Cenavoda.

Consequently the internal network segment providing power transmission towards the consumption centres of the country requires enhancement.

The development of generation capacities using renewable sources leads to intensified exchanges in-between systems and to increased variability of power flows across large regions.

The experience of last years and the forecast of the future period provides a high utilisation degree for Romania's network at the borders with Serbia and Hungary, both for exchanges between SEN and such systems and for transit, which only crosses SEN network.

Increasing the exchange capacity at the western interface of our system is necessary in order to provide the infrastructure required by electricity exchanges in the region.

Interconnection projects with Republic Moldova are also under study.

Stationary regimes and static steady-state were analysed and such showed the monitored segments S4 (supply section for N-V Transylvania) and S5 (in-feeding section for Moldova) provide increased operational risk near the maximum admissible power cross-section and in the mid- and long term, thus proving the need to enhance each one of these sections.

To this effect consolidating the electricity transmission grid by completing the 400 kV ring between the north-eastern and north-western parts of SEN is beneficial with respect to increasing the reserves of static steady-state both in sections S4 & S5 and in section S3 (joint transmission section

between Dobrogea + Moldova regions and the remaining SEN).

Several areas have been also detected with local issues of safe consumption supply, where additional capacities should be installed to provide injection from 400 kV to the lower voltage networks (Iernut, Sibiu).

The need was also discovered to provide projects and increase supply safety of consumers in the Metropolitan area of Bucharest City.

Analysis made in ENTSO-E provided the need to increase the interconnection capacity on the borders to Serbia and Hungary and consequently additional long-term projects have been introduced into the development plan.

Projects included in the ETG development plan 2020 - 2029

RET infrastructure projects by their specific nature require longer preDefendation and execution plans so that results can be visible after a number of years. Experience shows that the habitual complete cycle of an investment project (beginning with the initial design stage, feasibility study, terms of reference and technical project up to project execution and commissioning) to build / refurbish an electric substation is of 5 years in the average, while building a new electric line requires 9 years.

RET Development Plan represents a particular document for Company activities, which identifies and proposes development and monitoring projects for the electricity transmission grid in the next ten years, correlated with the forecasted development of electricity consumption, while observing applicable technical norms.



Photo: The first 400 kV slot of the National Power System - 400 kV overhead electric line, simple circuit, HPP Portile de Fier – Bucuresti Sud

The following ETG developments have been detected as main projects, while checking their adequacy, with completion terms taking into account the time intervals necessary to make the investments:

Increasing the cross-border interconnection capacity

The following network developments are planned in order to increase the exchange capacity of Romania's western interface:

PCI "Romania–Serbia Group between Resita and Pancevo", known also as "Mid Continental East corridor", which includes the following projects of common interest:

- The 400 kV double circuit OHL Resita (RO) – Pancevo (Serbia);
- The 400 kV OHL Portile de Fier – Resita and extending the 220/110 kV substation Resita by building the new 400 kV substation;
- Converting the 220 kV double circuit OHL Resita – Timisoara – Sacalaz – Arad to 400 kV, also building the 400 kV substations Timisoara and Sacalaz;

The 400 kV double circuit OHL Resita (RO) – Pancevo (Serbia) was completed but the 400 kV substation Resita is still under construction.

The following projects have been provided for the long term:

- Equipping circuit 2 of the 400 kV OHL Nadab-Bekescsaba;
- The 400 kV OHL Portile de Fier - Djerdap circuit 2, resulting from long term ENTSO-E analysis, will be reanalysed as opportunity depending on the integration of renewable sources;
- RO-HU interconnection (the new 400 kV OHL Oradea-Jozsa, new 400/220 kV AT Rosiori, new 400/220 kV AT Resita, replacing the conductors of the 220 kV axis Urechesti-Tg.Jiu Nord-Paroseni-Baru Mare-Hasdat) resulting from long term ENTSO-E analysis; it will be reanalysed as opportunity depending on the integration of renewable sources;

Integrating the output from power parks in the eastern and south-eastern regions

The Project of Common Interest (PCI) "Bulgaria–Romania Group, capacity increase", known also as the "Black Sea corridor", which includes the following projects of common interest:

- The 400 kV double circuit OHL Smardan – Gutinas;
- The 400 kV double circuit OHL Cernavoda–Stalpu, with one input/output circuit in Gura Ialomitei;

This project enables integrating the output of south-eastern power plants and contributes to increasing the interconnection capacity on the border with Bulgaria.

In January 2018 NPGTranselectrica SA obtained European funds under the CEF (Connecting Europe Facility) mechanism for the project of common interest of the 400 kV double circuit OHL Cernavoda – Gura Ialomitei – Stalpu.

In October 2019 NPG Transelectrica SA obtained European funds for the project of common interest of the 400 kV double circuit (1 c.e.) OHL Smardan-Gutinas under the Operational Programme Large Infrastructure, Priority axis 8 - "Smart sustainable electricity transmission and natural gas transport systems", Specific objective 8.1 "Increasing the capacity of the National Power System to take over the electricity generated from renewable sources".

Other projects which increase the discharge capacity in east and south-east are as follows:

- Input / output connection of the 400 kV OHL Stupina – Varna and 400 kV OHL Rahman – Dobrudja in the 400 kV substation Medgidia Sud;
- Replacing the conductors of the 220 kV OHL Stejaru – Gheorghieni – Fantanele;
- Converting the 220 kV OHL Brazi Vest - Teleajen – Stalpu to 400 kV (it was initially built for 400 kV), also building the 400 kV substations Stalpu and Teleajen;
- The 400 kV double circuit OHL Medgidia Sud – Constanta Nord;
- Converting the 400 kV OHL Isaccea – Tulcea Vest from simple to double circuit;
- The 400 kV simple circuit OHL Gadalina – Suceava;
- The 400 kV OHL Stalpu – Brasov;
- Increasing the transmission capacity of the 8 km long segment of lower cross-section of the 400 kV OHL Bucuresti Sud - Pelicanu;
- Increasing the transmission capacity of the 53 km long segment of lower cross-section of the 400 kV OHL Cernavoda – Pelicanu;

Integrating the electricity generated from other power plants in the SEN

- To provide safe discharge of output from Portile de Fier II an agreement was reached with Co. Hidroelectrica SA to discharge at 220 kV, by building the 220 kV substation Ostrovul Mare and the 220 kV double circuit OHL joint of Ostrovul Mare in the 220 kV OHL Portile de Fier - Cetate;
- Plans are to replace the 400/400/160 MVA 400/231/22 kV AT3 from the 400/220 kV substation Portile de Fier with a 500 MVA AT;
- For the safe discharge of power from the HPP in Arges-Valcea plans are to build the 400 kV substation Arefu with a 400/220 kV 400 MVA AT and input/output integrate it to the 400 kV OHL Tantareni-Sibiu Sud.

Safe consumption supply from deficit areas

- Installing the second 400/110 kV transformer in substation Sibiu Sud in order to reserve the only RET injection into Sibiu area;
- Installing the second 400/220 kV, 400 MVA AT in substation Iernut in order to supply the consumption in N-V Romania in the absence of enough installed capacity in the power plants of the area;
- Installing a new 220/110 kV 400 MVA autotransformer in the 220/110 kV substation Fundeni;
- Installing a new 400/110 kV 250 MVA transformer in the 400/220/110 kV substation Bucuresti Sud;
- The 400/110 kV substation in Grozavesti connected by 400 kV underground cable to the 400 kV substations Bucuresti Sud and Domnesti and two 100 MVAR shunt reactors installed at 400 kV in the 400 kV substation Grozavesti;
- The 400/110 kV substation in Fundeni also connected by the new 400 kV OHL Fundeni-Brazi Vest and input/output to 400 kV OHL Bucuresti Sud-Gura Ialomitei by the 400 kV double circuit OHL; installing a new 100 MVAR shunt reactor in the new 400 kV substation;
- Replacing the conductors of the 220 kV axis Urechesi-Tg. Jiu Nord-Paroseni- Baru Mare-Hasdat (necessary also in order to increase the interconnection capacity);

Interconnection with the system from the Republic of Moldova

RET Development Plan for 2018-2029 includes building the 400 kV OHL Suceava-Balti for the interconnection with the system from the Republic of Moldova.

The general cooperation framework in the electricity domain between Romania and Republic Moldova is regulated under the Memorandum of Understanding the Governments of these two countries had signed in 2015. In 2016 a Cooperation Agreement was signed between NPG Transelectrica SA and IS Moldelectrica to carry out the interconnection projects by means of back-to-back substations, also mentioned in the Memorandum of Understanding:

- The 400 kV OHL Isaccea (RO) – Vulcanesti (RM) (existent line), the new 400 kV double circuit OHL Vulcanesti- Chisinau, Back to Back substation in Vulcănești;
- The 400 kV OHL Suceava (RO) – Balti (RM) simplu circuit and back to back substation in Balti;
- The 400 kV OHL Iasi (RO) – Ungheni – Straseni (RM) simplu circuit and back to back substation in Straseni;

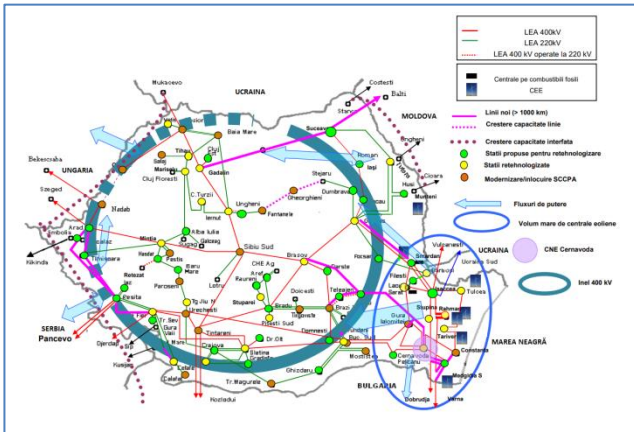
The back to back substation of Vulcanesti will be built until 2024 according to the statements of Moldelectrica. Transelectrica and Moldelectrica cooperate to coordinate the necessary work with a view to enable operation of the existent 400 kV line Isaccea (RO) – Vulcanesti (RM) while building the back-to-back substation.

The 400 kV OHL Suceava-Balti could be achieved after the synchronous interconnection of power systems from Ukraine and the Republic Moldova with the European continental system or as necessary measure for the synchronous interconnection, if such is shown in the elaborated studies.

Refurbishment and upgrade of existing substations

A significant number of existent substations are / will be included in a sustained refurbishment and upgrade plan for their installations and equipment:

Figure 24: ETG development requirements 2018-2027



The following projects are also provided in a longer time horizon:

- Refurbishing the 110 kV substation Sacalaz (in correlation with the work to the western axis);
- Refurbishing the 220/110 kV/MT substation Alba Iulia;
- Refurbishing the 220/110 kV substation Fantanele;

The upgrade / replacement of the command control protection systems is provided in the following electric substations: the 220/110 kV Ghizdaru, 220/110 kV Gradiste, 220/110 kV Draganesti Olt, 220/110/20 kV Targoviste, 220/110/10 kV Fundeni, 220/110/20 kV Bucuresti Sud, 400 kV Gadalina, 400/110/20kV Sibiu Sud, 400 kV Cernavoda, 400/220/110 kV Mintia, 400 kV Calea Aradului, 220/110 kV Pestis, 220/110 kV Paroseni, 400 kV Tantareni, 400/110/20 kV Oradea Sud, 400/220 kV Rosiori, 220/110/20 kV Salaj, 220/110 kV Baia Mare 3, and the 220/110 kV Cluj Floresti.

There are also plans to installed two up-to-date means to compensate reactive power in the 400/220/110/20 kV substation Sibiu Sud and in the 400/220/110/20 kV substation Bradu.

Procurement of a 100 MVar shunt reactor is provided for the 400 kV substation Portile de Fier (Iron Gates).

9.1. Investments

Investments 2020

The non-current assets recorded in accounting registers in 2020 amounted to RON 176.5mn.

In 2020 the greatest transfers from tangible assets in progress into tangible assets were represented mainly by the commissioning of investment projects as shown below:

- Replacing the EMS SCADA AREVA components – software & hardware components – RON 31.86 mn;
- Refurbishing the 220/110 kV substation Craiova Nord – RON 26.55 mn;
- Refurbishing the 400/110/20 kV substation Domnesti – RON 19.36 mn;
- Replacing transformers and autotransformers in electric substations, stage 2, step 2, LOT 1 & LOT 2 – RON 16.86 mn;
- 100 MVAR, 400 kV shunt reactors for the 400 kV substations Arad, Bucuresti and Bradu – RON 13.35 mn;
- Refurbishing the 220/110 kV Oțelărie Hunedoara – RON 11.83 mn;
- Refurbishing the 220/110/20 kV substation Ungheni – RON 9.43 mn;
- Research-development centre for LW technologies and fast SEN intervention, Centre building – RON 5.77 mn;
- Integrated security system in electric substations, stage IV – RON 5.18 mn;
- Upgrading the 110 kV substations Bacau Sud and Roman Nord of the 400 kV axis Moldova – RON 4.97 mn;
- Refurbishing the 220/110 kV substation Iaz – RON 4.51 mn;
- Changes to the 400/220/110 kV OHL to carry out the break-through objective for Blvd. N. Grigorescu - Splai Dudescu – RON 3.97 mn;
- Upgrading the 400/220/110/20 kV substation Munteni – RON 3.87 mn;
- Upgrading teleprotection, telecommunication system in Substation Cernavoda – RON 3.76 mn;
- Upgrading the building of DET Timisoara – RON 1.92 mn;
- By-passing the 400 kV networks on segment 2, lot 2, found in Olt County to build express road Craiova-Pitesti; the 400 kV simple circuit OHL Slatina-Bucuresti Sud – RON 1.69 mn;
- Computation technique, hardware and software - Desktop PC – RON 1.64 mn;
- Upgrading the 220 kV OHL Cetate – Calafat – RON 1.17 mn;
- Consolidating the towers from panel 381 - 390 of the 400 kV OHL Bradu - Brasov – RON 0.98 mn;
- Air conditioning installations in the rooms dedicated to UNO-DEN servers – RON 0.92 mn;
- Developing the space for relocation and CTSI upgrade at ground floor of industrial building 2 of UTT Timisoara – RON 0.82 mn;
- Replacing the breakers of electric substations – RON 0.73 mn;
- Changes to the 400 kV OHL Urechesi - Domnesti to meet the coexistence conditions – RON 0.58 mn;
- Trial and testing equipment – RON 0.43 mn;
- Special intervention towers type Universal Guyed Portal for 220-400 kV, including prefabricated foundations – RON 0.40 mn;
- Providing safe supply to the 220 Vdc auxiliary services of Substation Fantanele by replacing the condenser batteries and resizing the capacity of condenser battery 2 – RON 0.38 mn;
- Upgrading the hardware and software platforms of the SCADA system in Substation Stuparei – RON 0.36 mn;
- Manufacturing hall of aluminium pieces, situated in locality Bradu, village Geamana, str. Drumul 23, nr. 44, Arges County – RON 0.33 mn;
- Upgrading the 220/110 kV substation Dumbrava – RON 0.29 mn;
- 400 kW fully automated gas-fired thermal installations for the building located in Blvd. Hristo Botev 16-18, Bucharest 3 – RON 0.28 mn;
- Thermal rehabilitation of annex building of control block in Substation Isaccea – RON 0.26 mn;
- Replacing the 220 V condenser battery 1 of the 220/110 kV substation Mintia – RON 0.25 mn;
- Upgrading the road system of communal road of Str. Fortului, Domnesti town, Ilfov County – RON 0.22 mn;
- Videoconference terminal for the TSCNET network to be installed in UNO-DEN – RON 0.16 mn;

- Hydrocarbon Defendator (oil) for the concreted platform of Substation Tulcea Vest – RON 0.15 mn;
- Professional air conditioning equipment for the IT&C technologic rooms of DET-s Bacau, Cluj and Craiova – RON 0.14 mn;
- UPS source type of direct current supply, 2 pc., 14.5 kW air conditioning equipment, 2 pc., air dehumidification unit, 1 pc – RON 0.12 mn.

On 31 December 2020 the balance of tangible assets under execution was represented by ongoing projects, of which the most significant are provided below:

- The 400 kV double circuit OHL Cernavoda-Stalpu and connection in Gura Ialomitei – RON 112.06 mn;
- Converting the Portile de Fier - Resita - Timisoara - Sacalaz - Arad axis to 400 kV, stage I the 400 kV simple circuit OHL Portile de Fier - (Anina) - Resita – RON 62.00 mn;
- Connecting to RET the 300 WPP MW Ivesti, the 88 MW WPP Falciu 1 and the 18 MW WPP Falciu 2 by the new (400)/220/110 kV substation Banca – RON 46.88 mn;
- Connecting the 400 kV OHL Isaccea - Varna and the OHL Isaccea - Dobrudja in the 400 kV substation Medgidia Sud – RON 42.05 mn;
- Refurbishing the 400/110/20 kV substation Domnesti (BA Dec. 5 / 19.05.2010) – RON 40.36 mn;
- Refurbishing the 220/110 kV substation Hasdat – RON 41.04 mn;
- Upgrading the 220/110/20 kV substation Arefu – RON 15.50 mn;
- Upgrading the 220/110/20 kV substation Raureni – RON 15.25 mn;
- Extending the business continuity and post-disaster recovery services in the Executive branch – RON 14.41 mn;
- 110 kV, 220 kV and 400 kV mobile bays – RON 14.29 mn;
- Upgrading the 110 kV substations Bacau Sud and Roman Nord of the 400 kV axis Moldova – RON 13.87 mn;
- Upgrading the 220/110 kV substation Dumbrava – RON 11.28 mn;
- Extending the 400 kV substation Cernavoda, stage I+II, replacing 2 shunt reactors, connecting new lines – RON 11.15 mn;
- Refurbishing the 220/110/20 kV substation Ungheni – RON 10.96 mn;
- Upgrading the 400 (220)/110/20 kV substation Munteni – RON 10.63 mn;
- Refurbishing the 220/110 kV substation Iaz – RON 9.87 mn;
- Installing the 400 MVA, 400/231/22 kV AT2 and related bays in substation Iernut and upgrading the command control system of the 400/220/110/6 kV substation Iernut – RON 8.70 mn;
- Upgrading the 110 kV and 400 (220 kV) installations in Substation Focșani Vest – RON 8.18 mn;
- Refurbishing the 400/110/20 kV substation Smardan – RON 8.09 mn;
- Replacing transformers and autotransformers in electric substations, stage 2, step 2, LOT 1 & LOT 2 – RON 7.12 mn;
- Converting the Portile de Fier - Resita - Timisoara - Sacalaz - Arad axis to 400 kV, stage I the 400/220/110 kV substation Resita – RON 6.63 mn;
- The 400 kV OHL Gadalin - Suceava, including SEN interconnection – RON 6.04 mn;
- 400 kV HVDC Link (submarine cable Romania - Turkey) – RON 5.85 mn;
- Clearing up the location and providing coexistence conditions with the 400 kV installations of NPG Transelectrica SA in villages Letea Veche and Saucesti, Bacau County (execution) – RON 5.70 mn;
- Replacing the EMS SCADA AREVA software & hardware components – RON 5.07 mn;
- Refurbishing the 110 kV substation Timisoara and converting the Portile de Fier - Resita - Timisoara - Sacalaz - Arad axis to 400 kV, stage II: the 400 kV substation Timisoara – RON 4.87 mn;
- Integrated security system in electric substations, stage IV – RON 4.82 mn;
- The 400 kV OHL Suceava - Balti for the project segment on Romania's territory - RON 4.44 mn;
- The 400 kV double circuit OHL Gutinas – Smardan – RON 4,18 mn;
- Installing the 250 MVA T3 in the 400/110 kV substation Sibiu Sud – RON 3.96 mn;
- The 400 kV simple circuit Oradea Sud - Nadab - Bekescsaba, final stage: segment between towers 1-42 (48) and the 400 kV OHL Oradea Sud – Nadab – RON 3.70 mn;
- Refurbishing the 110 kV substation Medgidia Sud – RON 3.50 mn;
- Converting the Portile de Fier - Resita - Timisoara - Sacalaz - Arad axis to 400 kV, stage

- II the 400 kV double circuit OHL Resita - Timisoara - Sacalaz – RON 3.34 mn;
- Replacing circuit breakers of electric substations – RON 3.32 mn;
- Upgrading the 220/110/20 kV substation Vetis - echipament primar – RON 3.35 mn;
- Extending the IT control and supervision of access in the objectives of NPG Transelectrica SA by new functions – RON 3.20 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 2.89 mn;
- 400 kV mobile bays to connect the shunt reactor in the 400 kV substations Bradu and Sibiu Sud – RON 2,81 mn;
- Integrated security system in electric substations, stage III (BA Dec. 2/2008) – RON 2.80 mn;
- Replacing the 400/400/160 MVA 400/231/22 kV ATUS-SF AT 3 in the 400/220 kV substation Portile de Fier – RON 2.68 mn;
- By-passing the 110 kV OHL Cetate 1 & 2 near the 110/20/6 kV substation Ostrovul Mare – RON 2.58 mn;
- Connecting to RET the 99 MW WPP Dumesti and the 30 MW WPP Romanesti, Iasi County, by building a 110 kV line bay in the 220/110 kV substation FAI – RON 2.55 mn;
- Moving and protecting HV (220 kV - 400 kV) electric networks, Brasov - Cluj - Bors Motorway section 1C Sighisoara - Targu Mures, subsections 2 & 3 Targu Mures – Ungheni I - Ogra – RON 2.36 mn;
- The 400 kV OHL Oradea – Beckescsaba – RON 1.83 mn;
- Providing optical fibre communication between substation Pitesti Sud and the remote control & installation supervision of UTT Pitesti (SF) – RON 1.71 mn;
- The 220 kV double circuit OHL Ostrovu Mare - RET (BA Dec. 17/2007) – RON 1.57 mn;
- Consolidation, upgrade and extension of headquarters of NPG Transelectrica, Executive branch – RON 1.63 mn;
- Replacing the shunt reactor of Substation Arad – RON 1.40 mn;
- The 400 kV substation Stalpu – RON 1.11 mn.

The increase in the net value of intangible assets on 31 December 2020 was mainly represented by the recognition of assets under leasing – buildings – meaning the usage right of spaces rented by the Company in the Platinum office building (contract

C217/2015 concluded with Dagesh Rom SRL), according to the provisions of IFRS 16 – Leasing contracts, amounting to RON 41.64 mn.

In 2020 the greatest transfers from intangible assets in progress to intangible assets were represented by:

- Upgrading the hardware & software platforms of SCADA in Substation Stuparei – RON 0.15 mn;
- Upgrade BITDEFENDER antivirus licences – RON 0.05 mn;
- Software licence of the on-line monitoring system for the 200 MVA AT1 – RON 0.04 mn.

Table18: Acquisitions of tangible and intangible assets

RON mn	2020	2019	2018
Acquisitions of tangible and intangible assets	375	242	171

Financial investments of the Company

Europe-wide the energy sector undergoes change with emphasis placed on the transition from the mainly national development model for the energy sector to an integrated development model coordinated at European level, which shall provide uniform development continent-wide but will also enable tailoring national specificities and targeting the legitimate interests of European states.

In this context the Company has affiliated to the following entities:

- **TSCNET**
- **JAO**
- **SEE RSC**

TSCNET (TSCNET Services GmbH)

It has been established with a view to serve the Transmission System Operators (TSO) in the eastern-central-western region of Europe (CORE region) for the coordinated implementation of European network codes. Affiliation is achieved by participating to the shareholders of TSCNET by means of share purchase transaction within the company.

AGEA Decision 9 of 05 June 2018 approved the Company's affiliation to the Security Coordination Centre in CORE region, TSCNET by participating to its share capital with a 470,500 Euro contribution (1 share – 2,500 EUR).

Thus Transelectrica is one of the 15 shareholders of TSCNET Services GmbH, holding 6.67% participation in the share capital.

From the 15 shareholders 14 are represented by affiliated TSOs that are centre members (and beneficiaries of its services), and the 15th shareholder is TSCNET Services GmbH itself.

The main services provided by TSCNET centre are:

- Elaborating the common network model Europe-wide for the capacity calculation area CORE and the CENTRAL operation zone;
- Coordinated calculation of cross-border exchange capacity for CORE region;
- Coordinated calculation of operational security by applying the CSA methodology - Coordinated Security Assessment;
- Assessing the current adequacy of CORE region and of the CENTRAL operation region;
- Coordinated operational planning of outages in CORE region and the CENTRAL operation region;

Complex information platforms (applications) were developed in the centre in order to provide such services, of which AMICA platform is the most important and currently used.

In the following years a complex transition process will be performed to transform the centre from RSC to Regional Coordination Centre (RCC), in accordance with the obligations provided in Regulation (EU) 943/2019 regarding the internal electricity market.

Such transformation involves considerable increase of the number of services (activities) which the centre will perform (at least 13) and exponential development of operational cooperation and coordination with the other regional coordination centres of Europe (CORESO, SELENE-CC, NORDIC, and BALTIC).

JAO (Joint Allocation Office)

Beginning with 2019 auctions to allocate long term capacities are performed in coordinated manner by JAO, which was designated Operator of the Single Allocation Platform (SAP).

Transelectrica was invited by JAO to become member in its shareholder structure.

AGEA Decision 10 of 20 August 2018 approved the Company's affiliation to the shareholders of Joint Allocation Office (JAO) by cash subscription amounting to 259,325 Euro, being allocated 50 shares.

By participating to JAO shareholders Transelectrica joined the great European TSO families, establishing joint governance structures; thus Company interests and the Romanian power system's are directly represented in pan-European organisations.

JAO shareholder membership consists of 22 TSOs. Besides the main activity of long-term allocation of cross-border capacities, JAO developed also other activities / instruments derived from European

regulations, such as: short-term allocation of cross-border capacities; shadow capacity allocation for coupled markets; settlements for the coupled market; documents archiving and project management.

By such extended activity portfolio JAO got a benefit, because TSOs can jointly benefit of JAO's information instruments and knowledge, without requiring individual development of each TSO, with instruments and resources for such activities, also providing reduced development and operation costs of such activities / instruments.

SEE RSC (Regional Security Coordinator (RSC) for Southeast Europe)

In accordance with the provisions of European electricity legislation (EU Regulations 2017/1485, 2015/1222 and ACER decisions establishing Europe-wide the regional coordinated calculation regions of inter-zonal exchange), in south-eastern Europe a regional centre was established to coordinate operational security in the operation of power systems.

By the Romanian – Bulgarian border Romania belongs in the regional coordinated calculation of cross-border capacities south-eastern Europe (SEE). In terms of regional operational security coordination services, this region will be served by the newly-established independent entity, which will be the regional coordination centre of operational security (hereinafter called SEE RSC).

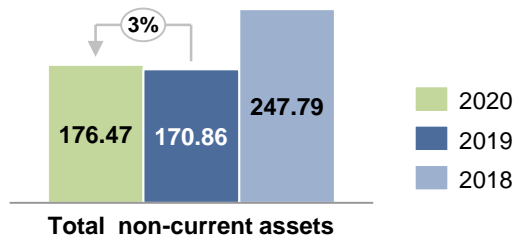
Company affiliation to the shareholders of SEE RSC became effective beginning with 22.05.2020 in accordance with one's own statutory provisions (articles of association, HAGEA 6/2020 and HD 107/2020), with cash subscription amounting to 50,000 Euro, being allocated 50,000 shares.

Together with transmission system operators for electricity (TSOs) in Bulgaria, Greece and Italy Transelectrica holds 1/4 of the capital and voting rights, which are distributed equally to all associated entity shareholders.

Operationalising the regional centre means a series of stages executed by several steps, beginning with constituting the functional capacity in juridical terms by establishing an independent entity with its own legal personality, shareholders being the TSOs of the serviced region (stage completed, according to the above) passing then to establishing the functional capacity in operational terms by drawing human resources, constituting and developing IT instrumentations which the centre will operate to perform the functions entrusted by the specific European legislation (stage partially completed, in

progress) and establishing the formal contractual framework for service provision and their settlement.

Figure 25: The amount of non-current assets entered in the accounts (excluding VAT, RON mn)



Investment activities in 2020

Investments completed in 2020

No.	Categories of expenditure	Scheduled (thousand Ron)	Achieved (thousand Ron)
	Grand total (A + B)	384,111	360,738
A	Company's own expenses	368,284	345,840
I	Continued investments	334,261	317,065
II	New investments	9,128	6,929
III	Other investment expenses	24,896	21,846
B	Investments financed from the connection fee	15,827	14,897

2020 investment expenses are detailed by the main chapters of the programme in correlation with the main chapters in the Development Plan, as follows:

The Company's own investments: RON 346 mn

The achieved value of further investments was of RON 317.1 mn and represented 91% of the Company's own investment expenses.

Investments financed from the connection fee

Their amount has a strongly decreasing trend because of the impact coming from the new green certificates legislation, as many investors in electricity from renewable sources give up the SEN connection, or they request postponing it even if they have paid the connection fee. Thus compared to the development period of wind power parks in 2009-2012, when an annual average of RON 100 mn was reached for such projects, 2020 ended with RON 14.9 mn result; the majority of works consisted in clearing up the location and providing the coexistence conditions with other investment projects in road infrastructure.

Difficulties occurred in starting up the projects

In general the difficulties notified for projects start-up were the following:

- The epidemiologic context generated by Covid-19 (coronavirus) spreading; a great part of general contractors under work contracts transmitted notifications they slowed down or even stopped the work. Consequently addendums have been concluded extending the execution time by 2 ÷ 6 months.

Nevertheless analysing the value achievements in the studied interval (January-December 2020) one could notice the epidemiologic crisis had no negative influence over the Annual Investment Plan in 2020.

- The application of HG on reclaiming forestry land

Short description of the main projects started in 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 - work completion

Project purpose:

This project includes:

- Stage I - Extending the 400 kV substation Medgidia
- Stage II - the 400 kV double circuit OHL, connections in substation Medgidia Sud

Connection of the 400 kV OHL Isaccea – Varna and the 400 kV OHL Isaccea – Dobrudja in the 400 kV substation Medgidia Sud while reconsidering the configuration and technology for the construction of the 400 kV substation Medgidia Sud is timely and necessary in order to enable safe discharge of wind power generated in the power parks that will debit into the 400 kV substations Rahmanu and Stupina, and to change the 400 kV substation Medgidia Sud into the future SEN interconnection substation with the Bulgarian power system.

Project description

Stage I – Extending the 400 kV substation Medgidia:

The substation will be extended within the current perimeter.

With a view to provide the necessary space for the total number of bays, outdoor SF6 encapsulated (GIS) equipment can be used. Substation configuration will be thus: five OHL bays, one CT bay, 2 metering bays, 2 transformer bays T1 & T2 of 250 MVA, 400/110/20 kV.

Back-up space will be reserved in the substation grounds for the future bays: four OHL bays, an additional transformer T3 bay, 3 transversal & longitudinal coupler bays to be equipped when the additional lines and T3 have been installed.

Two transformer posts PT3 & PT4 will be installed for auxiliary services, to be connected to the busbars of the indoor 20 kV substation. New installations: grounding; lightning rod; surge arresters, and switching.

The secondary circuits system will be entirely new, namely SCADA + command-control-protection cabinets; protection parameter-setting system; local metering system.

Extending the 400 kV substation Gura Ialomitei by two bays: the 400 kV OHL Cernavoda 2 & 3

Project purpose

With the prospect of nuclear units 3 & 4 to be built in NPP Cernavoda it is necessary to extend the 400 kV substation Gura Ialomitei (refurbished) by means of two 400 kV bays to connect the 400 kV OHL Cernavoda 2 & 3.

Project description

Substation Gura Ialomitei is structured by three voltage levels: 400 kV, 110 kV and 20 kV and in 2008-2010 it was fully refurbished using Siemens equipment.

Extension work consist in extending the south side of the 400 kV substation by installing two bays of the same kind like those in operation (for OHL Cernavoda and OHL Stalpu).

The existent 400 kV bays and operating (Cernavoda 1 & 2, Bucuresti Sud, Lacul Sarat, T3 & T4), and the two bays designed to connect electric substations Cernavoda and Stalpu are also GIS 8 DQ1, built with connection to the conductors of overhead lines.

Upgrading the 220/110 kV substation Raureni - work completion

Project purpose

In accordance with the policy of Transelectrica SA upgrade of the 220/110 kV substation Raureni is required using state-of-the-art technologies in order to increase the operational safety of the power system and to implement the Company's strategy of remote control for substations, also taking into account the physical wear and obsolete installations within substations.

Project description

The upgrade project of substation Raureni takes into account work execution, equipment delivery and service provision (design, engineering, testing, and commissioning) for the primary and secondary circuits of the 220 kV and 110 kV substations.

Thus primary equipment which is over 30 years old will be replaced with new performing ones using current technologies.

Secondary circuits will be fully upgraded by applying an advanced command-control-protection system of high reliability, designed in compliance with the latest worldwide requirements, using also the supplies under a previous contract, C100/2006.

Work will be performed using the design documentation elaborated and updated according to the applicable legislation, executing a work schedule providing system safety during work.

Refurbishing the 220/110/MV kV substation Baru Mare

Project purpose:

Considering the worn out and obsolete installations it is required to upgrade the 220/110/MV kV substation Baru Mare by replacing the existent equipment by primary & secondary equipment using present-day technologies.

Project description:

The upgrade project of the 220/110/MV kV substation Baru Mare takes into account work execution, equipment delivery and provision of services as follows:

- Achieving a performant complete uniform numerical integrated redundant command - control - protection system configurable by remote control on an operating platform compatible with Microsoft Windows
- Providing remote control of the new installations from the DET/DEC/CTSI
- Providing the security conditions;
- Procuring the metering (settlement & local) systems, also monitoring electricity quality;

Upgrading the 220/110 kV substation Dumbrava - work completion

Project purpose:

The upgrade of the 220/110 kV substation Dumbrava using present-day technologies is required with a view to increase the power system performance and apply the Company strategy of remote control for substations, also taking into account the physical wear and obsolete installations within substations.

Project description:

The upgrade project of substation DUMBRAVA takes into account work execution, equipment delivery and service provision (design, engineering, testing, and commissioning) for the primary and secondary circuits of the 220 kV and 110 kV substations.

Thus the worn out and obsolete equipment will be replaced by new performing one of present-day technology. Secondary circuits will be fully upgraded and tailored according to applicable NTI, obtaining an advanced highly reliable command-control-protection system which will enable substation remote control.

Work will be performed using the design documentation elaborated and updated according to the applicable legislation, while also devising a work schedule to provide system safety during work.

Converting the Portile de Fier - Resita - Timisoara - Sacalaz - Arad axis to 400 kV, Stage I: the 400/220/110 kV substation Resita

Project purpose:

Completing the 400 kV ring in the south-western part of the country and solving power discharge from HPP

Portile de Fier I requires converting Banat axis to 400 kV (Portile de Fier-Resita-Timisoara-Sacalaz-Arad).

The construction work to the new 400 kV substation and refurbishing the old 220/110 kV substation Resita will be fully executed in work stage I for Banat Axis.

Project description:

The solution proposed for such work relies on disassembling all existent equipme of the 220/110 kV outdoor substation and providing the following work:

- Installing AIS primary equipment (400, 220, and 110 kV);
- The new 400 kV substation will include installation of: 250 MVA, 400/110/10 kV transformer, 400 MVA, 400/220 kV autotransformer and 100 MVA_r, 400 kV shunt reactor;
- Relocating the 200 MVA, 220/110/10 kV autotransformer AT2 in the 110 kV substation next to the nitrogen fire fighting installation and the monitoring system;
- Building the command-control system using modern, numerical, and redundant technology;

Projects started in 2020

The main projects with contracts entered into and starting in 2020:

No.	Objective	Contract	Value
1	Connecting the 400 kV OHL Isaccea - Varna and 400 kV OHL Isaccea - Dobrudja in the 400 kV substation Medgidia Sud - Extending the 400 kV substation Medgidia - <i>LD procedure to procure the other equipment, work & services</i>	C 69/01.04.2020	22,441.49 thousand RON
2	Extending the 400 kV substation Gura Ialomitei by two 400 kV OHL bays Cernavoda 2 & 3 - <i>procurement of equipment, installation and services</i>	C 127/16.06.2020	5,297.76 thousand RON
3	Extending the 400 kV substation Gura Ialomitei by two 400 kV bays Cernavoda 2 & 3 - <i>procuring the 400 kV GIS system (primary & secondary circuits) and integrating it in the command-control-protection-metering system and EMS-SCADA</i>	C 207/10.09.2020	2,596,041 EURO
4	Upgrading the 220/110 kV substation Raureni	C 140/26.06.2020	13,715.84 thousand RON
5	Refurbishing the 220/110/MV kV substation Baru Mare	C 165/24.07.2020	58,861.87 thousand RON
6	The 400 kV OHL Oradea – Bekescsaba; installing a 100 MVA _r coil in the 400 kV substation Oradea Sud; telecommunication & tele-transmission equipment for the 400 kV OHL Oradea – Bekescsaba, final stage: segment between towers 1- 42 (48) of the 400 kV OHL Oradea Sud – Nadab	C 166/24.07.2020	4,115.73 thousand RON
7	Upgrading the 220 /110 kV substation Dumbrava	C 356/09.11.2020	16,778.99 thousand RON
8	Converting the Portile de Fier - Resita - Timisoara - Sacalaz - Arad axis to 400 kV, stage I: the 400/220/110 kV substation Resita (<i>LD: Primary equipment, associated services and work for the primary & secondary components</i>)	C293/03.11.2020	103,822.59 thousand RON

The 2021 investment programme and estimations for 2022-2023

The Company has got a wide investment programme targeting the modernisation and refurbishment of the Electricity Transmission Grid, completing the 400 kV ring of Romania and increasing the interconnection capacity with neighbouring countries in terms of providing safe operation of the National Power System and facilitating electricity exports.

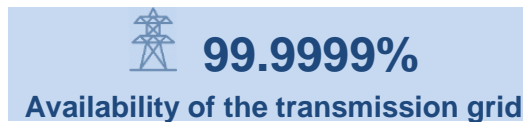
The Company's 2021 Investment programme and investment expenses estimated for 2022 & 2023 (PAI 2021) was elaborated considering these elements:

- The investment priorities established in the RET Development Plan for 2020 – 2029;
- The ANRE-approved investment plan;
- Execution schedules of investment projects in progress;

9.2. Quality of the supplied transmission system services

In accordance with the Performance standard for electricity transmission and system services approved by ANRE Order 12/2016, performance

indicators representative for RET management and operation as well as for the continuity of transmission services are as follows:



- Transmitted electricity (GWh) and the percentage coefficient of losses within the electricity transmission network, values which are provided in the OTC section (Operational data);
- Average time unavailability of installations caused by scheduled or unscheduled (accidental) events against km for lines (INDLIN), or MVA for transformers & autotransformers (INDTRA);

Table 19: Performance indicators for the RET management/operation activities

Indicator	2020	2019	2018
INDLIN (hours/year)			
Total	112.50	136.20	154.42
• Unscheduled (accidental)	4.24	7.19	9.25
• Scheduled	108.26	129.01	145.17
INDTRA (hours/year)			
Total	230.85	236.44	129.53
• Unscheduled (accidental)	1.76	27.56	3.11
• Scheduled	229.09	208.88	126.42

In 2020 compared to 2019 INDLIN standard indicator had decreasing trend both for the accidental component and for the scheduled one.

Maintaining the passage corridors of RET OHLs and timely provision of minor maintenance which clears hot spots detected by multi-spectral inspections and periodical controls led in 2020 to reduced unavailability of OHL caused by their incidents.

In 2020 OHL scheduled outages were performed in accordance with the approved PAR and PLR. There was no need for additional outages, which led to RET OHL unavailability times to execute scheduled minor maintenance lower than those recorded in 2019.

In 2020 as per 2019 INDTRA standard indicator had decreasing trend for the accidental component and increasing trend for the scheduled one.

In 2020 transformer units were replaced according to the approved investment plan. Upgrading the protection and automation systems, installing systems monitoring the parameters of transformer units and the quality of preventive maintenance have led to reduced accidental unavailability of transformers.

The growth of such indicator relies on furthering investment programmes to replace transformer units,

and on refurbishing the electric substations managed by Transelectrica.

- Electricity not supplied to consumers, ENS because of outages and the average interruption time, AIT, which is the equivalent average time interval in minutes during which electricity supply was interrupted;

Table 20: Indicators of transmission services continuity

Indicator	2020	2019	2018
Energy not supplied to consumers (MWh)	287.98	91.79	118.81
Average interruption time (min/year)	2.85	0.90	1.13

Table 24: Presentation of AIT

AIT (min/year) for the energy not delivered to users/energy not delivered from power plants	2020	2019	2018
a. Planned interruptions	-	-	-
b. Unplanned interruptions caused by force majeure	-	-	0 / 4.52
c. Unplanned interruptions due to special weather conditions	-	0.0885/0.00245	-
d. Unplanned interruptions caused by other operators, users, manufact.	-	-	-
e. Unplanned outages due to TSO	2.8374/0	0.9047 / 0.0643	1.13 / 29.30

Note: the performance standard for the electricity transmission and system service, approved by ANRE Order 12/2016 requires recording (starting 2017) the values for energy not supplied to consumers and energy not supplied from power plants because of long interruptions.

The measures envisaged by the Company to improve ENS and AIT, based on the RET Development Plan for 2020-2029, are as follows:

- Reanalysing the technical design and installation sizing conditions taking into account the meteorological climatic changes:
 - Analysis, through modern software, of the structural capacity of overhead lines in the RET, so as to improve the SEN operating capacity in a safe and stable manner; the checks consist of a software analysis, in alignment with the most modern design concepts; thus such software allows for 3D modelling of the entire OHL structure, also including elements related to the land topography and providing the entire range of functions to check and analyse an overhead line, such as:
 - ✓ Structural analysis of all line elements (towers, insulator chains, conductors);
 - ✓ Simulations of the overhead line behaviour under various scenarios (particular meteorological conditions, mechanic or electric overloads, etc.);
 - ✓ Establishing preventive measures as necessary to increase operational security;
 - ✓ Upgrading and adapting existent overhead lines to new conditions (meteorology, loads);
 - ✓ Electric and magnetic field calculations;
 - ✓ Calculations regarding the OHL transmission capacity;
- Replacing the used equipment by state-of-the-art installations and equipment, under the maintenance and investment programmes;

9.3. Maintenance

RET maintenance activities are compliant with the *Maintenance Programme (PAM)* elaborated according to the Regulation managing and organising maintenance activities approved by Order 96/2017 of the National Regulatory Authority in the Energy domain (ANRE) (cancelling Order 35/2002), approving the Regulation organising maintenance activities, *Preventive maintenance regulation to installations and equipment of RET* - Internal technical norm of Transelectrica, indicative NTI-TEL-R-001-2007 and the *Annual maintenance programmes* for RET (PM RET).

MAP provides *activity regulation, introduces the modern concept of activity optimisation and running* and is applied to all maintenance components (technical, economic and financial, relational, organisational) as provided to all ETG assets. PM comprises and maintains the entire documentation regarding maintenance activities while providing the framework to elaborate, review and update the documents pertaining to maintenance, according to needs - *all documentation regarding maintenance activities*.

NTI-TEL-R-001-2007 sets out that the application of maintenance work/services shall only take place *at appropriate times, according to necessary quantities and quality*, in such a manner as to comply with the following important desiderata:

- Maintaining a proper operational safety level of ETG installations;
- Maintaining the intrinsic reliability levels of functional assemblies and component equipment;
- Increasing the availability of installations;
- Optimising total costs during utilisation;

This provides *categories* (preventive, corrective) and *levels* (minor, major) of maintenance, fundamental planning principles, general indicative operations, periodicity etc. and constitutes the basis to develop the annual (value and physical terms) maintenance programmes.

Annual maintenance programmes (PM) are grounded on the Maintenance regulation and include all maintenance activity principles into maintenance work and services, while also providing all necessary financial resources.

Categories, levels and types of maintenance practiced in Transelectrica; selection method for maintenance types

Categories of maintenance

In Transelectrica maintenance services/work is carried out to electric installations:

- Preventive & profilactic to prevent defects, namely to reduce the likelihood of failure or degradation;
- Corrective, which comes after detecting the defect and includes all activities meant to recover the installations in the conditions enabling them to run in accordance with specified functions,

while also targeting optimisation of objectives proposed for RET:

- Operational security,
- Availability,
- Efficiency,

and complying with the provisions of the Performance standard.

Levels and types of maintenance activities

Maintenance work/services are classified according to the "Maintenance Assurance Programme", namely PM, by 4 *levels* (1 - 4) which represent the complexity degree of services/works, the necessary tools/machines, the required qualification for providers/contractors etc.

Levels 1 and 2 represent services/works falling under the *minor maintenance* class - usually supervision, visual control, inspections and revisions, while levels 3 and 4 represent *major maintenance* - usually repairs.

Preventive maintenance

The basic *principle* provides that *any preventive maintenance operation should prevent* an accidental unavailability.

The types of preventive (planned) maintenance services/works are classified by levels, as follows:

- Level 1 – supervision, periodical control, monitoring, and functional tests;
- Level 2 – technical reviews – RT;
- Level 3 – current repairs – RC;
- Level 4 – capital repairs – RK;

A particular type of maintenance is *rehabilitation*, defined according to ANRE Order 96/2017 as an assembly of *complex maintenance* works which,

without changing the initial technology, re-establishes the technical efficient condition of installations to a level close to the beginning of their lifecycle. Rehabilitations within RET are taken into account for electric substations by means of equipment replacement, as well as for OHL by replacing elements to improve reliability.

Corrective maintenance

Corrective maintenance services/works are classified in two levels - minor maintenance (control, inspection, check-up, measurement, revisions after accidental events – technical defects and incidents) as well as major maintenance (equipment repairs and replacements following accidental events such as incidents that seriously damaged the equipment).

Corrective maintenance activities (accidental services / work) are implemented to all installations as an emergency in accordance with the contract assumed obligations of the operator / provider of maintenance works / services.

A combination of such methods will be utilised within RET, namely:

- Services/works of levels 1 and 2 constitute minor preventive maintenance (mPM) and, depending on such category, voltage and technical characteristics (technology) of functional assemblies and their components, the maintenance will be time-centred scheduled - by planning it at pre-determined time intervals relying on operational experience, while also taking into account their importance within the RET, and it can be adjusted (tailored) depending on condition and significance;
- Works of levels 3 and 4 constitute major preventive maintenance activities (MPM) and they rely on condition, depending on the technical condition of installations, as determined using various procedures;

Condition centred preventive maintenance includes determinations / forecasts of technical condition based on the information obtained by means of *supervision, visual controls, expertise, technical inspections and revisions*, which means the primary information obtained from minor maintenance.

Annual maintenance programmes are carried out providing priority to works / services that lead to increasing the operational safety of installations, or to completing the contracted works / services and those contributing to the good operation of installations. One should also take into account the perspective of implementing the remote control and supervision

programme for electric installations, which requires the rehabilitation of electric equipment and will lead to reduced personnel and operational expenses.

Maintenance expenses amounting to RON 92.9 mn were made in 2020, and such amount included major & minor maintenance as well as other maintenance costs.

Table 21: Types of ETG maintenance (RON mn)

Maintenance	Budget 2020	Achievements 2020
Minor preventive	26.5	26.4
Minor corrective	34.6	34.4
Major preventive	32.4	32.1
Total	93.5	92.9

The 2020 maintenance programme and 2021-2022 estimations

The RET Maintenance Programme of 2020 comprised the management of operational activities for electric installations and the maintenance of non-current tangible assets like electric installations and technological buildings (except for the IT and telecommunication assets, remote metering systems and the integrated security systems) which make up the electricity transmission network (RET), while also minimising costs, providing optimum utilisation and increased performance of such, preventive, corrective and reliability-centred maintenance services / works; services / works in the design stage and services / works underway; it has been structured by programmes and projects depending on the types of installations as follows:

- Services / works to electric substations and power transformers;
- Services / works to overhead lines, technical buildings and other power installations;
- Services / works specific for the maintenance of electricity metering equipment (achieving or remedying supply circuits, repairs to metering equipment and monitoring the electricity quality, etc).

The main concern when performing maintenance programmes has been and permanently is SEN operational security by means of:

- Updating the policy, strategy and maintenance regulation of NPG Transelectrica SA;
- Providing preventive and corrective maintenance: (i) minor maintenance under the contract concluded with Subsidiary SMART; (ii) major maintenance by projects (high power

transformer units, OHLs, substations and technical buildings) under contracts concluded with other specific entities;

- Using IT applications / databases for operational and maintenance activities;
- Optimising costs, reducing remedy and unavailability times of installations by concluding a framework agreement regarding delivery of the primary medium and high voltage equipment;
- Optimising the costs of OHL maintenance by making multi-spectral inspections (in visible, infrared and ultraviolet spectre) and providing replacement of faulty components;

RET maintenance programmes have been estimated taking into account mainly to continue the major maintenance operations in progress and the Preventive maintenance regulation to RET installations and equipment, as well as the requests from Territorial Transmission Units.

Future activities take into account to turn RET maintenance operations efficient by means of:

- Placing emphasis on preventive maintenance operations with a view to reduce the corrective maintenance;
- Furthering the multi-spectral OHL inspection programme;
- Utilising non-invasive methods with a view to ascertain the condition of electric installations;
- Carrying out the sectoral contract for provision of medium and high voltage primary equipment and placing such pieces of equipment at the disposal of beneficiaries to be included in the Company's installations;

10. European projects

Regional projects of electricity markets coupling and implicit allocation of cross-border transmission capacity

The challenges Europe is faced with in the energy sector include aspects such as: increased dependency on imports, limited diversification, high level and volatility of energy prices, increased electricity demand worldwide, security risks impacting the generating and transit countries, the ever increasing threats caused by climate changes, the slow progress of energy efficiency, the challenges resulting from the ever growing share of renewable energy as well as the need for higher transparency, better integration and interconnection on energy markets.

With a view to cope with such problems Europe requires a clear energy strategy, which should be centred on a full range of measures meant to provide implementation of an integrated electricity market and on achieving the 3 main objectives:

- Security of supply
- Competitiveness
- Sustainability

Targetted purposes are: completing the integration of the pan-European energy market, consolidating the coordination of national policies, removing market barriers and energy isolation, lowering the electricity price for consumers, modernising the infrastructure and drawing investments into the energy sector, with emphasis placed on innovative technologies and generation capacities for green energy.

Establishing a pan-European fully operational electricity market is crucial for the achievement of objectives such as maintaining the security of electricity supply, increasing competitiveness and ensuring all European consumers' buying energy at affordable prices.

The security of electricity supply represents an essential public safety element and is consequently indissolubly correlated with the efficient operation of the internal electricity market, as well as with the integration of isolated electricity markets from member states of the European Union.

The target model of the internal pan-European electricity market for the day-ahead horizon provides price coupling of such markets based on a single European coupling solution (the PCR mechanism - Price Coupling of Regions), with implicit allocation of

interconnection capacities and calculation of such interconnection capacities using power flows (Flow-Based - FB method).

In order to carry out an electricity market that is actually integrated the harmonisation shall be continued of the current norms with respect to capacity allocation, congestion management and electricity trading.

In this context *Regulation 1222/2015 establishing certain guidelines regarding capacity allocation and congestion management* has been elaborated and approved, being a document that establishes minimum harmonised norms in view of singular coupling the day-ahead markets and the intraday markets at pan-European level, thus enabling a more efficient network utilisation and enhancing competition, to the benefit of all consumers.

For the time being all over Europe several initiatives have been developed which aim at achieving the coupling of national / regional markets by means of the daily and intraday time horizons, into a single European electricity market while also implementing the implicit allocation mechanisms of cross-border transmission capacities, which means application of capacity calculation methods based on power flows or on the ATC (available transmission capacity).

On November 15, 2016 the Memorandum was signed at governmental level with respect to Romania's Participation to the projects coupling electricity markets by means of the day-ahead and intraday time horizons, which is under development Europe-wide under the implementation of the European electricity market.

In accordance with Articolul 2 of *Regulation 1222/2015 establishing certain guidelines regarding capacity allocation and congestion management* (Definitions), such regions are defined as being "Capacity calculation regions (CCR)", which means "geographic region in which the coordinated calculation of capacities is applied". Consequently a CCR should include a set of bidding area borders for which capacity calculation will be coordinated in-between TSO-s in accordance with the previously-mentioned Regulation.

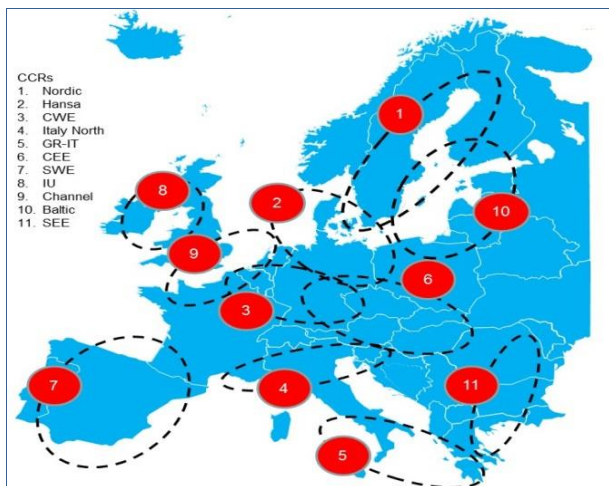
The proposal with respect to the configuration of capacity calculations regions of cross-border transmission (CCR) for all the borders of the European electricity transmission system represents a dynamic pragmatic pan-European approach with

short- and mid-term perspectives which sustains coordination across the bidding areas borders where the greatest inter-dependence has been noticed.

The proposed CCRs by the European Transmission and System Operators within the ENTSO-E and approved by all regulatory authorities in the domain at ACER level serve for providing optimum utilisation of the European transmission infrastructure. Within such defined CCRs the inter-dependences between cross-zonal capacities can be modelled with maximum accuracy and efficiency, while the optimum level of such cross-zonal capacity can be offered on the market. CCRs serve the objective of optimising the calculation and of allocating cross-zonal capacity in accordance with article 3(d) from *Regulation 1222/2015 establishing certain guidelines regarding capacity allocation and congestion management*, because the CCRs institutes coordination within the CCR and in-between CCRs.

The figure below provides the configuration of the 11 CCRs proposed by ENTSO-E:

Figure 26: Configuration of CCRs



By means of ACER Decision 6/2016 the proposal of all Transmission and System Operators defining the capacity calculation regions was approved. Transelectrica is member in the CORE capacity calculation region through the RO-HU border and in the capacity calculation region from south-eastern Europe (SEE) through the RO-BG border.

The Company is member in the governance and working structures of associated projects under the process establishing methodologies to calculate capacities and later developments in the market coupling project with implicit capacity allocation.

On 16 August 2016 Transelectrica together with the other 15 Operators from member states of the CORE

region signed a cooperation agreement (CEWE CoA), whereby they expressed their commitment to cooperate in view of developing a common calculation methodology for interconnection capacities and a future base for the implementation of requirements from all network codes in this most important region defined within Europe.

On 31 August 2016 Transelectrica signed the Accession Agreement whereby Romania became part in the market coupling project from the central-eastern European region NWE-CEE FB MC.

Within CCR SEE the solution of regional governance was found jointly with the TSOs in the region (Romania, Bulgaria, and Greece). In July 2019 the three TSOs of the region signed a memorandum of understanding in order to establish the organisation of the entire region with a view to meet the requirements from European regulations.

This series of regulations from the new legislative package for energy is perhaps the most complex so far and contains three communications regarding clean energy for all Europeans, acceleration of innovation in the clean energy domain, an European strategy with respect to smart transmission systems. In addition this package includes two proposals to review the Regulations on the internal electricity market and the functioning of the European Association of Energy Regulators ACER, four proposals to review the Directives on renewable energy, energy efficiency, the common rules on the operation of the internal electricity market, and the energy performance of buildings.

The Commission has also passed five new proposals of regulations with respect to preparing and anticipating risks in the electricity sector, the governance of the European Union and three specific proposals for Eco-Design.

All these measures together with the guidelines on implementation and good practice aim at gathering 177 billion Euro for public and private investments beginning with 2021 and at creating 900,000 jobs, thus generating 1% of the GDP in the following 10 years.

At present Europe-wide several initiatives are developed which aim at implementing the eight European network codes adopted by the European Commission and the European Parliament under a comitology process carried out in 2015-2017, being documents of European regulation nature (legislation directly applicable in all European Union countries),

which is regulating the operation of synchronously interconnected electric power systems at pan-European level and the harmonisation and integration of national electricity markets.

One of the main obligations resulting from the content of the European Union's Regulation 1222/2015 (CACM), according to chapter 5 – *Single coupling of day-ahead markets*, namely chapter 6 – *Single coupling of intraday markets* consists in unifying the short-term (daily and intraday) electricity markets, which obligation should be met by OPEED - *Designated Electricity Operators* and by TSOs – *Transmission and System Operators* of Europe.

For the time being as regards the coupling of Romania's electricity (daily and intraday) markets, there are three projects in progress, namely:

- The DE-AT-PL coupling project - 4MMC, which provides the coupling of daily electricity markets from Germany, Austria and Poland with the 4MMC coupled market based on NTC. The National Regulatory Authorities in the Energy domain from the involved countries will approve project achievement, namely the daily markets from Germany, Austria and Poland are to be coupled to 4MMC;
- The XBID project provides coupling the intraday electricity markets of the European Union. Such project provides coupling Romania's intraday electricity market. The coupling was achieved on the borders Romania - Hungary and Romania - Bulgaria on 19 November 2019.
- The FB MC project provides coupling the daily electricity markets in the CCR Core, based on the calculation of interconnection capacities using the electricity power flows. The project is underway and correlated with the project from Core region to meet the requirements of EU Regulation 1222/2015;

In parallel in the electricity domain the Transmission and System operators are developing a series of projects investigating some specific aspects with respect to research, development, innovation or pertaining to the challenges associated to the implementation of the new legislative rules: the Clean Energy Package.

The Horizon 2020 programme is one of the most important research and innovation programmes financed by the European Commission, providing a budget of approximately 80 billion Euros, funds that were distributed over 7 years (2014-2020).

Under this programme within the LCE – 04- 2017 pillar *Demonstration of system integration with smart transmission grid and storage technologies with increasing share of renewable* funds are allocated with a view to sustain electricity transmission activities, namely:

- Projects are addressed to the Transmission and System Operators within ENTSO-E;
- Projects should demonstrate a combination of at least two of the following issues:
 - ✓ Electricity transmission technologies and wide-scale management of generation sources, in the context of increased share of output from renewable energy sources;
 - ✓ Wide-scale storage capacity for transmission networks with inclusion of different storage technologies, which should be managed in centralised manner;
 - ✓ Communication technologies, real time control instruments, with a view to increase flexibility of transmission networks operation in view of integrating storage facilities, the demand-response mechanisms and interfaces with the operators of electricity distribution networks;
- New perspectives with respect to the wholesale electricity markets, facilitating the participation of renewable energy sources, meaning active participation as aggregators of data in view of reducing network operational costs;
- Project proposals will include analyses with respect to the existing regulatory framework, applicable codes and standards, analysis of business models and the pan-European architecture provided for the electricity market;
- The projects will sustain the Horizon 2020 programme in the smart grid context and storage promotion;

Taking into account the experience and professionalism proved by NPG Transelectrica SA in the operation of the electricity transmission system the Company has been selected by the European Commission to become a part in the expert teams of several European projects, of which some are fully financed from structural funds.

Below are briefly provided just a few of these above-mentioned projects:

CROSSBOW project

The project has been assigned under the “Horizon 2020” Programme of the European Commission with respect to research and innovation, namely LCE – 04- 2017 pillar “Demonstration of system integration with smart transmission grid and storage technologies with increasing share of renewable”, providing a budget of 17 mill. Euros, fully financed from structural funds.

The Crossbow project has been one of the largest projects financed under this axis, reaching to 22 mill. Euros for 48 months, during which the project shall reach its mentioned purpose.

The project consortium includes 24 partners (of 13 countries):

- 8 Transmission and System Operators from S-E Europe
- 1 Distribution Operator
- 1 Regional Security Centre
- 2 Large Producers
- 5 Universities
- 6 industrial partners
- 1 Association

CROSSBOW has proposed the common utilisation of resources in order to promote cross-border management of renewable energy sources and storage centres, thus enabling a larger penetration of renewable energy sources while also reducing network operational costs and improving the economic benefits of RES and equally those of the storage units.

The objective is to demonstrate a series of new technologies, but complementary ones, which provide transmission and system operators with greater flexibility and robustness by means of the following advantages:

- Better control over the balancing energy in the interconnection points;
- New storage solutions - distributed and centralised - which provide auxiliary services for the operation of virtual storage installations;
- Improvement of information technology and communications – for instance a better observation of the network, which should enable flexible generation and plans for demand response;
- Defining a trans-national wholesale market, proposing an equitable sustainable remuneration of clean energy sources by defining new

business models which should support the participation of new players, as well as cost reduction;

Transelectrica is one of the largest TSOs of the 8 involved, playing an important role in this project both in network terms and as regards the geographical position.

The Company will be active in 15 of the 20 organised work packages and will attempt to provide an as large a contribution as possible into this project, which seems to be one with important results for what power systems will become in the following decade.

In financial terms Transelectrica has been allocated a total eligible financeable sum amounting to 400,969 Euros, out of the total eligible amount of 400,969 Euros until project completion in 2021.

The integration and marketing of CROSSBOW products and services is planned within maximum 36 months from project completion. This will contribute to creating more than 70,000 jobs, will reduce by 3 metric tons the greenhouse gas emissions and will increase 10% (15.2 TWh) the electricity output from renewable sources.

TERRE project – Trans European Replacement Reserve Exchange

The project is an initiative of Transmission System Operators that are ENTSO-E members, launched in the implementation context of the Balancing code (*Commission Regulation (EU) 2017/2195 of 23 November 2017 establishing a guideline regarding electricity system balancing*) and it aims at establishing an IT platform (LIBRA) dedicated to provide transaction for the replacement reserve offers of participating power systems, with a view to allocate such reserves in improved manner depending on the balancing energy needs of every national Transmission System Operator.

The LIBRA platform has been designed to allow processing the data of 50 countries (the replacement reserve being the only balancing reserve which can be transacted in an island within the region), namely running 500,000 sale / purchase offers with 15 minutes’ resolution, the algorithm being capable to run and display results in less than 3 minutes.

The project started in 2017, year when the harmonisation stage ended with local rules and characteristics for the countries that will participate to the replacement reserve market and the platform

design stage, while in 2018-2019 the infrastructure of the transaction platform should be achieved.

Transelectrica is observer in the TERRE project and participated into elaborating and implementing the LIBRA platform as well as into the completion of design elements for such platform. For the time being the Company will maintain the capacity of observer because it is an isolated TSO in the list of transmission system operators that use replacement reserves in eastern Europe. The provisions of Regulation (EU) 2017/2195 will be however complied with by remodelling the national balancing market platform and by using this kind of reserve with the same characteristics, offer mode, namely offers selection so that any time one of the neighbouring TSOs requests entering this regional market of balancing energy we shall be well prepared for coupling.

MARI project - Manually Activated Reserves Initiative

The project began in 2017 as an initiative of Transmission and System Operators that are ENTSO-E members, with a view to achieve the European balancing platform for reserves transaction with manual activation (mFRR) of frequency restoration, a requirement in the European Regulation 2195/2017.

The estimated benefits of the MARI project include:

- Increased efficiency of balancing market at national, regional and pan-European levels;
- Integration of balancing markets and promotion of exchanges with balancing services, thus providing operational security at the same time;
- Procurement of balancing services in objective equitable transparent manner, thus providing liquidity for balancing markets;

Transelectrica is a MARI member and contributes besides the other member TSOs to all the design, development and operation stages of the mRRF and aRRF transaction platforms.

The implementation framework for the European balancing platform aimed at the exchanges made by Transmission System Operators with manual activated reserves to restore frequency (mFRR – manual Frequency Restoration Reserves) has been approved by ACER.

At present this information platform is found in the development stage, while the test period will begin in quarter IV of 2021.

24.07.2022 is the deadline for commissioning the mFRR platform.

The "FutureFlow Designing eTrading Solutions for Electricity Balancing and Redispatching in Europe" project

In relation with certain Transmission and System Operators in 2020 the project financed from European funds *FutureFlow Designing eTrading Solutions for Electricity Balancing and Redispatching in Europe*, section *Transmission grid and wholesale market* was completed, which aimed at approaching a series of issues and aspects from the implementation of the Network Code regarding the balancing of electric power systems, as well as the establishment of certain regional markets for system services, with emphasis placed on the involvement of consumers in the balancing process and on providing optimum management for the coordinated operation of the European synchronously interconnected system against the background of higher renewable share integrated into the system.

The project has been part of the Programme with respect to the implementation of a competitive market in all Europe, while also achieving the community targets of reducing emissions (Horizon 2020 – “Call for competitive low-carbon energy”, in the “Transmission grid and wholesale market” section), and of approaching a series of market operational aspects in the context of implementing new network codes with respect to the balancing of electric power systems and of establishing certain regional markets for system services. The project has approached both the Transmission and System Operators and the traders on the electricity market, as well as the manufacturers of industrial and communication components for the electricity domain.

The project has had a budget of approximately 14 million Euros, provided by means of structural funds and it has developed along 4 years from 2016 to 2020.

Project objectives:

- Studying the existing balancing markets in terms of their flexibility potential for controllable consumers (demand response) and of distributed generating sources. The aspects pertaining to

market adaptation for large wind power park's participation to secondary control will be studied, as well as the impact of forecast errors about the electricity generation from wind source on the secondary control market;

- Elaborating the architecture of the Future Flow platform for common automatic activation of the secondary control reserve and identifying the connections and bearings over redispatching. The flexibility of industrial controllable consumers with self-generation was analysed, but also the renewable sources with installed capacity above 1 MW. The database of a completed European project on secondary control has been used, providing database with 18,000 potential clients of consumption greater than 500,000 kWh/year (about 747 industrial and commercial clients);
- Identifying the reserves and participating entities, the processes, data requirements to be exchanged for secondary control reserve and redispatching capabilities;
- Identifying the requirements for interactions between platforms aggregating the secondary control reserve and analysing the cybersecurity of data transmission;

PICASSO project - Platform for the International Coordination of Automated Frequency Restoration and Stable System Operation

The pan-European utilisation of energy from the frequency restoration reserve with automatic activation under a framework regulated by the new European balancing code and in the context of a European balancing market will lead to optimising the dispatching processes, decreasing risks related to power systems security and minimising the balancing costs.

The PICASSO project is an initiative of Transmission and System Operators that are ENTSO-E members, launched in the context of implementing the new European legislation in this domain and it consists of achieving a European balancing platform for exchanges in-between Transmission and System Operators for frequency restoration reserves with automatic activation (aFRR – automatic Frequency Restoration Reserves).

The main project objectives are:

- Design, implementation and operation of an aFRR platform, in accordance with the requirements of the Balancing code (Commission Regulation (EU) 2017/2195 of 23 November

2017 establishing a guideline regarding electricity system balancing), of the system operation code (Commission Regulation (EU) 2017/1485 of 2 August 2017 establishing a guideline regarding operation of the electricity transmission system) and of the CACM code (Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline regarding capacity allocation and congestion management);

- Improving the economic and technical efficiency regarding the operation of the European synchronously interconnected power system;
- Integrating the European aFRR markets;

Transelectrica has become member as of 1 August 2018.

The implementation framework for the European balancing platform pertaining to exchanges in-between Transmission and System Operators with frequency restoration reserves and automatic activation (aFRR – automatic Frequency Restoration Reserves) was approved by ACER.

The testing period of the platform will start at the beginning of the fourth quarter 2021 and the commissioning deadline of the European aFRR platform is 24.07.2022.

IGCC project - International Grid Control Cooperation

IGCC is a reference project as well as the starting point for the establishment of the single European platform of imbalance netting in real time with a view to reduce balancing energy costs (secondary control band).

In technical terms this project will lead to diminishing the number of orders (commands) to load/unload generated by the central frequency/power regulator over the units operating under secondary control, with direct effects which mean reducing their wear, namely extending their availability period on the Balancing Market.

The IGCC initiative was launched in 2010 by the German operators and it has been later extended into the central European systems, representing a manner to optimise secondary frequency/exchange power control by reducing the actions in opposite direction of the member operators' regulators, so that a better utilisation results for reserves in the overall interconnected system.

At present the project has involved 24 Transmission System Operators with the capacity of operational and non-operational member, namely: APG - Austria, Elia - Belgium, ESO - Bulgaria, Swissgrid - Switzerland, CEPS - Czech Republic, 50Hz, Amprion, TenneT DE, TransnetBW - Germany, Energinet - Denmark, ADMIE - Greece, RTE - France, HOPS - Croatia, MAVIR - Hungary, Terna - Italy, CREOS - Luxembourg, TenneT NL - the Netherlands, PSE - Poland, REN - Portugal, Transelectrica - Romania, EMS - Serbia, ELES - Slovenia, REE - Spain and SEPS - Slovakia. Four TSOs are observers.

The implementation framework for the European platform for imbalance netting was approved by ACER on 24 June 2020 by means of Decision 13/2020.

Transelectrica has been non-operational member since 01.05.2018, and it will become an operational member during 2021 (on condition to implement certain requirements for the EMS-SCADA system and the communication system).

Synchronous interconnection of the systems from Ukraine and the Republic of Moldova with the European continental system

NPG Transelectrica SA is the Transmission and System Operator that supports within ENTSO-E the synchronous interconnection of the power systems from Ukraine and the Republic of Moldova with the European continental one. UCTE (currently the ENTSO-E Continental Europe) approved the demand for such interconnection in November 2006. Such interconnection request was made taking into consideration the power systems from Ukraine and the Republic of Moldova will detach themselves from the ISP/UPS system and will establish a single "frequency control block".

From November 2014 to January 2016 the feasibility study was elaborated regarding the synchronous interconnection of the power systems from Ukraine and the Republic of Moldova with the European continental system.

In view of this project the Ministry of Economy from the Republic of Moldova has obtained European funds (under the Common Operational Programme RO-UA-MD 2007-2013) together with the Ministry of Economy from Romania and the Ministry of Energy and Coal from Ukraine. The Ministry of Economy from the Republic of Moldova was the beneficiary of

the project while the other two ministries have been partners.

Transelectrica together with other transmission operators from different countries (EMS-Serbia, MAVIR-Hungary, PSE-Poland, ESO-EAD-Bulgaria) formed up a consortium in order to draw up this study. NPG Transelectrica SA was consortium leader and provided project management. Bernard Energy Advocacy (Belgium) joined the consortium with a view to approach the legislative issues.

The feasibility study recommended the technical and regulatory measures that should be applied in the power systems from Ukraine and the Republic of Moldova in order to make the synchronous interconnection possible.

In June 2017 Ukrenergo, Moldelectrica and most Transmission System Operators from Continental Europe signed the Agreements on the interconnection conditions for the systems from Ukraine and the Republic of Moldova with the Continental Europe's system, which also agreed the Catalogues of Measures and the following road-map of preliminary interconnection activities:

- The necessary technical and regulatory measures will be implemented in Ukraine and the Republic of Moldova;
- Operational tests will be performed for isolated operation of the systems from Ukraine and the Republic of Moldova;
- Interconnected operation tests with the European continental system will be carried out;

The studies will be drawn up by a consortium of Transmission System Operators, also ENTSO-E members and will use measurements performed in the most important generating units from Ukraine and the Republic of Moldova in order to identify the mathematical model parameters of associated generators and regulators. In 2019 the Consortium Agreement was signed, as well as the service contracts with Ukrenergo and Moldelectrica and a trilateral cooperation agreement for activity coordination. The studies will be completed in 2021. The consortium includes, besides NPG Transelectrica SA, EMS- Serbia, MAVIR- Hungary, PSE- Poland, SEPS- Slovakia, and 50Hertz-Germany.

The European research project – Interface

The "INTERFACE – Interface architecture to provide innovative grid services for an efficient power

system” project under Horizon 2020 framework, on the axis LC-SC3-ES-5-2018-2020: TSO-DSO-Consumer: Large-scale demonstrations of innovative grid services through demand response, storage and small-scale (RES) generation, was one of the two projects approved for this axis by the EC in the summer of 2018.

The project has 42 partners and will be carried out along 48 months.

It actually began in January 2019 and aims at developing and demonstrating a pan-European service architecture of inter-operable network (ASRIE), which will become an interface between the electric power system (TSO & DSO) and clients (consumers) which will enable their coordinated operation and procurement of services by all players involved in this chain.

The project will develop and apply state-of-the-art technologies relaying on “Blockchain” and “Big data management”, which will provide new opportunities on the energy market with benefits such as the integration of renewable resources, lower electricity costs, etc.

Project results will bring about the following novelty items:

- New services: market rules, coordination and flexible distributed allocation from distributed energy sources;
- Digital technologies: Internet of things, Big data management, Blockchain, Novel AI;
- Advanced communication and information management technologies: they will aid the plug-and-play model for various services and tools on an IT platform sustaining the implementation of the pan-European service architecture of inter-operable network (ASRIE);
- Data models: will increase their confidentiality and will acquire a new structure, thus providing heterogeneous unified exchange between various European players;
- Changes and developments in the roles of SEN players: especially by greater involvement, changing the role of consumers and of the energy market by managing their needs and capabilities;

In financial terms Transelectrica has been allocated a total eligible financeable sum amounting to 198,625 Euros until project completion in 2022.

Phoenix Project

The research-innovation PHOENIX project has been financed by the European Commission under the Horizon 2020 Programme, under SU-DS04-2018-2020 axis; this project aims at detecting any defence solution for installations / systems / assemblies against possible cyber attacks.

PHOENIX aims at providing a cyber protection shield to the EPES European infrastructure, which shall enable wide-scale detection of possible cyber attacks and minimising their effects.

PHOENIX will accomplish 3 strategic objectives:

- Consolidating the preDefendation of EPES’ cybersecurity by securisation methods as follows:
 - - “by design”, using new protection concepts for resilience, survival, self-defence and assumed responsibility;
 - - “by innovation” by means of adaptation, modernisation and integration of a number of pilot projects;
- Coordination in order to discover, respond and retrieve the cyber incidents occurring within the EPES European infrastructure;
- Expediting research & innovation in the domain of EPES cybersecurity by means of new implementation, monitoring, detection and mitigation;

PHOENIX consists of an outstanding consortium comprising 25 partners (+1 third party), sustained by CERT-RO, and covers all necessary domains, including electricity generation from renewable sources (RES) / VPP, TSO, DSO, aggregators, retail traders, customers, consumers, technology suppliers, and SMEs. PHOENIX validation will rely on 5 wide scale pilot projects.

This project benefits of European financing amounting to 10,999,208 Euros, Transelectrica being beneficiary of 170,000 Euros thereof.

The project has been structured by 10 working packages, while the Company has involved into 3 being responsible to procure a server to be used in a pilot testing project for cyber attacks, which will be comprised within a virtual working architecture.

PHOENIX started officially in September 2019 and its implementation interval is 36 months, for which reason a mode of operation is to be determined in the following period in order to turn efficient the project development in compliance with associated documents (Grant Agreement, Consortium Agreement, etc.).

Proiectul FARCROSS

The FACilitating Regional CROSS-border Electricity Transmission through Innovation (FARCROSS) project began in October 2019 for a term of 48 months, being framed under the Horizon 2020 programme of the European Commission on the LC-SC3-ES-2-2019 axis and pertains to connecting the important stakeholders from the energy transformation chain and providing integrated hardware and software solutions in order to “unblock” resources for cross-border electricity flows and for regional cooperation.

The Company is a part of the consortium established in order to develop this project according to the Grant Agreement 864274 and to the Consortium Agreement, being allocated an amount of 183 thousand Euros eligible expenses.

The project takes into consideration:

- Approaching best-in-class technologies, which shall facilitate increasing the lines’ transfer capacity (for instance Dynamyc Line Rating and Power Flow Control);
- Developing the markets and their coupling platforms in order to improve the current intra-day markets;
 - ✓ Real time management of incidents
 - ✓ Support for system management by providing balancing and risk lowering services in the region
 - ✓ Testing the services providing flexibility with a view to avoid congestions; the frequency regulation and flexible integration of micro-networks that generate / utilise electricity;

The project has been structured by 10 working packages as follows:

- ✓ WP1 - ethical requirements the project shall comply with;
- ✓ WP2 - project management and quality assurance;
- ✓ WP3 - changes in the national regulations with respect to removing barriers to innovation and to cross-border cooperation;
- ✓ WP4 - Carrying out, demonstrating and assessing the pilot project MPFC DEMO: unblocking the cross-border capacity using modular control solutions for the power flow;

- ✓ WP5 - Carrying out, demonstrating and assessing the pilot project DLR-H DEMO: complex network management, technology to approach issues of transmission lines’ cross-border capacity;
- ✓ WP6 - Carrying out, demonstrating and assessing the pilot project WAMS DEMO: implementation of a wide area regarding the protection, automation and control system (WAMPAC) applied to the cross-border transmission systemsl
- ✓ WP7 - Carrying out, demonstrating and assessing the pilot project DEMO, EUROPAN: pan-European modelling framework to improve system operation planning / forecasts and analyse it inter-TSOs;
- ✓ WP8 - Carrying out, demonstrating and assessing the pilot project OPTIM-CAP DEMO: co-optimisation of the bidding algorithm for cross-border capacity;
- ✓ WP9 - Cost-benefit analysis; results assessment;
- ✓ WP10 - Operation, dissemination and communication;

In accordance with the Grant Agreement there are 30 participants, Transelectrica being involved into 3 working packages, namely WP7, WP8 and WP10.

Other activities

The Company pays great attention to knowledge development and the promotion of new technologies and solutions in the energy domain, which are developed and significantly advanced in the last years both with respect to concepts, solutions and to equipment.

Thus Transelectrica has become a partner into financed projects, whereby it can bring important contributions in its TSO capacity within this geographical region of Europe and can carry out the previously-mentioned aspects. Revenues are collected under such partnerships by other activity types from the contribution of Company experts.

The Company can develop activities for management of projects financed under non-reimbursable European funds and under different axes, which coincide with the Company’s activity domains.



Transelectrica®

Societate Administrată în Sistem Dualist

Financial Report

11. Stand-alone financial results 2020

In 2020 Transelectrica registered improved in terms of financial profitability compared to 2019.

The Company achieved a 58% higher operational profit, increasing compared to 2019 against the background of 4% drop of total operational costs (amortisement included), slightly compensating the 1% decrease of operational revenues.

Profit allowed activities segment: it registered 2% decrease, mainly determined by 4% drop of transmission revenues and of other revenues on the electricity market, caused by diminished electricity quantities delivered to consumers, when the ANRE-approved average tariff of such services was about 0.08 Lei/MWh higher in 2020 compared to 2019 owing, last but not least to the impact generated by the Covid-19 pandemic.

As of mid-March 2020 EU member states took restrictive measures to slow down Covid-19 spreading. Such measures included shut down of certain factories, schools, restaurants, coffee shops, hotels and compelling population to stay at home.

Many companies reduced their production because of inexistent demand or broken procurement chain. Such measures have been applied in European countries all through April 2020.

The energy sector has also sensed the coronavirus crisis impact, its negative effects showing especially in the renewable sources sector, which depends to a large extent by component imports, especially from China.

Europe-wise the pandemic brought challenges for network operators that had to manage higher volumes of intermittent renewable electricity in an environment of low demand, with less thermal power plants available for balancing; in general networks managed coping with such circumstances and proving their capacity to deal with high inflow of renewable energy sources, which sometimes exceeded significant percentages in certain member states.

Nevertheless, despite higher volatility and fluctuating liquidity the internal market resisted withstood the disturbances and the power system has proved its resilience before such crisis.

In Romania the emergency state stopped producing effects beginning with 15 May 2020.

In its capacity of Transmission and System Operator (TSO) Transelectrica has applied emergency

measures to mitigate the Covid-19 impact, such as additional protection measures to minimise the effects over employees' health and security, to provide business continuity under safe conditions and also secure Company objectives.

Beginning with 15 May the emergency state was replaced by the alert state, which brought about relaxed restrictions and limitations of the former state of affairs.

Both in Europe and in Romania the electricity consumption recovered followed such relaxed restrictions.

This if in April, May and June 2020 consumption drops provided values ranging from -14.73% in April, -11.85% in May to -8.05% in June, beginning with July consumption values ranged as follows: -1.80% in July, -2.78% in August, while September recorded slight 0.23% increase.

Overall the third quarter of 2020 ended with diminished electricity consumption all over Europe in comparison with the third quarter of 2019, however values were closer to last year's (unlike the second quarter, which was strongly impacted by Covid-19).

In the last quarter of 2020 the electricity gross internal consumption recorded recovery (except for October, which recorded 0.26% decrease), registering consumption increases from 2.87% in November to 3.30% in December.

Overall the annual consumption registered 3.48% decrease in comparison with 2019.

During the studied interval revenues from the allocation of interconnection capacities dropped 30% compared to the 2019 value (RON 59 mn in 2020 against RON 84 mn in 2019) corresponding to the utilisation degree of available interconnection capacities by traders on the electricity market. At the same time revenues from OTC transaction were RON 1.3 mn higher in 2020 compared to 2019 with the amount of (RON 9.3 mn in 2020 from RON 7.9 mn in 2019), due to the imbalances of Transelectrica which were contrary to the imbalances of CIGA ENERGY BRP and thus selling the excess electricity by the BRP was more beneficial than selling it on the Balancing Market.

In terms of 2021 prospects, the main factors which can have significant impact over the revenues / expenses from electricity transactions to cover OTC are the legislative changes having occurred on the electricity balancing market, applicable from 1

February 2021 (making settlement every 15 minutes, applying the single settlement price on the balancing market), as well as the Covid-19 pandemic developments and its management nation-wide.

EBITDA recorded positive influence from (4%) decreased system operation expenses compared to 2019, and mainly OTC expenses were RON 32 mn smaller, but also the expenses of functional system services were RON 2 mn below those recorded in 2019.

Operational expenses associated to the profit allowed segment have been mainly impacted by:

- Reduced system operational costs, mainly caused by the epidemiologic context generated by Covid-19 spreading, the PZU / DAM average price being 25% in comparison with last year. The average price of electricity procured on the Balancing Market also dropped 9%, in the context of Transelectrica imbalances contrary to the imbalances of CIGA ENERGY BRP, therefore the balance of imbalances was about half that of last year;
- Beginning with September 1, 2020 ANRE Order 61/2020 became applicable, which has led to important modifications on the balancing market,

among which the possible registration of negative excess prices and, last but not least,

the technological consumption registered in the studied interval has been 40 GWh smaller in comparison with 2019;

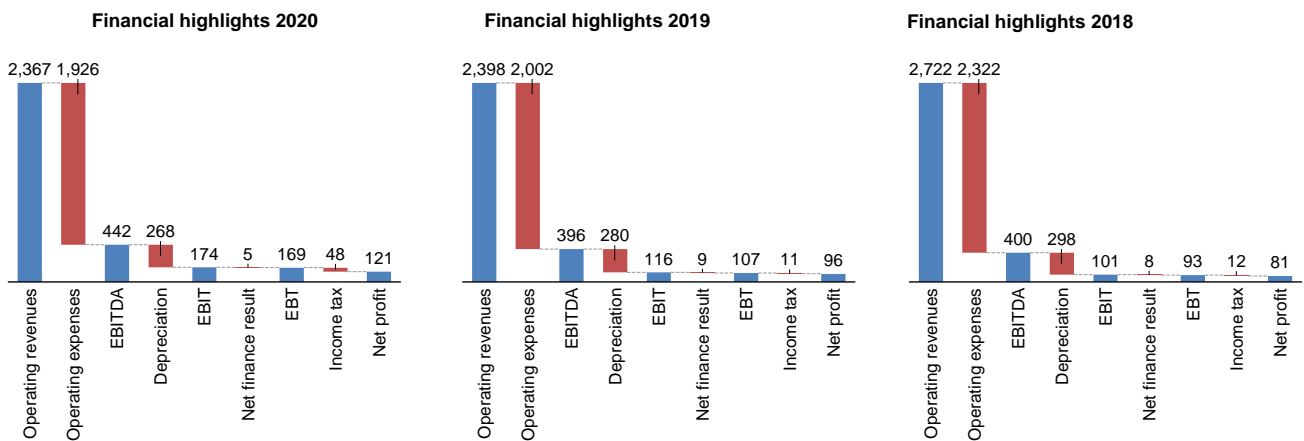
Zero profit activity segment: it registered positive result in comparison with the same period of 2019, as determined by 3% increase in the revenues from technological system.

As regards the *second quarter of 2020* s-au aplicat tariffs were applied as approved by ANRE under Order 142/2020, which tariffs entered in force on 01.07.2020 and have been applicable until 31.12.2020.

Thus in comparison with the same period of last year a slight (-0.29) decrease was found in the transmission tariff, while the electricity quantity that can be billed diminished from 55.34 TWh to 53.85 TWh.

The net financial result registered in 2020 is negative but increasing RON 5 mn in comparison with 2019. This was mainly influenced by the evolution of the exchange rate of the national currency against Euro, currency which the Company has contracted bank loans.

Figure 27: Net result (RON mn)



11.1. Stand-alone profit and loss account

Table 22: Stand-alone profit and loss account

RON mn	2020	2019	2018	20/19
Billed volume of electricity [TWh]	53.85	55.34	55.78	▼ (3%)
PROFIT ALLOWED ACTIVITIES				
Operational revenues	1,198	1,221	1,180	▼ (2%)
Transmission and other revenues from the energy market	1,035	1,082	1,070	▼ (4%)
Functional system services	121	88	64	▲ 38%
Other revenues	42	51	46	▼ (17%)
Operating expenses	865	802	740	▲ 8%
System operating expenses	310	352	309	▼ (12%)
Repairs and maintenance expenses	98	102	91	▼ (4%)
Personnel expenses	279	210	189	▲ 33%
Other expenses	178	139	152	▲ 28%
EBITDA	334	418	440	▼ (20%)
Depreciation	268	280	298	▼ (4%)
EBIT	66	138	142	▼ (52%)
ZERO PROFIT ACTIVITIES				
Operating revenues	1,169	1,177	1,541	▼ (1%)
Technological system services revenues	674	654	637	▲ 3%
Balancing market revenues	495	523	904	▼ (5%)
Operating expenses	1,061	1,200	1,582	▼ (12%)
Technological system services expenses	566	676	678	▼ (16%)
Balancing market expenses	495	523	904	▼ (5%)
EBIT	108	(22)	(40)	▲ n/a
ALL ACTIVITIES (PROFIT ALLOWED & ZERO PROFIT)				
Operating revenues	2,367	2,398	2,722	▼ (1%)
Operating expenses	1,926	2,002	2,322	▼ (4%)
EBITDA	442	396	400	▲ 12%
Depreciation	268	280	298	▼ (4%)
EBIT	174	116	101	▲ 50%
Net finance result	(5)	(9)	(8)	▲ 43%
EBT	169	107	93	▲ 58%
Income tax	29	11	12	▼ n/a
Profit net	140	96	81	▲ 46%
Net result per share	1.91	1.31	1.11	▲ 46%

11.1.1 Profit allowed activities

Profit allowed activities are mainly represented by **electricity transmission** and **functional system services**.

The regulatory framework applicable to these two activities provides premises to obtain financial profitability of invested capital into the assets of such two activities by including in tariffs components meant to remunerate financiers, calculated by applying a regulated profitability rate to the regulated asset base.

The **profit allowed activity** segmental registered negative revenue development of 2% (RON 1,198 mn in 2020 compared to RON 1,221 mn in 2019), determined by the decrease of the amount of electricity delivered to consumers by 2.70%.

Thus transmission revenues registered about 4% drop in 2020, from RON 1,082 mn in 2019 to RON 1,035 mn in 2020 at the same time with significant 38% growth of revenues from functional system services in 2020 from RON 88 mn in 2019 to RON 121 mn in 2020.

Table 23: Revenues from profit allowed activities

RON mn	2020	2019	2018	19/18
Operating revenues	1.198	1.221	1.180	▼ (2%)
Transmission and other revenues on the electricity market	1.035	1.082	1.070	▼ (4%)
Revenues from transmission tariffs	963	986	974	▼ (2%)
Revenues from allocating the interconnection capacity	59	84	82	▼ (30%)
Revenues from reactive energy	13	11	15	▲ 20%
Functional System Services	121	88	64	▲ 38%
Revenues from functional system services tariffs	117	81	62	▲ 44%
Revenues from unplanned shifts on DAM	4	6	2	▼ (36%)
Other revenues	42	51	46	▼ (17%)

Revenues from the allocation of interconnection capacities registered 30% drop in comparison with the 2019 value (RON 59 mn in 2020 against RON 84 mn in 2019) corresponding to the utilisation degree of available interconnection capacities by traders on the electricity market.

The mechanism allocating interconnection capacities consists of annual, monthly, daily and intraday auctions. The annual, monthly and intraday are explicit - as only the transmission capacity is auctioned, while the daily ones with Hungary are implicit - the capacity is simultaneously allocated with the energy by means of the coupling mechanism.

The establishment beginning with 19 November 2014 of the regional energy exchange by Romania, Hungary, Czech Republic and Slovakia means these four countries shall reach to a single price for the electricity transacted on spot markets. Capacity allocation between Romania and Hungary, the only country of the 3 which Romania has frontier with, is performed by transmission operators: Transelectrica and MAVIR by means of common mechanism under 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 subsequently sold under daily bids. On the Hungarian border the sense is reversed, meaning that MAVIR remunerates participants for unused capacities.

The market allocating interconnection capacities is fluctuant, and its prices are developed depending on the demand and needs of electricity market participants to procure interconnection capacity.

Beginning with November 2019 the second wave was launched under the single European coupling of intraday markets (SIDC – Single Intraday Coupling). The single mechanism coupling intraday markets provides continuous amortisement of sale and purchase offers from market participants in a bidding area with sale and purchase offers from within its bidding area and any other bidding area where cross-border capacity is available. Thus explicit intraday bids are only on the Serbian border, while on the Bulgarian and Hungarian frontiers are implicit (under SIDC).

Net revenues from the allocation of interconnection capacities are used in accordance with the provisions of ANRE Order 171/2019 and EU Regulation 2019/943 of 05 June 2019 on the internal electricity market, as financing source for investments made to upgrade and develop interconnection capacities with neighbouring systems.

Revenues of OTC transactions were RON 1.3 mn higher in the studied interval of 2020 compared to 2019 because Transelectrica imbalances were contrary to the imbalances of CIGA ENERGY BRP and thus selling the excess energy by the BRP was more beneficial than selling it on the Balancing Market.

Revenues from electricity transacting for OTC were mainly obtained from sales of excess energy on the Intraday Market managed by OPCOM and under CIGA Energy BRP on the Balancing Market.

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

Revenues from functional system services registered about RON 33 mn growth in 2020 compared to 2019,

determined by the increase of the ANRE-approved tariff of such services against a background of

electricity quantity delivered to consumers diminished by 1,493,978 MWh, namely 2.70%.

Figure 28: Revenues from profit allowed activities (RON mn)

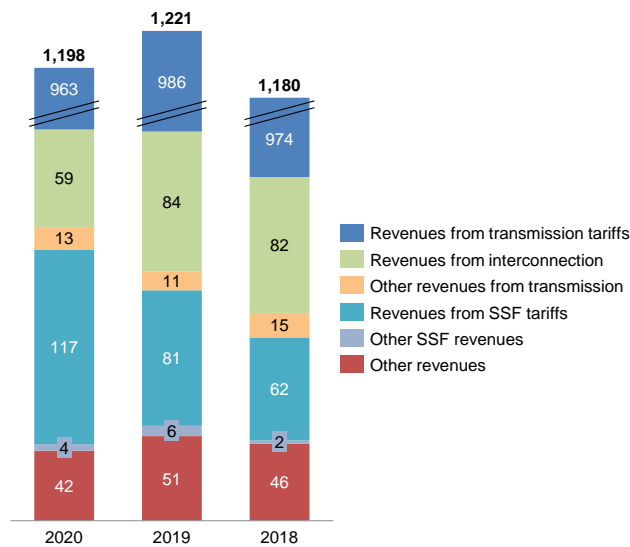


Figure 29: Expenses from profit allowed activities (RON mn)

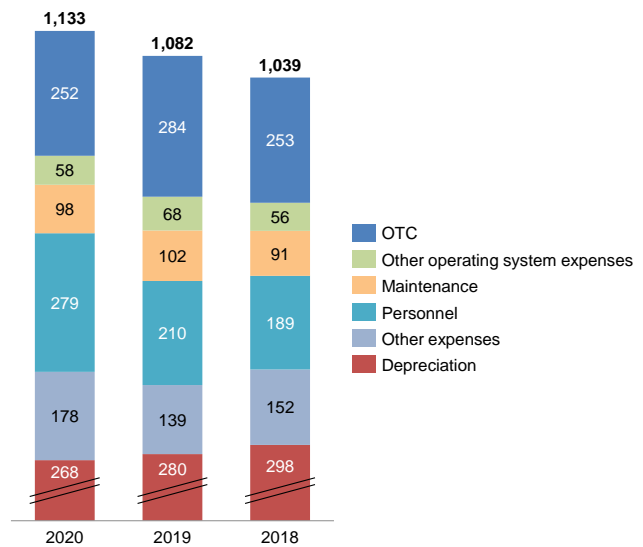


Table 24: Expenses of profit allowed activities

RON mn	2020	2019	2018		20/19
Operating expenses	865	802	740	▲	8%
System operating expenses	310	352	309	▼	(12%)
Expenses on own technological consumption	252	284	253	▼	(11%)
Expenses on congestions	0	2	8	▼	(100%)
Expenses on electricity consumption in ETG substations	16	20	17	▼	(21%)
Expenses regarding the functional system services	30	33	15	▼	(7%)
Expenses on Inter TSO Compensation (ITC)	11	13	15	▼	(13%)
OPCOM administration expenses	0.20	0.15	0.13	▲	30%
Repairs and maintenance expenses	98	102	91	▼	(4%)
Personnel expenses	279	210	189	▲	33%
Other Expenses	178	139	152	▲	28%
Depreciation	268	280	298	▼	(4%)
Operating expenses inclusive of depreciation	1,133	1,082	1,039	▲	5%

Operational expenses from profit allowed activities (amortisement included) made in 2020 increased 5% compared with the same period of last year (RON1,133 mn from RON 1,082 mn).

System operational expenses

Such expenses dropped 12% in 2020 compared to 2019 from RON 352 mn to RON 310 mn, mainly because of reduced OTC expenses.

OTC expenses

In order to cover one’s own technological consumption (OTC) the Company participates managed by OPCOM in different time horizons as follows:

- In the long term it participates on the Centralised Bilateral Contracts Market of electricity by means

of extended bid (PCCB–LE) and on the Centralised Market of Bilateral Contracts of Continuous Negotiation (PCCB–NC), based on minimum OTC forecasted by UNO-DEN at the end of last year, which represents about 50% of the totally forecasted OTC.

- In the short term there are two available markets:
 - **Day-Ahead Market (PZU/DAM):** With a view to cover the minimum forecasted and the daily forecasted OTC. The Company participates every day by submitting electricity purchase offers on the PZU / DAM on the specific platform of OPCOM;
 - **Intraday Market (PI):** in case forecasts change within one day, the necessary

electricity can be transacted on this market, as close as possible on the delivery time;

Differences between the hourly quantities actually achieved and those procured after PCCB, PZU and PI transactions are compensated on the **Balancing Market (PE)** during the operational day.

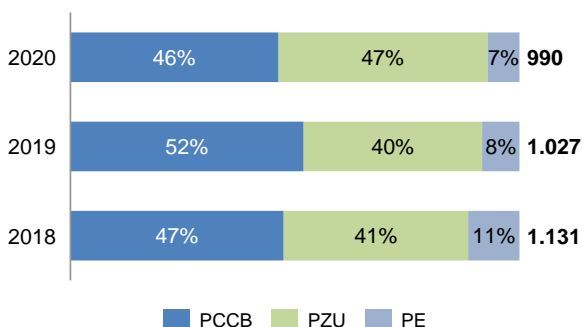
Beginning with 18.01.2018 the “Electricity procurement to cover imbalances from notified quantities related to technological electricity losses in electricity transmission networks by transferring the balancing responsibility” Contract C380/06.10.2014 became applicable, concluded between NPG Transelectrica SA and CIGA ENERGY SA, whereby energy procurement prices on the balancing market were reduced.

In 2020 expenses relating to one’s own technological consumption were smaller in comparison with 2019, because of the following issues:

- In the epidemiologic context generated by Covid-19 (coronavirus) spreading, the average price on the PZU / DAM provided deep decrease trend (about 25%) beginning with January 2020;
- The average electricity price procured on the Balancing Market also decreased in the context of Transelectrica imbalances contrary to the CIGA ENERGY BRP, thus the balance of imbalances was about half that of the last year’s;
- Beginning with 1 September 2020 ANRE Order 61/2020 became applicable, which led to important changes on the balancing market, among which the possible registration of negative excess prices.

In September such prices were registered in most intervals, which has led to higher OTC expenses because the excess energy sold on the balancing market does not longer bring revenues, but generates additional costs.

Figure 30: Procurement mix depending on the quantities purchased on the markets (GWh)



In accordance with the European Union Regulation 1222/2015 (CACM) establishing guidelines on capacity allocation and congestion management, one

of the main obligations resulting from such regulation is uniting the short-term (daily and intraday) markets, which has to be met both by OPEED, Designated Electricity Operators and by TSOs, Transmission System Operators of Europe.

To this respect in 2020 the project was launched to couple the daily electricity markets of Romania and Bulgaria, a project which means coupling the daily electricity markets between the EU member states Romania and Bulgaria.

On 22.09.2020 national regulatory authorities of Austria, Germany, Poland and the 4M Market Coupling (4M MC) countries, namely Czech Republic, Hungary, Romania and Slovakia, received from the European Commission (DG ENER) guidance for Designated Electricity Operators (OPEED) and Transmission System Operators (TSO) that participate to the DE-AT-PL-4M MC Project (known also as Interim Coupling Project or ICP) which establishes the priority for the ICP solution implemented in due time.

Such guidance was requested by the respective national regulatory authorities after a few months of debates, because in the first quarter of 2020 several stakeholders involved in the fore-mentioned project detected blockage in the local implementation.

Such blockage is owed to the inter-dependencies between the projects which are developed in parallel, such as CORE FB MC, Allegro, NorNed, Polish MNA, thus resulting delay of implementation activities for Interim Coupling.

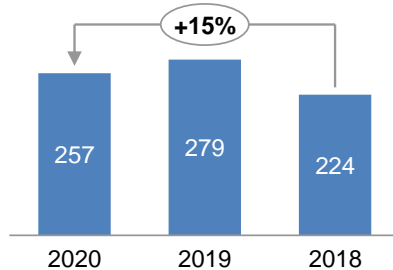
DG ENER consider the sequential implementation of Interim Coupling and CORE Flow Based Market Coupling (Core FB MC) projects as the best path to follow, since the Interim Coupling will facilitate Single Coupling of Day-Ahead Markets and especially the geographical extension to all EU relevant frontiers in accordance with the requirements of CACM Regulation during the shortest time possible.

It will also provide welfare gains to market participants. DG ENER notified as well that the Interim Coupling project will bring about added value, by providing un-isolated central and eastern European countries even in case other delays occur with the implementation of CORE FB.

In addition this will enable comparing the results of flow-based trial coupling with the generation data of the NTC coupled operation during the external parallel running of the CORE FB MC project. Taking into consideration the received guidance the launching date of the Interim Coupling project is forecasted for April 2021.

The next steps of the Interim Coupling project will be directed towards updating the detailed roadmap of this project, completing the items left open and internal solution testing (planned currently at the beginning of 2021), as well as the tests with external parties.

Figure 31: Average unit cost of electricity procured for OTC (Lei/MWh)



The differences between the electricity actually consumed to cover RET losses and the procured electricity represent imbalances, which are automatically covered by the **Balancing Market**.

In 2018 the caps that limited the minimum and maximum deficit electricity prices on this market were removed, which led to significant increase of the average price on the same market.

Congestions

Congestions (network restrictions) represent electricity transmission requests beyond the network's technical capacity limits, thus corrective activities are necessary from the transmission system operator and they occur upon operational scheduling or during real time operation when the power flow between two system nodes or areas leads to non-compliance with the operational security parameters in the operation of a power system.

Congestion occurrences are managed by changing the network topology and in the last resort by redispatching electricity generation.

Network congestions removed by redispatch are estimated using regimes that take into consideration different operational scenarios of power plants, taking into calculation at least the following minimum hypotheses

- Fuel supply restrictions of electric power plants
- Hydrologic regime involving reduced flow rates on the Danube and internal rivers
- Highly deficit / excess areas

- Drought, high temperature values
- Frosty time intervals

Generation redispatch results in out-stepping the merit order which results on the Balancing Market, additional expenses being covered by Transelectrica. This is a measure applied by Transelectrica only in circumstances when the transmission system has to be maintained in operation.

Expenses regarding electricity consumption in ETG substations

Electricity consumption expenses in RET substations registered RON 4.2 mn drop in January - December 2020 compared to the same period of 2019, determined by the increasing trend of electricity prices 2020.

Expenses regarding functional system services

Such expenses represent uncontracted international exchanges of electricity with neighbouring countries and the expenses with unplanned exchanges on the day-ahead market (PZU/DAM).

Functional system services registered RON 2.2 mn drop in comparison with 2019, decrease mainly determined by reduced balancing market expenses regarding unplanned electricity exchanges with neighbouring countries interconnected to SEN.

Inter TSO Compensation (ITC) expenses

Such ITC expenses represent monthly payment / settlement obligations for each transmission and system operator (TSO). They are established under the compensation / settlement mechanism for the effects of the electricity transmission grid (ETG) being used for electricity transits in-between TSOs of the 35 countries that adhered to such ENTSO-E mechanism.

In 2020 such expenses registered about 13% decrease (from RON 13 mn in 2019 to RON 11 mn in 2020).

Maintenance and repairs

These expenses decreased 4% in 2020 (from RON 102 mn in 2019 to RON 98 mn in 2020). The 2020 annual maintenance schedule provided priority to the work / services leading to increased operational security of installations, to completing the contracted work / services and those contributing to the good operation of installations.

11.1.2 Zero-profit activities

Table 25: Revenue synthesis of zero profit activities

RON mn	2020	2019	2018	20/19
Operating revenues	1,169	1,177	1,541	▼ (1%)
Technological system services revenues	674	654	637	▲ 3%
Balancing market revenues	495	523	904	▼ 5%

In 2020 revenues from technological system services registered RON 20 mn growth compared to 2019, determined by higher ANRE-approved tariff for such services while electricity quantities delivered to consumers diminished 2.7%, namely 1.49 MWh.

Revenues from the balancing market registered RON 28 mn reduction in 2020 compared to 2019, determined by:

- Price limits on the balancing market were eliminated beginning with September 2020;
- Beginning with the same month September 2020 the obligation to participate on the balancing market was removed;
- Reduced negative imbalance registered by electricity suppliers on the balancing market;
- The contracting mode on the markets previous to the balancing one;
- The development of hydraulicity;
- The development of the average deficit price registered on the balancing market;

- Reduced electricity demand (consumption) because of a mild winter;
- Reduced electricity consumption as a result of regulations issued by the Public Central Administration to prevent Covid-19 spreading;

At the same time taking into consideration the legislative changes announced by ANRE for the electricity market beginning with 1 April 2020, the balancing market is no longer compulsory but it has become optional; all price limits were removed (which means the electricity price on this market can vary between minus 99.999 Euro and 99,000 Euro/MWh).

Transactions on the balancing market are settled at the marginal price, thus providing the aggregation possibility on this market, including consumption prices, while producers of renewable sources are further provided priority dispatching.

Tabel 26: Sinteza cheltuielilor din activități zero-profit

RON mn	2020	2019	2018	20/19
Operating expenses	1,061	1,200	1,582	▼ (12%)
Technological system services expenses	566	676	678	▼ (16%)
Balancing market expenses	495	523	904	▼ (5%)

Expenses of technological system services registered in 2020 a 16% decrease compared to 2019, from RON 676 mn in 2019 to RON 566 MN in 2020.

The value of STS procurement expenses in 2020 was mainly determined by the following factors:

- Maintaining in 2020 procurement prices of technological system services around the values registered in 2019 for secondary reserve (RS) and fast tertiary reserve (RTR)
- In 2020 a high level of concentration was registered on the market of technological system services for secondary reserve (RS) and fast tertiary reserve (RTR).

In 2020 technological system services were procured under regulated regime according to ANRE Decisions 1551/2019 and 1078/2020 (from the

Electricity Generating Company by Hydropower Plants Hidroelectrica SA), ANRE Decisions 2212/2019 and 1211/2020 (from the Energy Complex Co. Hunedoara SA), ANRE Decision 1851/2019 (from the Electric Power Plants Company Galati SA), as well as according to HG 593/12.08.2019 approving the "Measures regarding the operational security of the National Power System from 1 November 2019 to 31 March 2020".

The Company procures technological system services from producers with a view to maintain the operational security of SEN and the quality of transmitted electricity at parameters required in applicable norms. Such services are contracted as follows:

- Under regulated regime based on Governmental Decision and ANRE Decisions;

- By competitive mechanisms;

Transelectrica reinvoices the technological system services procured from producers to the ANRE-licenses electricity suppliers that further include such cost in the invoice of end consumers, who finally benefit of such services.

Balancing market expenses result from transactions performed on this market, being fully covered by revenues on the balancing market.

The balancing market development is analysed by taking into account the following factors:

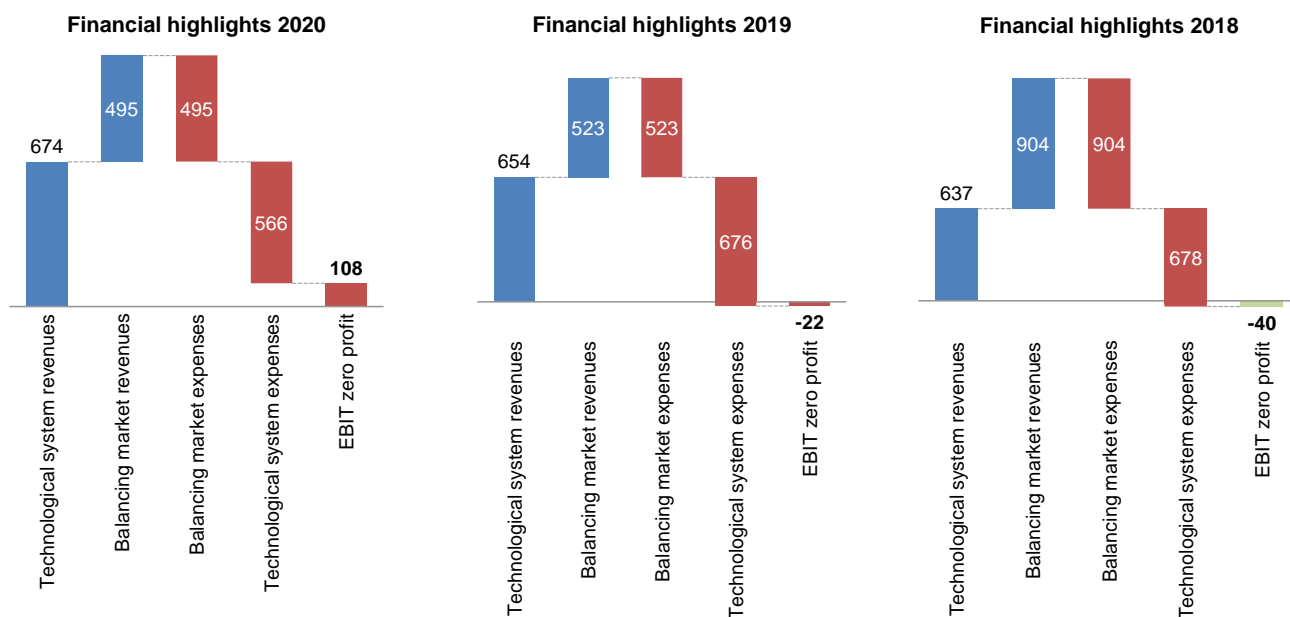
- The development of hydraulicity;
- Unpredictability and volatility of renewable source output (especially wind);
- In winter months system balancing is estimated by start-up / maintaining operational several

thermal units / boilers and selecting a high increasing power volume;

- Overcontracting / subcontracting on markets previous to the balancing one;

2021 estimations provide that, according to the regulations to be implemented in the national legislation in accordance with the provisions of Regulation (EU) 2019/943 of the European Parliament and Council of 5 June 2019, contracting technological system services by 15 minutes' settlement interval, providing settlement on the balancing market every 15 minutes, the development of economy and of the national electricity consumption will have significant impact over the revenues / expenses on the balancing market and on the procurement expenses for system services in Transelectrica SA.

Figure 32: Results of zero-profit activities (RON mn)



11.2. Financial result

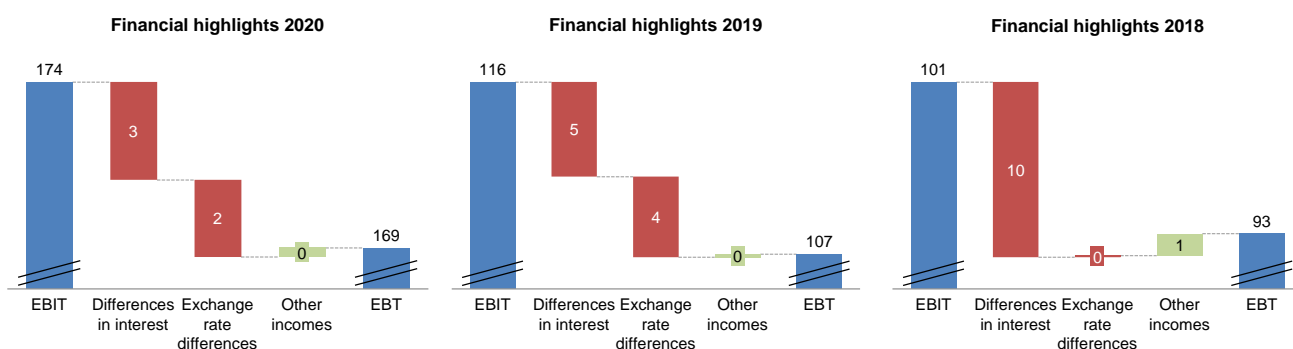
The net financial result registered in 2020 was negative, amounting to RON 5 mn. It has been mainly influenced by the developments of the

national currency's exchange rate against Euro, a currency in which the Company has contracted bank loans with a view to finance its investment programmes.

Table 27: Development of the exchange rate

Ron	2020	2019	2018	20/19
1 EUR	4.8694	4.7793	4.6639	▲ 1.9%
1 USD	3.9660	4.2608	4.0736	▲ 7%

Figure 33: Financial results (RON mn)



11.3. Balance – financial position

RON mn	2020	2019	2017	20/19
Non-current assets				
Tangible assets	3,561	3,440	2,988	▲ 4%
Intangible assets	7	30	23	▼ (70%)
Financial assets	82	82	80	▲ 0%
Assets related to the rights to use leased assets - buildings	38	6	0	▲ n/a
Total	3,687	3,551	3,091	▲ 4%
Current assets				
Inventories	38	38	35	▲ 2%
Trade and other receivables	848	706	1,064	▲ 20%
Other financial assets	0	85	0	▼ (100%)
Profit tax recoverable	1	0	0	▲ n/a
Cash and cash equivalents	554	321	482	▲ 73%
Total current assets	1,442	1,150	1,581	▲ 25%
TOTAL ASSETS	5,129	4,700	4,672	▲ 9%
Shareholders' Equities				
Share capital	733	733	733	▼ 0%
Reserves	1,047	1,117	763	▼ (6%)
Retained earnings	1,611	1,434	1,313	▲ 11%
Total shareholders' equity	3,390	3,284	2,809	▲ 3%
Non-current liabilities				
Long term borrowings	102	123	144	▼ (17%)
Other non-current liabilities	573	561	520	▲ 6%
Total non-current liabilities	675	684	664	▲ 1%
Current liabilities				
Short-term borrowings	25	56	53	▼ (56%)
Trade liabilities	888	563	1,021	▲ 60%
Other current liabilities	151	114	125	▲ 25%
Total current liabilities	1,064	732	1,199	▲ 45%
Total liabilities	1,738	1,416	1,863	▲ 24%
TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES	5,129	4,700	4,672	▲ 9%

Assets

Non-current assets registered 4% increase at the end of 2020 in comparison with 2019, against a background of higher tangible assets in progress, mainly determined by investment projects in electric substations and to high voltage lines, but also by the recognised usage right for assets under leasing – buildings, which represent the utilisation right for the spaces the Company rented in the Platinum office

building according to the provisions of IFRS 16 – Leasing contracts.

In 2019 lands were revalued, being tangible assets classified in Group 2 of Technical installations, transportation means; and lifecycles were reviewed for tangible assets classified in Group 1 of Constructions and in Group 2 Technical installations, transportation means by an independent valuator licensed by the

National Union of Licensed Valuers of Romania (ANEVAR).

These assets were revalued mainly using the cost-based method. In accordance with such method the gross replacement cost was established using the indirect method. The cost-based method was used for considerations of asset specialisation where insufficient market information was found and/or which do not have an active market.

On 31 December 2019 the Company recognised a net surplus from the revaluation of special installations, outfits and equipment, of instrumentation and control as well as motor cars amounting to RON 494.7 mn, of which RON 503.4 mn in the revaluation reserve account, and (RON 8.7 mn) were registered in the profit and loss account of the year.

At the same time mention should be made tangible assets in the Buildings & Special buildings group have been revalued for the financial year ending on 31 December 2018. Thus the Company recognised a net surplus from the revaluation of special constructions and installations amounting to RON 99.4 mn, of which RON 100.4 mn were recognised in the credit of the revaluation reserve account and (RON 0.93 mn) were recognised in the profit and loss account of 2018.

Special buildings and installations consist mainly of transformer substations and high voltage electric lines.

Outfits and equipment consist mainly of 110 kV, 220 kV, 400 kV and 750 kV transformers and bays associated to SEN.

Special buildings and installations are provided with their net value in the financial statements. The Company has changed the registration method of such revaluation on 31 December 2015 passing from the gross to the net method with a view to provide a clearer, more concise and relevant picture, without impact from the artificial denaturation of the gross accounting value and amortisement.

In 2020 surfaces were corrected for two plots of land belonging to UTT Sibiu, which had been wrong on the 31 December 2019 revaluation.

The Erratum to the Land Revaluation Report 1781/08.09.2020 of JPA Romania established the new value of the following lands:

- Headquarters of CE Mures, Str.Tamas Erno 3, incorrect area 1,115 mp, correct being 557.5 mp;
- Alba Iulia headquarters, Str. Ferdinand 83, incorrect area 334.52 mp, correct being 325.49 mp, thus the

land value was diminished by RON 0.48 mn for the revaluation reserve account;

In terms of intangible assets, the greatest 2020 entry was the connection of the 400 kV Isaccea - Varna OHL and of the 400 kV Isaccea - Dobrudja OHL connection in the 400 kV substation Medgidia Sud, stage I - Extending the 400 kV substation Medgidia Sud – 2,717. In 2020 the greatest transfers from intangible assets underway to intangible assets were represented by:

- Upgrading the hardware and software platforms of the SCADA system in Substatiib Stuparei – RON 0.15 mn;
- Upgrade of antivirus BITDEFENDER licences – RON 0.05 mn;
- Software and licence for the online monitoring system of the 200 MVA AT1 – RON 0.04 mn;

The growth of intangible assets on 31 December 2020 was mainly represented by the recognised usage right of assets taken under leasing, buildings; it represents the utilisation right of spaces the Company rented in the Platinum Office Building of Str. Olteni 2-4, Bucharest 3 (contract C217/2015 concluded with Dagesh Rom SRL), according to the provisions of IFRS 16 – Leasing contracts.

The former contract ended on 30.09.2020, and a new leasing contract became applicable on 01.10.2020, valid for 5 years.

Financial assets

Financial assets on 31 December 2020 compared to 31 December 2019 registered slight increase, determined by the Company's affiliation to the shareholders of Southeast Electricity Network Coordination Centre (SEleNe CC) Societe Anonyme.

Decision 3 of 6 March 2020 of the Shareholders' General Extraordinary Assembly approved Company participation as founder owner to the establishment capital of the Regional Centre coordinating operational security in the coordination calculation regions of cross-border exchange capacities SEE (Bulgaria, Greece, Romania) and GRIT (Greece-Italy).

Current assets registered 25% growth in 2020 compared to the value registered on 31 December 2019, mainly determined by increased trade receivables and other assimilated accounts.

The greatest impact over the growth of trade receivables and other receivables came from the clients' turnover on the electricity market, as well as from other activities.

Thus on 31 December 2020 clients on balance from operational activities and the balancing market registered increase in comparison with 31 December 2019, mainly determined by:

- Higher transaction volume on the balancing market in October, November and December 2020 compared to the same period of 2019, determining higher receivables on balance on 31 December 2020 in comparison with 31 December 2019.

Out of the total trade receivables registered on 31 December 2020, 23% represented payable receivable under the bonus type support scheme to promote high efficiency cogeneration, percentage similar to what was registered in 2019.

The balance amounting to RON 195 mn is represented by issued invoices associated to the bonus type support scheme to promote high efficiency cogeneration, of which:

- 2011-2013 overcompensation amounting to RON 76.7 mn, namely from RAAN – RON 63.5 mn and CET Govora SA – RON 13.2 mn;
- 2014 undue bonus amounting to RON 3.9 mn, namely from RAAN – RON 2 mn, CET Govora – RON 1.9 mn;
- 2015 undue bonus amounting to RON 0.6 mn, namely from CET Govora – RON 0.5 mn, Interagro – RON 0.03 mn;
- Cogeneration contribution not cashed from the suppliers of electricity consumers, amounting to RON 21.1 mn, namely from: Transenergo Com – RON 5.9 mn; PetProd – RON 4.4 mn; Romenergy

Industry – RON 2.7 mn; RAAN – RON 2.4 mn; UGM Energy – RON 1.8 mn; CET Govora – RON 0.9 mn, KDF Energy – RON 0.9 mn and others;

To the date of this report the Company collected fully the receivables associated to the 2019 overcompensation of support scheme activities (RON 32.3 mn) by bank transactions from Electrocentrale Bucharest, as well as the undue bonus established by ANRE Decisions for 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, Electroutilaj SA, CET Arad, Polytechnic University of Bucharest, Colonia Cluj Napoca energy SRL and Vest Energo SA.

To liquidate receivables generated by overcompensation and undue bonus the Company requested the generators qualified under the support scheme to make mutual compensations. In case of generators (RAAN, and CET Govora) that did not agree with this manner to extinguish mutual receivables and liabilities the Company has applied and further applies the provisions of article 17 para 5 of Order 116/2013 of

ANRE president approving the Regulation on establishing the collection mode of the contribution for high efficiency cogeneration and the payment mode of the bonus for electricity generated under high efficiency cogeneration: “in case the generator did not make the payment in full to the support scheme administrator for its payment obligations resulted in accordance with the provisions of this Regulation, the support scheme administrator pays to the producer the difference between the producer invoices and its payment obligations under the support scheme, with explicit mention of the respective amounts on the payment document” and withheld from payment the due amounts under the respective support scheme.

On 31 Decembrie 2020 other receivables amounting to RON 111.4 mn, decreasing 2% in comparison with 2019 mainly include:

- Various debtors, RON 83 mn, representing payment delay penalties calculated for defaulting clients, amounting to RON 74 mn (of which RON 35 mn represent penalties under the support scheme;
- Compensations owed by suppliers for electricity not supplied (Arelco Power RON 0.9 mn and Enol Group RON 2.5 mn). Impairment allowances were registered for compensations owed by suppliers from operational activities;
- Receivable recoverable from OPCOM representing the VAT associated to the contribution in kind to the subsidiary's capital amounting to RON 4.5 mn;
- Deferred expenses amounting to RON 1.1 mn represented mainly by rent and maintenance of office building; down payments to contracts concluded with electricity suppliers as necessary to cover one's own technological consumption in future periods;
- Other non-current receivables amounting to RON 4.3 mn, of which 4.2 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 carry out the 400 kV OHL Resita – Panchevo (Serbia) investment project;

Cash and cash equivalents registered increase against the background of 30 March 2020 expiry of bank deposits with initial maturity beyond 90 days, constituted on 31 December 2019.

Bank deposits of initial maturity below 90 days constituted from monetary availabilities found in current accounts amounted RON 266.3 mn on 31 December 2020.

Shareholders' equity and liabilities

Non-current liabilities registered a slight decrease, in percentage of 1% in 2020 compared to 2019, mainly due to the decrease of the debt on deferred taxes, respectively of long-term loans (from RON 123 mn to December 31, 2019 to RON 102 mn to 31 December 2020).

At the same time **current liabilities** registered 45% growth (from RON 732 mn on 31 December 2019 to RON 1,064 mn on 31 December 2020) mainly against a background of higher volume of transactions on the balancing market at the same time with the decrease of monthly bonus of the support scheme in 2020 compared to 2019.

On 31 December 2020 in comparison with 31 December 2019 *liability on balance on the energy market* amounted to RON 468.1 mn compared to RON 390.2 mn, being influenced by:

- The higher liability balance from operational activities was mainly determined by greater payment obligations on balance on the electricity market on 31 December 2020 upon due term in January 2021;
- The greater balance of liabilities for the balancing market was determined by higher payment obligations on balance on the electricity market on 31 December 2020 on due term and greater volume of transactions on the balancing market in the quarter IV 2020 compared to quarter IV 2019;
- The smaller liabilities under the support scheme to suppliers (producers) were mainly determined by a decreased monthly bonus payable in December 2020 compared to the monthly bonus associated to December 2019;

Suppliers on the electricity market are mainly represented by: SC Hidroelectrica SA, Electrocentrale Bucharest, OPCOM, Mavir, Energy Complex Oltenia, Energy Complex Hunedoara, OMV Petrom, IBEX, Veolia Energie Prahova, Veolia Energie Iasi, and Ciga Energy.

On 31 December 2020 their share was about 81% in the total electricity suppliers.

On 31 December 2020 payment obligations are 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 2014 & 2015 ex-ante overcompensation, and the unpaid bonus of 2015 and 2016.

Amounts representing Company liabilities under the support scheme to RAAN and CET Govora were withheld from payment in accordance with article 17 para 5 from Order 116/2013 of ANRE president, because suppliers (producers) registered payment obligations to the Company under the bonus type support scheme.

- Other liabilities amounting to RON 38.2 mn are mainly represented by the payment securities of contracts on the electricity market concluded by NPG ranselectrica SA amounting to RON 16.9 mn, not requestable VAT during reporting intervals, and others;

Provisions registered increase at the end of 2020 in comparison with the end of 2019, from RON 70 mn on 31 December 2019 to RON 98 mn on 31 December 2020, mainly determined by:

- Updating provisions established for litigations with former members of the Supervisory Board and the Board of Directors, representing the variable component related to the OAVT packages allocated and not revalued during the mandates executed in 2013-2017 (OAVT options for virtual actions) ;
- Constituting provision for employees' participation to the profit of 2020 financial year;
- provision established for future payments related to the benefits granted to the retirement of employees for the age limit and benefits related to jubilees. The amounts provided for litigations representing OAVT and post-employment benefits, resulted from the actuarial calculations, which were determined by an authorized actuary.
- Provision constituted for the fiscal audit in progress, targeting VAT checks in 2014-2016, which began in November 2019, estimated to be completed in February 2021 (Endorsement F-MC-326/13.11.2019);

Interest-bearing liabilities

On 31 December 2020 non-current borrowings diminished in comparison with 31 December 2019, mainly because of repayments made according to existent loan agreements.

Shareholders' equity

Shareholders' equities increased 3%, mainly determined by recording the net profit in sum of RON 140 mn in the retained result, as achieved on 31 December 2020.

11.4. Cash flow

Table 28: Cash flow

RON mn	2020	2019	2018	20/19
Operational activities				
Cash flow before changes in the current capital	494	373	426	▲ 33%
Changes to working capital	177	(97)	33	▲ 283%
Paid interest and taxes	(54)	(24)	(33)	▼ (122%)
Net cash of operational activities	617	251	426	▲ 146%
Investments				
Acquisition of tangible and intangible assets	(375)	(242)	(171)	▼ (55%)
Collections from the investment activity	-	-	0	- n/a
Participation titles held with TSC NET	-	-	(2)	- n/a
Proceeds from investment activity	7	5	23	▲ 40%
Other financial assets	85	(85)	-	▲ 200%
Cash used in investments	(283)	(322)	(149)	▲ 12%
Financing activities				
Net (reimbursements) / proceeds from loans and bond emission	(65)	(23)	(314)	▼ (186%)
Dividends paid	(36)	(67)	(1)	▲ 47%
Cash used in financing activities	(100)	(90)	(315)	▼ (12%)
Net diminution of cash and cash equivalents	233	(161)	(39)	▲ 245%
Cash and cash equivalents on 1 January	321	482	521	▼ (33%)
Cash and cash equivalents at year end	554	321	482	▲ 73%

11.5. Indicators

Table 29: Profitability, liquidity, risk and activity indicators

Indicator	Formula de calcul	2020	2019	2018
Profitability ratios				
EBITDA in total sales	$\frac{\text{EBITDA}}{\text{Turnover}}$	19%	17%	15%
EBITDA shareholders' equity	$\frac{\text{EBITDA}}{\text{Shareholders' equity}}$	13%	12%	14%
Gross profit rate	$\frac{\text{Gross profit}}{\text{Turnover}}$	7%	5%	3%
Rate of return on capital	$\frac{\text{Net profit}}{\text{Shareholders' equity}}$	4%	3%	3%
Liquidity ratios				
Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	1,36	1,57	1,32
Quick ratio	$\frac{\text{Current assets} - \text{Inventories}}{\text{Current liabilities}}$	1,32	1,52	1,29
Risk ratios				
Indebtness ratio	$\frac{\text{Debt capital}}{\text{Shareholders' equity}}$	3,7%	5,4%	7,0%
Indebtness ratio	$\frac{\text{Debt capital}}{\text{Committed capital}}$	3,6%	5,2%	6,6%
Interest coverage rate %	$\frac{\text{EBIT}}{\text{Interest expenses}}$	17,83	11,35	5,26
Activity ratios				
Clients' turnover	$\frac{\text{Average client balance}^* \times \text{no. days}}{\text{Turnover}}$	83,51	98,45	90,96
Non-current assets turnover	$\frac{\text{Turnover}}{\text{Non-current assets}}$	0,63	0,66	0,87

* Clients that contribute to the turnover (energy, balancing, other clients, clients with invoices to execute) have been taken into consideration when calculating the average balance of clients. Corresponding values

12. Regulated tariffs for electricity transmission

General Framework

The regulatory model of transmission tariffs applied currently in Romania is the revenue cap.

Such model means regulating the total revenue allowed for the transmission network operator and includes as objectives: providing the premises necessary for the efficient operation of transmission services, maintaining the operator's financial viability for proper remuneration of financiers and keeping access to funds.

The model contains mechanisms stimulating the operational efficiency and a financial profitability framework relying on investments control by the operator (regulated asset base), as well as a regulated rate of return established by estimating the operator's average financing cost.

Electricity transmission services are billed during regulatory periods. Such regulatory intervals represent multiannual cycles for tariff regulation (at present 5 years), during which a methodology is applied to calculate tariffs³ and for which a full set of parameters is preset during the respective time horizon in view of the actual calculation of tariffs.

Tariff parameter setting for multiannual intervals provide high predictability and visibility to investments, to the operational costs and revenues of Transelectrica.

Tariffs are annually reviewed during the regulatory periods and they stay valid for 12 months from approval date (tariff years).

The differences between forecasted values and the actual ones of tariff calculation parameters in a certain tariff year are compensated by means of ex-post corrections applied in the tariff into subsequent tariff years, or at the beginning of the immediately following regulatory period.

In case of certain specific components of the regulated cost base found under certain caps, when the forecasted level of such costs is exceeded, there is no compensation. Also in case of certain cost components, savings are partially retained by Transelectrica.

³ The methodology applied at present has been approved under ANRE Order 53/2013 on the methodology establishing tariffs for electricity transmission services, and in semester II 2019 the tariff setting methodology was approved under ANRE Order 57/2019 on the methodology establishing tariffs for electricity transmission services

The set of calculation parameters is approved by ANRE and includes:

- Costs for the current operation of the service: controllable and uncontrollable operation and maintenance costs, one's own technological consumption, internal grid congestions, costs and revenues from the financial compensation mechanism for electricity transits within ENTSO-E;
- Service development costs: planned network investments, amortisement plan based on regulated service intervals, profitability of the invested capital established using a regulated rate of return applied to the regulated asset base;
- The electricity quantity that can be invoiced;

Transmission tariffs are invoiced for the quantities of active electricity introduced / taken out of the public electricity networks from Romania, except for imports / exports.

Transelectrica charges transmission tariffs for electricity injection into public networks (tariff component TG) and for its extraction of public networks (tariff component TL).

TG is not applied to power parks of small installed capacity up to 5 MW. Also TG is not applied in case of imported electricity. TL is not applied to exported electricity.

Tariffs applicable in 2020

During 2020 with a view to implement the new package of European regulations and especially Regulation (EU) 2019/943 and Regulation (EU) 2017/2195, methodologies establishing tariffs pentru for electricity transmission services and system services have been amortised, meaning the Methodology establishing tariffs for electricity transmission services, approved by Order 171/2019 of ANRE president and the Methodology establishing tariffs for system services, approved by Order 45/2017 of ANRE president, with later amendments and additions, with the amendments of the fore-mentioned European regulations.

In this respect Order 153/2020 of ANRE president on amending and adding the Methodology establishing tariffs of electricity transmission services, approved by Order 171/2019 of the president of the National Regulatory Authority in the Energy domain has

integrated the component of functional system services into transmission services, such uniformisation being enabled because the principles establishing revenues and tariffs are similar.

At the same time Order 180/2020 of ANRE president on amending the Methodology establishing tariffs for system services, approved by Order 45/2017 of the president of the National Regulatory Authority in the Energy domain has amended the Methodology establishing tariffs for system services, approved by Order 45/2017 of the ANRE president, with later amendments, meaning that it has removed the provisions on the principles and rules establishing tariffs of functional system services, which were taken over by Order 153/2020 of ANRE president.

Thus beginning with 1 January 2021 tariffs of system services charged by the TSO will be calculated using only the regulated revenue approved for the procurement of services, called technological system services.

On March 1, 2021, the tariff for system technology service was modified due to the significant deviation registered in the second half of 2020 and in the first two months of 2021, compared to the forecast that was the basis for setting the tariff approved on July 1, 2020.

The new tariff level of 10.82 lei / MWh, decreasing by approx. 9.5% compared to the level of the tariff previously applied starting with July 1, 2020, was set for the period March 1 - December 31, 2021 and is based on a partial compensation (50%) of the

balance calculated on February 29, 2021 as well as a revised cost forecast and a revised volume of electricity forecast for the period March 1 - December 31, 2021.

Tariffs for system services are those approved under Order 142/29.06.2020 of the president of the National Regulatory Authority in the Energy domain, which has amended Order nr.218/2019 of the president of the National Regulatory Authority in the Energy domain has approving the average tariff of transmission services, transmission tariff components for electricity introduced in the grid (TG) and for electricity taking out of the grid (TL), the tariffs of system services and the regulated price of reactive electricity, charged by the Company.

This was established beginning with 1 July 2020, in accordance with the provisions of the Methodology establishing tariffs of system services, approved by Order 45/2017 of the president of the National Regulatory Authority in the Energy domain, with later additions.

Tariffs of electricity transmission services proposed for 2021 are provided in ANRE Order 214/09.12.2020 approving the average tariff of transmission services, transmission tariff components for electricity introduced in the grid (TG) and for electricity taking out of the grid (TL), the tariffs of system services and the regulated price of reactive electricity, charged by the Transelectrica.

ANRE-approved tariffs by Order 142/29.06.2020 applicable in 2020 are provided in the table below:

Index	Tariff	MU	Tariff applied as of 01 Jan – 15 Jan 2020	Tariff applied as of 16 Jan - 30 Jun 2020	Tariff applied as of 1 Jul - 31 Dec 2020
A	Electricity transmission	Lei/MWh	18.13	17.97	17.97
B	Tariffs of system services, of which:	Lei/MWh	14.89	14.89	14.45
C	Functional system services	Lei/MWh	1.84	1.84	2.49
D	Technologic system services	Lei/MWh	13.05	13.05	11.96

The newly approved tariffs have been calculated in accordance with the applicable methodologies

The factors that significantly contributed to amending the tariffs at the last ANRE review of tariffs becoming applicable on 01.07.2020 according to ANRE Order 142/29.06.2020 are detailed below as follows:

Functional system services tariff

Tariff increase (+35.3%) is explained by the 2.9% inflation forecasted for the tariff year *1 July 2020 - 30 June 2021*, the 26% growth of the regulated revenue and 6.5% drop in the forecasted electricity quantity that can be billed.

When establishing the regulated revenue for the tariff year *1 July 2020 - 30 June 2021*, ANRE applied corrections according to applicable regulations and agreed with higher forecast of regulated costs and with decreasing the quantity that can be billed forecasted by Transelectrica. The factors which were taken into calculation to establish the regulated revenue have been:

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

a) Final corrections amounting to +15.7 mill Lei and associated to the difference between estimated costs and revenues and the actually achieved ones in the tariff year *1 July 2018 - 30 June 2019*;

b) Partial corrections amounting to +11.6 mill Lei and associated to the difference between estimated and achieved values in the tariff year *1 July 2019 - 30 June 2020*;

2. The annual forecast of costs recognised in the regulated revenue approved for *1 July 2020 - 30 June 2021* is 19% higher in nominal terms than the annual forecast of costs included in the previous tariff of *1 July 2019 - 30 June 2020*. Such growth was generated by higher costs of unplanned exchanges, regulated amortisement costs, costs associated to the implementation of European codes, etc.

3. As a result of economic effects generated by the Covid-19 pandemic, the electricity quantity that is billed upon grid extraction was reduced from 56 TWh of last year's forecast to 52.3 TWh for *1 July 2020 - 30 June 2021*.

In a scenario where the electricity quantity that can be billed upon grid extraction would have been recognised by ANRE for *1 July 2020 - 30 June 2021* at the same equal value of *1 July 2019 - 30 June 2020* (56 TWh), its impact in the tariff would be +6.9%.

Technological system services tariff

The annual forecast of costs recognised in the new tariff to procure technological system services for the tariff year *1 July 2020 - 30 June 2021* is lower by 42.1 mill Lei than the cost forecast recognised last year, as a result of no longer being applicable the provisions of the Emergency Ordinance 26/2018 regarding application of certain measures for the security of electricity supply, which provided in article 1, para (1) that, in order to maintain the security of the National Power System, the Energy Complex Company Hunedoara SA is compelled to provide technological system services to the Transmission System Operator at electric power capacity of at least 400 MW. Thus reserve procurement will be performed exclusively by auctions organised by the Company.

Also in comparison with the previous tariff, which covered a positive ex-post correction and a correction associated to the penalty revenue forecast, such changes contributed – 14.3%;

2. As a consequence of economic effects generated by Covid-19 pandemic, the electricity quantity that can be billed upon grid extraction has been reduced from 56 TWh as used in the forecast of last year's forecast to 52.3 TWh for *1 July 2020 - 30 June 2021*. In a scenario where the electricity quantity that can be billed upon grid extraction would have been recognised by ANRE for *1 July 2020 - 30 June 2021* at the same equal value of *1 July 2019 - 30 June 2020* (56 TWh) its impact in the tariff would be +5.9%.

13. Disputes

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

RAAN

On the docket of Mehedinti Tribunal, Civil Section II, Administrative and Fiscal Disputes Section file 3616/101/2014 was recorded involving the “claims in the amount of 1,090,831.70, value of invoice no. 1300215/31.12.2013”, a file in which the Company is the defendant, the plaintiff being the Independent Authority for Nuclear Activities – RAAN.

Civil ruling 127 pronounced on 10.10.2014 by Mehedinti Tribunal admitted the request filed by plaintiff RAAN and ordered NPG Transelectrica SA to pay the amount of 1,090,831.70 Lei, constituting the value of invoice 1300215/31.12.2013.

The Company filed appeal and requested the court by the decision it would take to allow the appeal as it was filed and reverse the judgment and sentences under appeal and referring the case to the trial court in the territorial jurisdiction for judgement, and stating the compliance with the requirements of Articles 1616 and 1617 of the Civil Code, reason for which it is also required to declare the occurrence of mutual debts compensation and their redemption up to the amount of the smallest of them, namely the total amount requested by the plaintiff in the application for summons, ordering the appeal - plaintiff to pay the expenses made with this appeal.

The appeal was registered on the docket of the High Court of Cassation and Justice that decided to reverse decision 843/2015 and to remand the case for retrial to the same court, the Appeal Court of Craiova.

Ruling 124/2017 of the Appeal Court of Craiova admitted the appeal filed by Transelectrica and cancelled sentence 127/2014 pronounced by Mehedinti Tribunal, while the case was referred for retrial to Bucharest Tribunal, Section VI Civil. On the docket of the Bucharest Tribunal the case was registered under no. 40444/3/2017 which by civil ruling 4406/04.12.2017 admitted the request filed by RAAN and ordered Transelectrica to pay the amount of 1,090,831.70 Lei. The sentence was appealed. Hearing term was established on 13.12.2018.

In 2014-2015 the Company withheld for payment the bonus owed to RAAN under the support scheme

according to ANRE regulations, namely article 17 para 5 from Order 116/2013 of ANRE president.

Under such circumstances RAAN calculated penalties for late payment of the due cogeneration bonus amounting to 3,496,914, withheld from payment by the Company on account of non-cashed receivables. The Company refused paying the amount of 3,496,914 and did not register it as liability in the support scheme.

The subject of file 9089/101/2013/a152 is objection against the Additional liability table of debtor RAAN, the disputed amount being 89,360,986 Lei.

Transelectrica SA was recoded with 11,264,777 Lei in the table of debtor RAAN, in the category of receivables resulting from the debtor's uninterrupted activity, the actual amount the Company requested being 89,360,986 Lei, but 78,096,208.76 Lei were not registered in the preliminary receivable table because “such sum was not recorded as owed liability in RAAN's accounting books”. Moreover the judiciary liquidator considered the request to record 78,096,209 Lei was made late since it pertained to 2011 – 2013, for which reason the receivable statement should have been submitted when the insolvency procedure began, namely on 18.09.2013. The contestation of the additional liability table as Mehedinti Tribunal admitted the accounting expertise evidence.

On the contestation judgment term 14.06.2018 the decision was taken to suspend it until settlement of file 3014/2/2014 on the docket of the ICCJ, and on 14.02.2019, Mehedinti Tribunal decided joining file 9089/101/2013/A152 to file 9089/101/2013/a140 (pertaining to claims, payment request). Thus file judgment was deferred because the court considered it useful to settle the case by submitting Civil ruling 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.

Settlement of Mehedinti Tribunal by Ruling 163 / 20.06.2019: It admitted the exception of decline. It partly admits the main issue and associated contestation. It compelled the defendant to pay to the

claimant the amount of 16,950,117.14 Lei accrued receivable during the procedure, judging to record it in the creditors' table constituted against debtor RAAN by this sum. The other associated demands were denied. In accordance with article 453 para 2 from the Civil Procedural Code it compelled the defendant to pay 1000 Lei law court expenses to the claimant. Appeal right was granted. It was pronounced at public hearing. Document: Ruling 163/20.06.2019.

On the 06.11.2019 hearing date the Appeal Court Craiova decided rejecting the appeal of Transelectrica as groundless; final decision. Ruling 846/06.11.2019.

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

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

On 21.05.2020 the case was taken out of the docket with the following settlement: the exception of Appeal Court Craiova's material incompetence was admitted and the case was referred to ICCJ, Administrative and Fiscal Disputes Section; Ruling 140/21.05.2020. Term 03.02.2021.

On the 03.02.2021 hearing term ICCJ admitted the exception of tardive review request and did no longer pronounce on its inadmissibility.

Under RAAN's bankruptcy file registered under number 9089/101/2013, on 08.10.2020 Mehedinti Tribunal deferred the case. Settlement in brief: a term was granted to continue liquidation procedures, to represent the debtor's interests in the disputes on the dockets of law courts; to consolidate the creditors' list; to continue public auctions capitalising the debtor's assets. The following term was established on **03.06.2021**.

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, pertaining to "cancelling 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 partly cancelled the defendant-issued conclusion 7/20.02.2014, decision 37/9.12.2013 and the control report 35521/6.11.2012 with respect to the measures in the above decision, indicated in points 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 partially the measure of pct. II.13, meaning to remove the phrase "including what has been found about the invoices issued by FLOREA ADMINISTRARE IMOBILIARA SRL". The court rejected the remainder of the claimant's request as groundless. It approved the electricity technical expertise report drafted by Toaxen Vasile as expert; compelled the defendant to pay 121,375 Lei law suit expenses to the claimant (partially expert fees and judiciary stamp tax). Appeal right was granted within 15 days from notification; Document- Ruling 2771/13.06.2018.

At the public hearing of 21.10.2020 the appeals filed by the claimant and the defendant against sentence nr. 2771 of 13 June 2018 by CAB, Section VIII Administrative & fiscal disputes were denied as groundless; final.

Following an audit performed in 2017, 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 Company filed 8 contestations against the measures decided by Romania's Court of Audit (CCR) under Decision 8/27.06.2017, requesting their cancellation as well as cancelling Conclusion 77/03.08.2017, registered under number 29117/08.08.2017 in the Company's Registration Office, namely the Audit Report 19211/26.05.2017. Contestations are under settlement on the docket of the Appeal Court Bucharest (2 files: 6576/2/2017 on cancelling the findings of items 7.1, 7.2. and 8, and the measure decided in item II.10, term on 20.01.2021, settlement: the inadmissibility exceptions claimed in the contestation were denied; the request was denied as groundless; file 6581/2/2017 on cancelling the findings of item 6 and the measure decided in item II.9, hearing term on 23.04.2021), on the docket of the High Court for Cassation and Justice (4 files: 6577/2/2017 on cancelling the findings of item 13 and the measure decided in item II.13, turned into file 1614/1/2020, hearing term set on 27.01.2022; file 6578/2/2017 on cancelling the findings of item 9 and the measure decided in item II.11, hearing term on 08.06.2022; file 6574/2/2017 on cancelling the findings of item 5.2 and the measure decided in item II.8, hearing term on 20.04.2021). Three files were settled for final by the Appeal Court Bucharest's

denying the cancellation request and appeals denied by the High Court of Cassation and Justice (file 6583/2/2017 on cancelling the findings of item 5.1 and the measure decided in items II.7 and II.8 and file 6582/2/2017 on cancelling the findings of item 11 and the measure decided in item I.5; file 6580/2/2017 on cancelling the findings of item 10 and the measure decided in item II.12).

ANRE

NPG Transelectrica SA filed complaint against Order 51/ 26.06.2014 of ANRE president registered with ANRE under no. 47714 / 04.08.2014 and contestation with the Appeal Court Bucharest, registered under file 4921/2/2014, whereby it requested amending the fore-mentioned order either by issuing a new one recalculating the RRR at 9.87% (recalculated using a (β) coefficient of 1.0359, according to the internal analysis of Transelectrica) or should this request be rejected, using the same percentage 8.52% established by ANRE for 2013 and semester I 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 for the ANRE calculation of the regulated rate of return (RRR⁴) according to the Methodology establishing the tariffs of electricity transmission services approved by ANRE Order 53/ 2013 ("Methodology") determined the RRR at 7.7%.

On the term of 27.03.2018 the expert fee placed on behalf of the claimant was paid and a letter was decided to the expert in order to conduct and submit the entrusted expertise report to the file.

On the 25.09.2018 term the settlement in brief decided to resort again to the expert letter, in view of conducting the expertise report and submit it to the file, mentioning to prove the impossibility to submit

the expertise report until hearing term in which case the case will be postponed.

On the 22.01.2019 hearing term the court provided principle agreement with the request of accessory intervention in the defendant's interest (ANRE), expressed by intervenient ALRO SA, with appeal at the same time with the principal issue. On 25.06.2019 the case was postponed in order to enable the parties to acknowledge the content of the expertise report and a new hearing term was set on 10.09.2019.

On 10.09.2019 term taking into account the request of the claimant's representative to know the content of objections filed by the intervenient and to enable it answer to such objections, also retaining the claimant submitted meeting notes with writs requiring translation, it admitted the case deferral and decided granting a new hearing term, established on 03.12.2019.

The dispute has not impacted the relationship with ANRE or the Company's financial results.

On 03.12.2019 term it decided postponing the case and setting a new hearing term in order to send another letter to the expert for his submission to the file of the objection answer, mentioning to come to court on the next hearing date. It will notify the expert to send a copy of his answer to objections to both parties before the following hearing term.

At the following term on 12.05.2020 the file was suspended during the entire emergency state.

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

On 06.10.2020 the request was denied, with the following settlement in brief: the exception of inadmissibility was denied as groundless. The file case was denied as groundless. Appeal right was granted within 15 days from notification; pronounced by placing the settlement to the parties' disposal by means of the court clerk; Ruling 362/2020.

On the 11.01.2021 term the request was admitted to complete the device. It decided completing the device of civil ruling 362/06.10.2020 with the settlement pronounced on the accessory intervention request, meaning: the accessory intervention request was admitted filed by intervenient ALRO SA in support of defendant ANRE. Appeal right was

⁴ RRR- Regulated Rate of Return is found in specific literature under the acronym WACC – Weighted Average Cost of Capital, and the formula of the two indicators is similar: $RRR = WACC = CCP + Kp/(1 - T) + CCI \times Ki$

granted within 15 days from notification, to be referred to the Appeal Court Bucharest.

OPCOM

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

Previously the Shareholders' General Assembly of 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 subsidiary SC OPCOM SA requested the court to order the Company to pay the amount of 84,867.67 Lei as legal interest related to the period 11.06.2014 – 24.11.2014, plus legal expenses amounting to 37,828 Lei.

The action filed by OPCOM SA was subject of file 40814/3/2014 on the docket of Bucharest Tribunal, Section VI Civil, involving claims, disputes with professionals.

In the court session of 24.07.2015 the court admitted the application for summons filed by claimant Romanian Gas and Electricity Market Operator OPCOM SA in contradiction with defendant National Power Grid Company Transelectrica SA and ordered the defendant to pay the amount of 582,086.31 Euro to the claimant, representing the amount paid by it in the defendant's stead from the fine amounting to 1,031,000 Euro, charged by the Decision of the European Commission on 5.03.2014 in the case AT.39984 and the legal interest related to the amount of 582,086 Euro, calculated as of 11.06.2014 and up to the actual payment date. The court compelled the defendant to pay the amount of 37,828 Lei as legal expenses to the claimant. Appeal right was granted within 30 days from notification. Transelectrica SA filed appeal against ruling 4275/2015, pronounced under the above-mentioned file, which was registered on the docket of the Appeal Court Bucharest.

The Appeal Court's settlement in brief: Admits the appeal. Changes entirely the civil ruling appealed against, meaning it denies as groundless the suing. 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: Ruling1517/2016 of 10.10.2016.

OPCOM SA filed appeal, which was registered with the High Court of Cassation and Justice.

Hearing term with the ICCJ: 13.03.2018. ICCJ settlement in brief: It admitted the appeal filed by the recurrent-claimant Romanian Gas and Electricity Market Operator OPCOM SA against decision 1517/10.10.2016 pronounced by the Appeal Court Bucharest, Section V Civil. It cancelled the appealed decision and sent the case for new judgment to the appeal instance; 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 was granted within 30 days from notification.

On 27.11.2018 NPG Transelectrica SA filed appeal, which is under filtering with the ICCJ.

ICCJ settlement of 30.06.2020 was thus: the parties will be notified the report on the principle admissibility of the appeal filed by Transelectrica against ruling 1813/2018 of 1 October 2018, pronounced by the Appeal Court Bucharest, Section V Civil; mention should be made they are entitled to submit an opinion on the report within 10 days from notification.

On the 10.11.2020 term the ICCJ settlement was thus: in principle it admitted the appeal filed by Transelectrica against ruling 1813/2018 of 1 October 2018, pronounced by the Appeal Court Bucharest.

On 16.03.2021 deadline, the appeal initiated by Transelectrica, a final solution, was rejected as unfounded.

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

The object of file 17765-3-2019 was compelling defendant OPCOM SA to pay 4,517,460 Lei pertaining to invoice TEL 16 AAA 19533/29.07.2016, representing VAT amount corresponding to the contribution of NPG Transelectrica SA to the share capital of OPCOM SA, issued under Loan Contract 7181RO/2003, a commitment to finance the investment project "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 legal penalty interest, calculated for not paying invoice TEL 16 AAA 19533/29.07.2016.

The amount of 4,517,460 Lei, principal debit under complaint 1 of this action represents VAT pertaining to the share capital increase of OPCOM SA by contribution in kind and substantiated in intangible assets received corresponding to stage I A and to stage II of contracts P081406-O-C78, P081406-C125 and P081406-C300.

On the hearing date 27.09.2019 the inadmissibility exception and the prescription exception were denied as groundless. The court denied the request as groundless. It denied the creditor's request to compel the debtor paying law court expenses as groundless. Cancellation request was 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: as against the provisions of article 94 para 3 from the Internal Regulation of Judiciary Instances approved by CSM under no. 1375/2015, according to which the appeals stated against the same ruling are settled by the initial court and taking into account both the creditor and debtor filed cancellation requests against hearing conclusion of 27.09.2019 pronounced by Bucharest Tribunal, Section VI Civil under file 17765/3/2019, pertaining to payment ordinance, it decided referring this file for settlement to the first court entrusted 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 the Panel of judges 11 AO, initially dealing with file **34022/3/2019**, pertaining to cancellation request.

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

TMB settlement on the cancellation request: on the 17.11.2020 term it denied both cancellation requests as groundless. It denied both parties' requests to compel one another to pay law suit expenses, as groundless. It was pronounced by placing the settlement to the parties' disposal by the court clerk; Document: Ruling 2221/2020 17.11.2020.

ASITO KAPITAL SRL

On 01.07.2017 the Company filed suing 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 ruling 4067/2017, the Company constituted a dispute provision amounting to 31,180,858 Lei.

Settlement in brief: It admitted the request and ordered the debtor to pay 2,237,750.83 Euros 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 indemnity 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 indemnity letter BR-1500520/29.07.2015; 200 Lei as law suit expenses. Cancellation request right was 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 Ruling 4067/07.11.2017 was legalised and transmitted to BEJ Raileanu in order to execute the enforcement title.

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

- 21,233,265.32 - according to Civil Ruling 4067/2017 (4,821,022.53 Euro at 4.4041);
- 9,948,592.64 - according to Civil Ruling 4067/2017 (2,237,750.83 Euro at 4.4458).

Under 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; deferred pronouncement on: 20.03.2019.

On the 19.02.2019 term when the juridical inquiry has 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 the request to return the stamp tax relating to the request with respect to reversing the enforcement as groundless;
- Denies the cancellation request filed by the contestor-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, the file being referred to the Bucharest Appeal Court to settle the appeal, no hearing term set for the time being. Transelectrica filed objection within the legal term, and the hearing term is to be established.

On 11.11.2019 term the case was postponed. Settlement in brief: it admitted the request. Spread out the judiciary stamp tax owed by the claimants under the case, in quantum of 185,790.30 Lei, into 3 equal monthly instalments, due on the 20th day of each month beginning with November 2019, in quantum of 61,930.10 Lei each. Re-examination request was granted within 15 days from notification.

On 17.02.2020 the case was deferred taking into account Ruling 3/06.02.2020 of the General Assembly of Judges from the Appeal Court Bucharest, whereby the decision was taken to continue the protestation forms used previously, namely activity suspension beginning with 22.01.2020, except for urgent cases of civil issues.

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

File **18109/3/2020** was submitted, a cancellation request to review file 35865/3/2018. On the 02.12.2020 hearing term the review as denied as inadmissible; final; Ruling 2428/02.12.2020

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 and requested compensations

for the expenses incurred to that date amounting to de 17,419,508 Lei and unrealised profits in 2013-2033 amounting to 722,756,000 Euro. So far the Company concluded no addendum to the connection contract since the suspensive conditions of the contract have not been 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. File 5302/2/2013 was on the docket of the High Court of Cassation and Justice. The Administrative and Fiscal Disputes section pertained to an obligation to issue administrative deed, case stage- appeal, hearing term on 09.12.2015. On this term the High Court of Cassation and Justice admitted the appeals in principle and set the substance term of appeals on 08 April 2016. Judge panel 4, summoning the parties.

Case judgment was deferred until 17.06.2016, when the court postponed pronouncement to 29.06.2016, when Decision 2148/2016 was issued whereby it decided as follows: "It denies the exceptions invoked by the recurrent-claimant SC 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 defendant National Power Grid Company Transelectrica SA against the hearing conclusion of 18 February 2014 and civil ruling 1866 of 11 June 2014 pronounced by the Appeal Court Bucharest, Section VIII of Administrative and 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 maintains the other ruling provisions as regards the claimant's suit 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. Pronounced at public hearing on 29 June 2016".

The file was registered under no. 12107/3/2017 on the docket of Bucharest Tribunal. By civil ruling 4364/23.11.2017 the Tribunal admitted the exception of inadmissibility and denied the request as inadmissible. It also denied the intervention request in the claimant's interest. Appeal right was granted within 30 days from notification. Appeal was filed to the Appeal Court Bucharest and placed at the parties' disposal by the court clerk office 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 denies as groundless the exceptions of absence of active procedural quality and absence of interest. It joins the case with the prescription exception. Appeal right granted with the first case. Pronounced by placing the settlement to the parties' disposal by means of the court's clerk office.

Term was granted on 26.11.2019 to continue with case research, summoning the parties. Appeal right was granted with the first case. It was pronounced by placing the settlement to the parties' disposal by means of the court's clerk office.

On 21.01.2020 the case was deferred in order to perform the expertise and the next 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 **11.05.2021** – to provide the expertise evidence.*

FF WIND ENERGY INTERNATIONAL SRL

File **47332/3/2017** 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, - 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 court denied the suing as filed as groundless. It acknowledged the defendant did not request law court expenses, appeal right 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. The court clerk office notified it on 28.12.2018. Document: Ruling 3891/ 28.12.2018.

Company FF Wind Energy International SRL filed appeal, which was heard on 18.06.2019, while pronouncement was deferred on 23.07.2019, when the settlement in brief was: "It denies the appeal as groundless. Appeal right within 30 days from notification. Appeal requests to be submitted to the Appeal Court Bucharest, Section VI Civil, pending the nullity sanction. Document: Ruling 1191/23.07.2019".

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

On the 12.05.2020 hearing term the parties were notified 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 on the report within 10 days from notification.

On the 13.10.2020 hearing term the settlement was thus: filter – the appeal request was admitted in principle with the following details- the exception of appeal nullity was denied, which was claimed by the intimated-defendant Transelectrica SA in the contestation. It admitted in principle the appeal filed by claimant FF Wind Energy International SRL through its judiciary administrator Aktiv Lex Insolvency SPRL against civil ruling 1191 of 23 July 2019, pronounced by the Appeal Court Bucharest.

*The next hearing terms was established on **30.03.2021**.*

ROMENERGY INDUSTRY

File **2088/107/2016** on the docket of Alba Tribunal pertains to "Bankruptcy - Request to be added in the creditors' list".

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

Settlement in brief: Establishing the term on **14.10.2019** to continue the bankruptcy procedure by capitalising the goods and recovering receivables. The judiciary liquidator will execute and submit to the file: - on each 15th day of the months for the previous months the monthly activity reports provided in para 1 of article 59 Law 85/2014; - for the verification term, 5 days before it the synthetic report of 120 days, provided in the final part of para 3 of article 59 Law 85/2014.

On the 27.01.2020 term the verification date is set on 11.05.2020 to continue the bankruptcy procedure by capitalising the assets and recovering the arrears. The judiciary liquidator will execute and submit to the file: - every 15th day of the month the monthly activity reports of the previous month, as provided in para 1 din article 59 Law 85/2014; - for the verification term, 5 days before it the 120 days' synthetic report, provided in the final part of para 3 from article 59 Law 85/2014.

On 11.05.2020 judgment was lawfully suspended during the emergency state instituted on Romania's territory.

On the 22.06.2020 term the case was deferred. Settlement in brief: approval was given to the report on the funds obtained by liquidating the debtor's assets and the 03.06.2020 distribution plan.

On the 18.01.2021 term the case was deferred. Settlement in brief: Report 1334 was approved on the funds obtained by liquidating the debtor's assets and Plan 1335 of funds distribution. The next term was set on **24.05.2021**, to continue the bankruptcy procedure by capitalising the assets and recovering the receivables.

DAGESH ROM

File **17284/3/2015** on the docket of Bucharest Tribunal / Appeal Court. Through its summons claimant Dagesh Rom requested compelling NPG Transelectrica SA to pay 2,784,950 Lei, representing rent indexation and delay penalties for rent

indexation + 168,500 Lei, representing the 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 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 suing, 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 pay 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.

MUNICIPALITY OF RESITA

File **2494/115/2018***, registered on the docket of Caras Severin Tribunal pertained to suing whereby claimant Resita City requested that the defendant NPG Transelectrica SA should be compelled 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; document: Ruling 313/11.03.2019

On 25.10.2019 term the territorial incompetence of Bucharest Tribunal was admitted. It declined the case

settlement competence in favour of Caras-Severin Tribunal. It ascertained the occurrence of the 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 view of settling the negative competence conflict. No appeal right was granted. Pronouncement to be made by placing the settlement to the parties' disposal by the court clerk. Ruling 2376/25.10.2019.

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

File **2494/115/2018****, term: 16.11.2020 with Caras Severin Tribunal; Settlement in brief: the case deferral request was admitted, filed by the claimant's representative to study the writs submitted on this hearing term to the case file, by the defendant's representative.

On 08.02.2021, the case was postponed and the requests for postponement of the case formulated by the representatives of the parties for the study of the documents submitted to the case file were approved.

The new trial term being established on 22.03.2021.

NAFA

At the offices of Transelectrica SA a general fiscal inspection took place targeting the interval December 2005 – December 2010. Such general fiscal audit began on 14.12.2011 and ended on 26.06.2017, date of the final discussion with Transelectrica SA.

ANAF - DGAMC established additional fiscal liabilities 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 the taxation decision F-MC 439/30.06.2017, in total sum of 99,013,399 Lei, ANAF – 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.

ANAF'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 ANAF, which had sent a tax inspection report on 20 September 2011 estimating the amount of collected VAT for a number of 123 unused invoices identified as missing.

The Company contested Taxation decision F-MC 439/30.06.2017 within legal terms, according to OG 92/2003 of the Fiscal Procedural Code.

ANAF issued the enforcement title 13540/22.08.2017 based on which the additional payment obligations established under the Taxation decision F-MC 439/30.06.2017 were executed.

The Company requested the Appeal Court to cancel the enforcement title 13540/22.08.2017 in file 7141/2/2017. Settlement in brief: It admitted the exception of the material incompetence of the Appeal Court Bucharest, SCAF. It declined the case settlement competence in favour of Law Court of Bucharest District 1. No appeal was granted. Such was ruled in open court on 08.02.2018. Document: Ruling 478/2018 din 08.02.2018.

After declining the competence, the casefile 8993/299/2018 was pending with the 1st District Court through which the Company disputed the enforcement started on the grounds of enforcement order no. 13540/22.08.2017 which is based on the Notice of assessment F-MC 439/30.06.2017.

Upon Company's contestation of the fiscal administrative document - Decision F-MC 439/30.06.2017, ANAF notified the Company its Decision 122/13.03.2018 through which it rejected, as groundless, the contestation filed by NPG Transelectrica SA; the decision was received on 16.03.2018, after filing the application for summons which was subject to casefile 1802/2/2018.

Settlement in brief: It admits the request of judgment suspension filed by the appellant. On the grounds of Article 413 (1) (1) of the Civil Procedure Code, judgement is suspended until the final settlement of case file no. 1802/2/2018, pending with the Court of Appeal Bucharest, Section VIII Administrative and Fiscal Disputes. Appeal right during the entire suspension, to be submitted to the Law Court of

Bucharest 1. It was ruled in open court. Document: Conclusion – Suspension 17.04.2018.

On the docket of the Appeal Court was the case file 1802/2/2018 through which the Company contested the fiscal administrative document – Decision F-MC 439/30.06.2017.

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

Pronouncement was deferred on CAB's hearing term of 21.07.2020.

On 30.07.2020 the case was placed on the docket again for additional explanations.

On the 20.10.2020 term the request was partly admitted with the following settlement in brief: the litispended requests were partly admitted; Ruling 122/13.03.2018 was partly cancelled, on settling the contestation filed against Taxation Decision F-MC 439/30.06.2017 issued by the National Agency of Fiscal Administration, General Dispute Settlement Division, Taxation Decision F-MC 439/30.06.2017 issued on 12.07.2017 by the National Agency of Fiscal Administration, General Directorate Managing Large Tax-Payers, Taxation Decision F-MC 439/30.06.2017 issued by the National Agency of Fiscal Administration, General Directorate Managing Large Tax-Payers and the Tax audit report F-MC 222 concluded on 30.06.2017, which was used for the taxation decision, meaning: - it removed the paying liability of the income tax amounting to 18,522,280 Lei, VAT in sum of 5,694,636 Lei and fiscal accessories pertaining to such main fiscal debts in quantum of 48,436,653 Lei, fiscal liabilities established for the 349 fiscal invoices of special regime found as missing from the claimant's books; it removed the non-deductible nature of 27,001,727 Lei when calculating the the taxable income, sum representing technological system services invoiced by electricity suppliers, considered as non-deductible after the fiscal audit and compelling the payment of main fiscal arrears and accessories on this amount; it removed the non-deductible nature of 343,629.91 Lei when calculating the taxable income, sum representing "weed-removing services" and payment obligation for the main fiscal arrears and accessories pertaining to such sum; it removed the non-deductible nature of 230,685,49 Lei when calculating the taxable income, sum representing expenses for promotional and protocol objects and payment obligation for the main fiscal arrears and accessories

pertaining to such sum; it removed the non-deductible nature of VAT in quantum of 46,417.1 Lei pertaining to 343,629.91 Lei, representing "weed-removal services" and payment obligations of the main fiscal arrears and accessories of this amount; it removed the non-deductible nature of VAT in quantum of 37,693.88 Lei pertaining to 230,685.49 Lei representing expenses for promotional and protocol products and payment obligation for the main fiscal arrears and accessories of such amount; it removed the mention about obliging the Transmission Branch Sibiu of NPG Transelectrica SA to register 576,846.80 Lei as taxable revenue on 30.06.2010 at the latest, date when the audited unit was accepted to be recorded in the creditors' table with such sum; it maintained the mention about the taxable revenue nature of 576,846.80 Lei when calculating the profit according to the provisions of article 19 para 1 of Law 571/2003 on the Fiscal Code, with later amendments and additions, corroborated with item 23 let. d of HG 44/2004 including the Methodological Norms to apply Law 571/2003, income tax chapter, namely chapter VII on the function of accounts from Order 3055 of 29 October 2009 approving the accounting regulations compliant with European directives and compelling the payment of main fiscal arrears and accessories of such sum; it removed the Minutes ascertaining the "determination of the deductible value added tax lower than that recorded by the claimant, thus resulting a difference of 13,141 Lei" (annex 15) and compelling the payment of main fiscal arrears and accessories of this amount; it removed the payment obligation for delay penalties of penalising juridical regime, calculated for more than 6 months from the inception date of the fiscal audit, regarding the main fiscal liabilities maintained by judgment in this ruling, as established by the Taxation Decision F-MC 439/30.06.2017 issued on 12.07.2017 by the National Agency of Fiscal Administration, General Directorate Managing Large Tax-Payers, Taxation Decision F-MC 439/30.06.2017 issued by the National Agency of Fiscal Administration, General Directorate Managing Large Tax-Payers and Decision 122/13.03.2018 on settling the contestation against the Taxation Decision F-MC 439/30.06.2017 issued by the National Agency of Fiscal Administration, General Dispute Settlement Division.

It maintained the other provisions of Taxation Decision 122/13.03.2018 on settling the contestation against the Taxation Decision F-MC 439/30.06.2017 issued by the National Agency of Fiscal Administration, General Dispute Settlement Division,

the Taxation decision F-MC 439/30.06.2017 issued on 12.07.2017 by the National Agency of Fiscal Administration, General Directorate Managing Large Tax-Payers, Taxation decision F-MC 439/30.06.2017 issued by the National Agency of Fiscal Administration, General Directorate Managing Large Tax-Payers. It denied the other litispended requests as groundless. It denied as groundless the request to grant court expenses as judiciary stamp tax. It compelled the defendants to jointly pay to the claimant the law court expenses amounting to 4000 Lei, representing fee for the accounting-fiscal expertise, in proportion to request admission. Appeal right was granted within 15 days from notification, to be submitted to the Appeal Court Bucharest; Ruling 382/20.10.2020.

OTHERS

The Company is also involved in significant disputes, especially in view of recovering receivables (e.g. Eco Energy SRL , Petprod SRL, Total Electric Oltenia SA, Arcelormittal Galati SA, Independent Authority of Nuclear Activity, Romenergy Industry SRL, Energy

Holding SRL, UGM Energy Trading SRL, CET Iasi, CET Bacau, CET Braila, CET Govora, CET Brasov, Elsaco Energy SRL, Elsaco Esco, Arelco Power SRL, Arelco Energy SRL, Inversolar Energy SA, Opcom, Menarom PEC SA Galati and others).

The Company recorded value allowances for clients and for other disputed receivables and for bankrupt clients as well.

At the same time the Company is involved in disputes with former Directorate and Supervisory Board members with respect to the mandate contracts concluded between them and the Company.

The Company's management believes that there are likely to be no instances where an outflow of resources will be required to settle unprovoked ongoing litigation.

In addition, there are no other disputes that by either their nature or value could require providing significant contingent assets or liabilities for Company activities.



Transelectrica®

Societate Administrată în Sistem Dualist

Report

Corporate governance and social responsibility

14. Corporate governance

The Corporate Governance Regulation

Once the shares were listed on the regulated market managed by the Bucharest Stock Exchange (“BVB”) the Company appropriated the principles from BVB’s Code of Corporate Governance. In accordance with BVB requirements Transelectrica has made public to investors the Company’s updated Corporate Governance Regulation.

The objective is to improve and consolidate the elements and principles of corporate governance in order to protect shareholders and their rights, as well as to comply with the transparency requirements.

The Corporate Governance Regulation represents an extremely important instrument for the Company, which is meant to synthetically gather in just one document the main rules and regulations existent and already applied by the Company. The central elements of such Corporate Governance Regulation are the investors’ access to information and the protection of shareholders’ rights.

The Company has adopted transparent culture and an efficient corporate governance model, the internal documents-support in this matter, but the Company’s behaviour is also aligned to the new BVB Corporate Governance Code. Reporting obligations in accordance with the new Governance Code of BVB are included in the periodical reports.

The document is elaborated in accordance with the principles established in the Corporate Governance Code of BVB and can be found on the site www.transelectrica.ro, section Investor Relations / Corporate Governance / the Company’s Corporate Governance Code.

Other applicable documents

The Company is complying with the provisions of the primary and secondary legislative provisions applicable to the capital market, as well as with the BVB’s and other organisations’ regulations, also observing and applying all the legislative provisions of the legislation regarding public societies and

enterprises, including other internal regulations and documents of the Company, which are relevant in this domain, of which:

- Law 24/2017 on the issuers of financial instruments and market operations, Law 297/2004 on the capital market, with later amendments and additions;
- ASF Regulation 5/2018 regarding the issuers of financial instruments and market operations;
- Code of the Bucharest Stock Exchange, Corporate Governance Code of BVB;
- Corporate Governance Code and the set of Anticorruption Principles elaborated by AmCham Romania, which are international reference standards in view of instituting a healthy business environment;
- Company law 31/1990, republished, with later amendments and additions (“Law 31/1990”);
- OUG 109/2011 on the corporate governance of public enterprises, with later amendments and additions (“OUG 109/2011”);
- Listing commitment to the Initial Public Offer (in 2006) whereby Transelectrica assumed to comply with the rights of security owners and provide equal treatment to all holders of securities of the same type and category;
- The Company’s Articles of association, with latest update on 21.12.2018 following Decision 16/21.12.2018 of the Shareholders’ General Extraordinary Assembly (“Articles of Association”);
- Regulation on the Supervisory Board’s organisation and operation;
- Code of Professional Ethics, compulsory for all organisational structures, which provides the ethical conduct norms establishing and regulating corporate values, the responsibilities, obligations and business conduct based on which the organisation has developed;

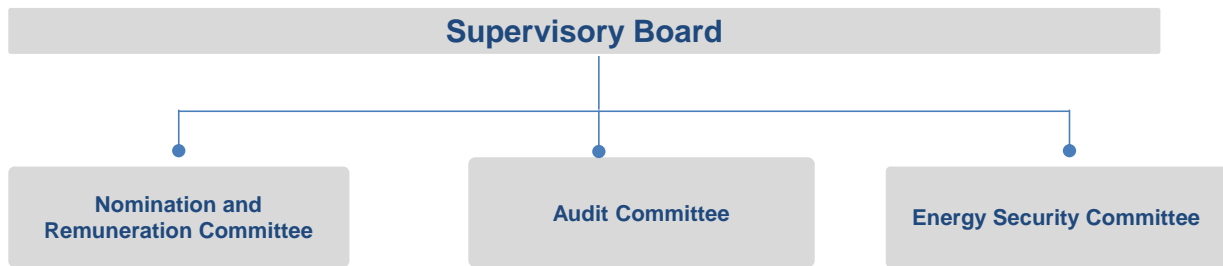


Figure 34: Structure of the Supervisory Board as of December 31st, 2020

The Supervisory Board

(hereinafter called “CS”)

On 31.12.2020 the Supervisory Board’s structure was the following:

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

In accordance with the Articles of Association the CS consists of seven members for a four years’ term at the most, and they can be recalled any time by the Shareholders’ General Assembly of the Company (“AGA”).

All members are non-executive as the Company governance devolves on the Directorate, in accordance with legal provisions and the Articles of Association. CS can meet any time however at least once every three months.

The Company bears the costs of professional liability insurance for CS members. The value of the insured amount and the insurance premium have been established under AGA decision.

In 2020 CS met every time Company interests required debates on issues found within its competence.

Electing the Supervisory Board members by the cumulative vote method

Upon request from shareholders representing, individually or jointly, at least 10% of the share capital subscribed and paid, the Directorate is compulsorily convening the AGA with agenda including election of CS members applying the cumulative vote method.

Any shareholder holding less than 10% of the share capital subscribed and paid can make written proposals in writing addressed to the Directorate, to apply the cumulative voting method, within 15 days from the publication in Romania’s Official Gazette, Part IV, of the convening notice with agenda including election of CS members. In such cases the application of the cumulative voting method for CS members is subjected to the approval of the Shareholders’ General Assembly.

Such method of the cumulative vote provides each shareholder with the right to attribute his / her cumulated votes – obtained by multiplying the votes held by any shareholder with the number of members to be included in the CS, in accordance with his / her participation to the share capital – to one or more persons proposed to be elected in the CS.

Shareholders by exercising the cumulative voting method can give all their cumulated votes to a single candidate or to more candidates. They will specify the number of granted votes across the name of each candidate.

In case the cumulative voting method is applied CS members in office on the general assembly’s date will be enlisted ex officio in the candidate list for election of CS members, next to the candidates proposed by shareholders.

All candidates mentioned in the candidature lists will be submitted to the shareholders’ vote during AGA.

CS members in office on the general assembly’s date who are not reconfirmed by cumulative vote as CS members are considered as recalled from such position by decision of the general assembly.

The mandate term of CS members in office on the date of the shareholders’ general assembly where the cumulative vote was cast will continue in case they were reconfirmed by the cumulative vote.

In case two or several persons proposed to become CS members obtain the same number of cumulated

votes the elected person will be declared the one who was voted by a greater number of shareholders.

The selection criteria for CS members election in case two or several persons proposed obtain the same number of cumulated votes, expressed by the same number of shareholders, are established by the shareholders' general assembly and specified in its minutes.

Throughout 2020 CS members have not been elected by cumulative vote.

Remuneration of the Supervisory Board

Supervisory Board members benefit of gross fixed monthly remuneration established by AGA in accordance with applicable legal provisions.

Membrii Supervisory Board beneficiază de o remunerație brută fixă lunară, stabilită de AGA in accordance with prevederile legale în vigoare.

Until 20 December 2020 the maximum fixed gross monthly indemnification owed to CS members during their provisional member mandates was established under AGA Decision 31/26.11.2019 to 13,976 Lei gross / month.

Beginning with 21 December 2020 the maximum fixed gross monthly indemnification owed to CS members during their provisional member mandates was established under AGA Decision 11/21.12.2020 to 15,532 Lei gross / month.

The mechanism granting the gross fixed monthly indemnification is as follows:

- The Supervisory Board chairman and CS members who are active in at least two 2 consultative committees constituted within the Board benefit of the maximum amount of the gross fixed monthly indemnification;
- Supervisory Board members who are active in one consultative committee constituted within the Board benefit of 90% from the maximum amount of their gross fixed monthly indemnification;
- Supervisory Board members who are not active in the consultative committees constituted within the Board benefit of 85% from the maximum amount of their gross fixed monthly indemnification;

The fixed monthly indemnification will be payable to the grantee once a month, when the grantor's salary liabilities to its employees are paid, on the month end.

In addition to the fixed indemnification the grantee is entitled to receive a variable annual component of the remuneration in case he/she accomplished at least 70% of the performance criteria and objectives approved by AGA and provided in the Administration Plan, which will become operational after AGA approval.

The annual variable component established based on financial and non-financial performance indicators is in quantum of 12 fixed monthly indemnifications.

In case of a grantee whose mandate contract ends before term (regardless of cause), in the time period from the beginning of the respective calendar year and the end date of the mandate contract, the annual variable component of the remuneration pertaining to the performance indicators mentioned in the Administration Plan will be granted by fractions in proportion to the number of days of the respective year when the mandate contract was valid, based on which such is granted.

Since the grantee was appointed on 30 September 2020, in the time period from the appointment date and the end of such calendar year the annual variable component of the remuneration pertaining to the performance indicators mentioned in the Administration Plan will be granted by fractions, in proportion to the number of days of the respective year when the mandate contract was valid, based on which such is granted.

The annual variable component will be paid within 15 days from the AGA approval date of the annual audited stand-alone financial statements.

Performance indicators, objectives and criteria mentioned in the Administration Plan can be reviewed and properly changed in case force major events occurred or if significant changes were made in the legislative framework or were decided by regulatory authorities like for instance without limitation ANRE.

As far as contractual execution is concerned, including the remuneration owed to the grantee, one will take into account the financial and non-financial performance indicators approved by AGA of Transelectrica.

Attributions of the Supervisory Board

Supervisory Board have in the main the following attributions:

- Exercising control over the manner in which the Directorate manages the Company;
- Verifying the revenue and expense budget and the investment programme during the financial

year submitted for approval of the Shareholders' General Assembly;

- Performing any attributions provided by the special legislation applicable in the domain of public enterprise administration;
- Determining the structure and number of Directorate members;
- Appointing and recalling the Directorate members and establishing their remuneration;
- Verifying whether the activities performed in the name and on behalf of the Company are compliant with the law, the articles of association and the shareholders' general assembly's decision;
- Submitting to the shareholders' general assembly a report, at least once a year, with respect to the supervisory activities performed;
- Representing the Company in its relations with the Directorate;
- Approving the Directorate's internal rules;
- Verifying the Company's financial statements;
- Verifying the report of Directorate members;
- Proposing to the general assembly the appointment and recalling of the financial auditor, as well as the minimum term of the audit contract;

At the same time in exceptional circumstances when the Company interest so requires the Supervisory Board can convene the shareholders' general assembly and certain type of operations cannot be carried out without the Supervisory Board's agreement. They are the following:

- Procurement of products, services and work, regardless of duration, amounting to more than 5,000,000 Euros;
- Operations pertaining to the provision of transmission services, system services, administration of the wholesale electricity market; operations to collect the contribution for high efficiency cogeneration, to pay the bonus and return the overcompensation / undue bonus; operations of RET connection, of provision for coexistence conditions, location free-up and work execution, technical consultancy and project management for such work; land sale-purchase operations as necessary for the new installations according to RET-connection contracts, as well as the lands necessary for access roads to such installation; operations to constitute in favour of the Company use and servitude rights, areal rights, utilisation rights, to impact in any mode the lands occupied by new

installations according to RET-connection contracts, as well as any operations to be made for the good development of the Company's main business in accordance with applicable regulations, amounting to more than 10,000,000 Euros;

- Initiating, settling, exercising, giving up certain claims, dispute & arbitration above 500,000 Euros;
- Commitments that involve important obligations of the Company, except for operations provided in the first two items amounting to more than 5,000,000 Euros;
- Any free deed, including any sponsorships and donations offered by the Company of individual value above 100,000 Lei;
- Establishing or dissolving secondary Company offices, in the country or abroad (branches, representation offices, agencies or any other similar unit without legal personality);

At the same time Supervisory Board have diligence and loyalty duties to the Company and they observe this obligation if when a business decision is made they are reasonably entitled to deem they act in the Company's interest. The Supervisory Board, while exercising their essential control attributions over the manner in which the Directorate leads the Company and verification of activities performed in the name and on the Company's behalf are entitled and obliged to establish, in relation to the Directorate and the Company, modes of control, verification and reporting they deem necessary for the fulfilment of such attributions. In correlation thereof, the Directorate has the duty to provide Company-wide the reporting procedures and organisational conditions necessary for the performance of control and verification attributions entrusted to the Supervisory Board.

Consultative Committees

On 31.12.2020 within the Supervisory Board three consultative committees were constituted:

- *Audit committee;*
- *Nomination and remuneration committee;*
- *Energy security committee,*

Having the following membership:

Audit committee: Jean-Valentin COMANESCU, Adrian GOICEA, Luiza POPESCU, Ciprian Constantin DUMITRU, Mircea Cristian STAIU, Oleg BURLACU and Mihaela POPESCU.

Nomination and remuneration committee: Oleg BURLACU, Adrian GOICEA, Jean-Valentin COMANESCU, Luiza POPESCU, Ciprian Constantin DUMITRU, Mircea Cristian STAIU and Mihaela POPESCU.

Energy security committee: Luiza POPESCU, Ciprian Constantin DUMITRU, Adrian GOICEA, Oleg BURLACU and Mihaela POPESCU.

Decisions of consultative committees are taken with majority of votes. In case of ballot the committee chairman casts the decisive vote.

In accordance with the approved organisation and operation regulation at least a member of each constituted committee should be an independent administrator, with the meaning ensuing from the company law and the capital market's legislation and regulations. As far as the audit committee is concerned, most of its members should be independent administrators.

Any member of a consultative committee can convene committee meeting for the committee he/she is a member of. Such convening notice of consultative committees will be transmitted to each committee member in writing, by fax or electronic mail to the e-mail address and fax number of the respective committee member.

Attributions of the committees within the Supervisory Board

The main attributions of CS committees, depending on their activity domain are as follows:

The Nomination and Remuneration Committee

- Formulating proposals for member positions in the Supervisory Board and the Directorate;
- Elaborating and making proposals to the Supervisory Board with respect to selecting Supervisory Board members, Directorate members for the Company as well as for other managerial positions;
- Formulating proposals for the remuneration of Directorate members in the Company and of other managerial positions, while observing the general remuneration limits approved by the Shareholders' general assembly;
- Coordinating the appointment of Directorate members;
- Providing the total sum of the direct and indirect remuneration of Directorate and Supervisory Board members in the Annual Report;

The Audit Committee

This committee assist the CS with fulfilling its responsibilities with respect to financial reporting, internal audit and risk management.

The Audit committee's attributions pertaining to financial reporting and statutory audit:

- Monitoring the financial reporting in all the Company;
- Monitoring the statutory audit of annual financial statements and of the annual consolidated statements;
- Examining regularly the efficiency of financial reporting;
- Verifying and monitoring the statutory auditor's independence or of the audit company's and, more especially, the provision of additional services to the audited entity;
- Formulating recommendations to the Board regarding appointment of the Company's external auditor (statutory auditor or audit firm) with respect to selecting, appointing, reappointing and replacing the external auditor, and the terms and conditions for such remuneration;
- Monitoring the external auditor's independence and objectivity, especially by monitoring the turnover of partners in the audit firm;
- Receiving and examining the external auditor's report with respect to the essential aspects resulting from statutory audit and especially with respect to significant deficiencies of internal audit as regards financial reporting processes;
- Supporting the Board with monitoring the credibility and integrity of the financial information supplied by the Company, especially by reviewing the relevance and consistency of accounting standards applied by it (including the consolidation criteria);

The Audit committee's attributions for internal managerial control:

- Monitoring the effectiveness of internal control, internal audit systems and, as the case may be, the risk management systems within the Company;
- Examining regularly the efficiency of internal control and the risk management system applied by the Company;
- Making sure the audit reviews performed, as well as the elaborated audit reports ensuing from the former are compliant with the audit plan approved for the Company;

- Proposing to the Board the control, verification and reporting modalities necessary for the exercise of essential control attributions over the manner in which the Directorate manages the Company, as well as for the verification of activities performed in the Company's name and on its behalf;
- Verifying Company-wide the achievement of obligations regarding non-financial reporting;
- Carrying out the attributions provided in article 65 of Law 162/2017 on the statutory audit of annual financial statements and of consolidated financial statements and amending certain norms;

The Energy Security Committee

- Monitoring and counselling the Supervisory Board, the Directorate and the Company's speciality compartments in the strategic objective domain in line of: transmission and system operator responsible for electricity supply under safe condition to overall SEN; RET operation in terms of energy security for the overall SEN; energy security and protection of critical infrastructures;
- Getting involved under Supervisory Board's mandate together with the Directorate in the dialogue with public authorities with attributions and competence in the energy security domain (Ministry of Energy, specific commissions of the Parliament, etc.);

CS committees activity in 2020

Activities of the Energy security committee in 2020 focused on the identified issues / risks with respect to energy security; proposals and solution modes of detected issues / risks and remunerative insufficiency as a security issue for the Company; the organisational structure and activity of Critical Infrastructure Department and Classified Information Department.

Technical requirements for power units and plant connection to SEN were analysed; they debated the preDefendation of installations and networks for the 2020-2021 winter, and an activity plan was submitted to increase cross-border capacity.

The measures taken by the Company for SEN security during the pandemic were also debated.

Activities of the Nomination and remuneration committee in 2020 analysed on the Company's organisational structure, the personnel's remuneration policy, the procurements and investments performed by the Executive and the Company's Territorial Transmission Units. At the

same time the selection procedure for Directorate members was approved in accordance with the provisions of OUG 109/2011 on the corporative governance of public enterprises; the selection criteria were approved (Directorate profile, candidates' profile for the positions of Directorate members) as well as the announcement for Directorate member selection and its publication mode.

Proposals and recommendations were also expressed to appoint provisional Directorate members, as well as the Directorate members appointed for a 4 years' mandate according to the provisions of OUG 109/2011 on the corporative governance of public enterprises.

The *Audit committee* performed the following activities during 2020:

- Verifying the Company's 2020 annual Investment Plan and the investment expenses of 2021 and 2022; checking the 2020 Revenue and expense budget and the estimations for 2021-2022;
- They also debated the accomplishment of the 2019 Audit mission plan, the implementation stage of recommendations resulting from the audit missions of 2019 and acknowledged the Plan of internal public audit missions for 2020;
- The 2019 Audit Committee's Report was elaborated within the Supervisory Board of NPG Transelectrica SA (TEL) about the internal control systems and management of significant risks within the Company; the Company's 2019 stand-alone / consolidated financial statements were verified and the financial auditor's Report;
- The stand-alone simplified financial statements as of and for the 3 months' period ending on 31 March 2020, The simplified stand-alone / consolidated financial statements for the 6 months' period ending on 30 June 2020, and for the 9 months' period ending on 30 September 2020;

Directorate

On 31.12.2020 the Directorate membership was the following:

- Catalin Nitu, Chairman
- Andreea-Mihaela Miu, Member
- Marius Viorel Stanciu, Member
- Corneliu Bogdan Marcu, Member
- Ovidiu Anghel, Member

Organisation of the Directorate

Directorate members are appointed and recalled by the Supervisory Board. One of the Directorate members is appointed by the Supervisory Board as Directorate chairperson (alternatively called Executive Director General or Chief Executive Officer – “CEO” – of the Company), that convenes the Directorate meetings and is also responsible for the good organisation of Directorate activities in the capacity of collective management body with a view to fulfil the attributions and responsibilities incumbent to them, or respectively are on its behalf according to the applicable law and the Articles of Association.

Directorate members are appointed and recalled by the CS. The CS therefore establishes the number of Directorate members, provided such number is no smaller than three and no greater than seven, as it has to be always odd. A Directorate member will be appointed Directorate chairperson (alternatively called Executive Director General or Chief Executive Officer – “CEO” – of the Company).

In accordance with the provisions of OUG 109/2011, their mandate is provided for a 4 (four) years' term. In case a Directorate member position becomes vacant the Supervisory Board will appoint another member for the remaining term of the replaced member's mandate, selected in accordance with the provisions of the Governmental Emergency Ordinance 109/2011.

Remuneration of the Directorate

In 2020 until 16.11.2020 Directorate members had gross fixed monthly indemnification established by the Supervisory Board in accordance with applicable legal provisions as follows:

- Indemnification for Directorate chairperson – 33,600 Lei gross/month;
- Indemnification for Directorate members – 31,200 Lei gross/month;

Beginning with 17.11.2020, according to the mandate contract approved by CS Decision 74/2020, Directorate members have fixed gross monthly indemnification of 46,597 Lei gross/month and an annual variable component for accomplishment of performance indicators assumed in the Management Plan.

On 10 December 2020 the Company's 2020-2024 Administration Plan was published, structured by two components, namely the administration part elaborated by the Supervisory Board and the

management component elaborated by Directorate members.

The annual variable component for the indicators mentioned in the Management Plan, associated to each mandate year, is in quantum not exceeding 12 fixed indemnities and is owed to the grantee only when the actual achievement of such performance indicators in the year the determination is made of is accomplished at the values assumed under the Management Plan. The mandatee will cash annually the sum calculated as such, within 15 days from the AGA's approval date of the annual stand-alone audited financial statements.

In case of a grantee whose mandate contract ends before term (regardless of cause), in the time period from the beginning of the respective calendar year and the end date of the mandate contract, the annual variable component of the remuneration pertaining to the performance indicators mentioned in the Management Plan will be granted by fractions in proportion to the number of days of the respective year when the mandate contract was valid, based on which such is granted.

Since the mandatee was appointed on 17 November 2020, in the time period from the appointment date and the end of such calendar year the annual variable component of the remuneration pertaining to the performance indicators mentioned in the Management Plan will be granted by fractions, in proportion to the number of days of the respective year when the mandate contract was valid, based on which such is granted.

Such annual variable components will be paid within 15 days from the AGA approval date of the annual audited stand-alone financial statements.

Performance indicators, objectives and criteria mentioned in the Administration Plan can be reviewed and properly changed in case force major events occurred or if significant changes were made in the legislative framework or were decided by regulatory authorities like for instance without limitation ANRE.

Performance criteria and objectives

In accordance with AGOA Decision 11/21.12.2020 and CS Decision 82/21.12.2020, the financial and non-financial performance indicators approved by AGOA Decision 11/21.12.2020 constitute Annex 3 to the Mandate Contract approved by CS Decision 74/2020.

The strategic objectives taken into calculations to grant the Directorate the variable component of remuneration, included in the Management Plan, are:

1. Strategic objective 4.1 – providing the profitability degree

Accomplishment of at least 70% EBITDA (gross operational result), calculated annually based on the Revenue and Expense Budget approved for 2020 – 2024;

Minimum annual threshold: EBITDA realizat x 70%

Formula: (Revenue) – (Expenses excluding interest, tax, depreciation and amortisement) = EBITDA

2. Strategic objective 4.4 – indebtedness indicators

Throughout the mandate the Net liability rate / EBITDA indicator should in no case exceed annually 4.0 where:

Formula: Net liability rate / EBITDA ≤ 4.0 where:

Net liability rate = all interest-bearing loans, of which bank cash is subtracted;

EBITDA = profit before interest, tax, depreciation and amortisement

3. Strategic objective 4.8 – providing RET maintenance

During the mandate RET maintenance should be provided 90%, calculated annually with the values of the Revenue and Expense Budget for 2020 – 2024;

Minimum annual threshold = approved maintenance budget x 90%

4. Strategic objective 4.6 – RET upgrade/development

Achieving at least 70% of the annual investment plan of 2020 - 2024 (Annex 4 to the Revenue and Expense Budget approved by AGA);

Minimum annual threshold = approved investment plan x 70%

Performance objective

Outstanding payments to the state budget during the 2020 - 2024 mandate period should be “zero” thousand Lei.

Note:

- In case of possible distortion of key performance indicators included in mandate contracts, which distortions can come from conjectural activities as described in the State budget law 5/2020, article 48 para (1) & (3) providing that, when determining the gross result prelimited / estimated to be obtained “no operational revenues and / or expenses will be taken into account if achieved upon conjectural situations or activities”, they will not be taken into consideration;
- Also any negative impact over the key performance established indicators, which is owed to past events with negative influence in the current and future Company results will not be taken into consideration;

Index	Key performance indicators (p.a) Approved by SGOA no. 11/21.12.2020	2020 Objective Acc. to SGOA Decision no.11/21.12.2020	2020 Indicators Acc. to IEB approved by SGOA Decision no. 2/06.03.2020	Achieved 2020	Degree of achievement %	Δ
		1	2	3	4=(3/2)	5=(3-1)
4.1	EBITDA (RON mn values)	265	379	442	117%	+RON 176 mn
4.4	Indebtedness degree	4	-	-1.13	100%	< 4
4.8	Ensuring PTG maintenance	84	93,5	92.6	99%	+RON 8 mn
4.6	PTG investment plan (RON mn values)	269	384	360	94%	+RON 92 mn
5	Outstanding payments to the state budget	0	-	0	100%	-

NOTE:

4.8 - Maintenance costs include PTG maintenance (major, minor), spare parts and auxiliary materials used for PTG maintenance

4.6 - Investment plan - Revision A11

Attributions and duties of the Directorate

The Directorate performs all actions necessary and useful for the accomplishment of the Company's activities, except for those the law reserves on behalf of the Supervisory Board and the Shareholders' general assembly, as Company management devolves to it exclusively according to the applicable law.

The Directorate exercises its attributions under the Supervisory Board's control and has the duty to:

- Provide the Supervisory Board, at least once every 3 (three) months, with written reports regarding the Company management, Company activities and the possible Company development;
- Provide Company-wide the reporting procedures and organisational conditions necessary for the exercise of control and verification attributions devolving on the Supervisory Board;

The Directorate manages the Company, approves all Company operations, others than what is provided for the competence of the Shareholders' general assembly and represents the Company in its relations with third parties and the courts.

The main Directorate tasks performed under the supervision of the Supervisory Board (CS) are:

- Establishing the Company's strategy, development policies, accounting policies, the financial audit system and approving the financial planning;
- Approving the Company's organisational structure (organisation chart) and its Organisation and operation regulation;
- Submitting annually a report to the Shareholders' general assembly with respect to Company activities, financial statements of the previous year, the draft budget and the Company's investment plan of the current year;
- Concluding juridical deeds with third parties in the Company's name and its behalf while complying with the provisions of the Articles of Association regarding the joint signature and observing as well the aspects reserved for the competence of the shareholders' general assembly or the Supervisory Board's;
- Hiring and firing, establishing the tasks and responsibility of Company employees in accordance with the Company's personnel policy;
- Negotiating the Collective labour contract Company-wide, as well as its addendums together with employees' representatives;

- Performing all the deeds and applying all measures necessary and useful for the management and accomplishment of the Company's activities, except for those reserved by law or under the Articles of Association on behalf of the shareholders' general assembly and of the Supervisory Board. To this effect the Directorate approves Company operations, others than those provided for AGA's competence, being obliged to get the CS agreement for the kinds of operations which the law or the Articles of Association provides such an agreement for;
- Approving the mandates of Company representatives in the shareholders' general assemblies of Company subsidiaries and quarterly informing the CS about the mandates granted to them;
- Approving with the CS agreement the establishment or dissolving of secondary offices (branches, representation offices, agencies or any other similar unit without legal personality);
- Approving the Company's conclusion of juridical deeds such as the company contract regulated by the Civil code whenever the result is not a distinct entity with legal personality and approving the Company's participations as member in internal or international organisations;
- Exercising any competence provided by law or delegated by the shareholders' general assembly according to legal provisions;
- Carrying out any attributions provided in the special legislation applicable to the management of public enterprises;
- Putting in application the decisions taken by the shareholders' general assembly;

The Directorate informs the Shareholders' general assembly, at least twice a year with respect to the following types of operations:

- Procurement of products, services and work, regardless of duration, amounting to more than 5,000,000 Euros;
- Initiating, settling, exercising, giving up certain claims, dispute and arbitration above 500,000 Euros;
- Commitments involving important Company obligations amounting above 5,000,000 Euros;
- Credits, regardless of term, under 50,000,000 Euros;
- Credit securities below 50,000,000 Euros;

The Directorate is obliged to obtain the Supervisory Board's agreement for certain types of operations, as in case of such operations the Directorate is able to

approve the respective action only when the Supervisory Board's agreement has been obtained. In case of refusal the Directorate has also the possibility to resort to the agreement of the Shareholders' general ordinary assembly that will decide according to legal terms.

In the absence of candidates selected by the competent authority with respect to appointing the Company's Supervisory Board and Board appointment by the Shareholders' general assembly for 4 years' mandate according to the Articles of Association in 2019 both within the Supervisory Board and the Directorate there has been provisional situation without an administration plan and objectives / indicators applicable to mandates execution, circumstances relying on the provisions from article 64¹ and article 64² of 109/2011.

The General Assembly of Shareholders

AGA is the governing body of Transelectrica that decides on the Company's activities and economic policy. It can be ordinary or extraordinary and its specific attributions are provided in the Articles of Association.

Once the Company's financial instruments have been listed on the regulated market managed by the BVB it has assumed the obligation to observe the rights of financial instrument holders issued by it and to provide them equitable treatment.

Thus all holders of financial instruments of the same title category are treated equitably and all financial instruments of the same type and category conferring equal rights to holders.

Each share confers to its holder as provided in the Articles of Association:

- Voting right within AGA (a share = a vote);
- The right to elect and be elected into governance bodies;
- The right to participate to profit distribution (dividend right);

Holding a share certifies the lawful adhesion to the Articles of Association.

All shareholders are entitled to participate to AGA, to exercise their voting rights and to express their opinions during debates.

The Shareholders' General Ordinary Assembly has the following obligations and attributions:

- Debating, approving or amending the annual financial statements based on the reports

submitted by the Directorate, the Supervisory Board and the financial auditor;

- Approving the profit distribution and setting the dividend;
- Electing and recalling the Supervisory Board's members;
- Appointing and dismissing the financial auditor and setting the minimum term of the audit contract;
- Setting the general limits for the remuneration of Directorate members;
- Setting the remuneration owed to Supervisory Board members for the current exercise;
- Having its say about the management of Directorate and Supervisory Board members, assessing their activities and discharging them of liability, according to legal terms;
- Deciding on taking to court the Directorate and Supervisory Board members, as the case may be, for damages caused to the Company;
- Establishing the revenue and expense budget and the investment programme for the financial year submitted to approval;
- Deciding on whatever relates to its competence according to applicable legislation;
- Examining the Supervisory Board's reports with respect to their activities;
- Deciding on pledging or renting one or several Company units;

The Shareholders' General Extraordinary Assembly gathers every time it is necessary to decide over one of the following issues:

- Changing the Company's juridical form;
- Relocating the Company offices;
- Changing the Company's activity domain;
- Increasing the Company's share capital;
- Reducing the Company's share capital or replenishing it by issuing new shares;
- Merger with other companies;
- Splitting the Company;
- Anticipated Company dissolving;
- Share conversion from one category to another;
- Converting nominative shares into bearer ones or the bearer shares into nominative ones;
- Share conversion from one share category to another;
- Bond issuance;
- Concluding deeds to acquire, estrange, change or turn into security some of the Company's intangible assets whose value exceeds, individually or cumulatively, during a financial year

20% of the total accounting value of the Company's intangible assets minus receivables;

- Any changes in the Articles of Association or any other decision which AGA's approval is required for;

Besides the competences and attributions mentioned above or in legal provisions the Shareholders' General Extraordinary Assembly decides on the following issues:

- The Company's making as creditor all kinds of loans or loan-type bonds;
- Establishing or participating to the establishment of entities with distinct juridical personality of patrimonial or non-patrimonial purpose, as well as participating to the share capital of other companies;
- Contracting credits with term above or equal to 5 years, and value above or equal to 50,000,000 Euros;
- Constituting guarantees amounting to more than or precisely to 50,000,000 Euros;
- Establishing the minimum amount of the insured amount and the maximum level of the insurance premium for the professional liability insurance of Supervisory Board and Directorate members;

The Company performs all due diligence to facilitate shareholders' participation to AGA reunions, encourages the dialogue between shareholders and the Supervisory Board and / or Directorate members, as well as the full exercise of their rights. The Shareholders' General Assembly is the real mechanism for the exercise of all shareholders' rights. The convening notice becomes public within 24 h from AGA convocation on the BVB site, on the Company's site www.transelectrica.ro and on the ASF site, and in the Official Gazette within maximum 4 days with maximum 5 days from convocation for the press. Similarly materials submitted to debate are published according to the agenda and legal terms.

Each AGA convocation comprises the location, date and time when it is to be held, at first convocation, the reunion organisation address and the date, time and place of the second convocation.

AGA convocation explicitly mentions the items that will undergo debate and their justification. The organisation and running of every AGA as well as the participation procedures are explicitly provided directly in the convocation notice so that all shareholders might know who wants to participate to the reunion. The Company encourages the participation of shareholders to AGA and takes all measures to facilitate it. The materials subject to debate are published on the www.transelectrica.ro site, section

Investor Relations / AGA, and shareholders are invited to ask questions about the agenda items.

The access of shareholders entitled to participate to AGA is allowed by simple proof of their identity given, in case of natural person shareholders by their identity card or, in case of legal person shareholders or of natural shareholders that are represented by the power of attorney handed over to the individual representing them.

In case of shareholders that cannot participate the Company provides the following possibilities for vote exercise:

- a) By representation under power of attorney;
- b) By correspondence;
- c) Remotely;

Shareholders will be able to vote within AGA by electronic means as well according to Law 455/2001 on the electronic signature, with later amendments and additions, and as per ASF regulations. The related forms (correspondence voting form and the special power of attorney) are also posted on the site www.transelectrica.ro, section Investor relations / AGA both in Romanian and English.

The decisions made during AGA are disseminated on the reunion day using similar means to those provided previously for convocation. Voting results will be published on the Company's website within maximum 15 days from the date of AGA reunion.

To place relevant information at the shareholders' disposal in real time the Company has established its own website, www.transelectrica.ro, a special section entitled Investor Relations, easy to access and permanently updated. The page is structured so as to contain all the information necessary to security holders, including AGA information. AGA is convened by the Directorate every time it is necessary according to legal terms. In exceptional cases when the Company so requires the CS can also convene the AGA.

AGA reunions are held in Romanian.

Internal Control

Company-wide internal control represents the ensemble of policies and procedures devised and implemented by its management and personnel alike, with a view to achieve the general objectives.

The mission of internal managerial control activities consists in providing internal administrative control within the Company with a view to achieve proper quality, Company attributions established according to

its own mission under regular, effective, economic and efficient conditions.

The activity domain of internal managerial control comes from the activity domains of component organisational sub-units, and it consists of:

- Providing internal control for Company-wide activities and into its organisational units;
- Participating into commissions investigating thoroughly the fraud and proposing sanctions according to its competence domain;
- Preventing conflicts of interest when managing Company funds according to its competence domain;
- Promoting loyal competition and antitrust policies by detecting, disheartening and sanctioning the anti-competitive conventions according to its competence domain;

The main objectives of internal control are systematic ethical economic efficient effective operations, execution of liability obligations, compliance with applicable legislation and regulations, protecting resources against losses and damages by waste, abuse, improper management, errors, fraud, irregularities; by monitoring, coordinating and methodologically guiding the implementation and development of the internal / managerial control system.

Operational procedures have been elaborated, which are reviewed every time there is need. Thus operations, processes and activities are periodically reanalysed in order to make sure they are compliant with the rules, policies, procedures or any other current requirements.

Operational procedures are available for all Company employees and are posted on the Company's intranet portal. They establish by their very structure the tasks for each organisational / entity structure within the Company. Operational procedures are applicable and in force, being verified at every entity's on the occasion of audits.

Public internal audit

The Company has organised its internal public audit by means of an own structure since 2004. In accordance with the Organisational and functional structure valid as of 04.10.2018, approved under Directorate Decision 193/02.10.2018, the Public Internal Audit (API) structure is subordinated to the Company's Directorate.

Company-wide audit activities are performed in accordance with one's own norms endorsed by the

superior hierarchical body (Secretariat General of the Government) under no. 1911/11.06.2014. Out of the Company's five subsidiaries only four have organised and develop their own public internal audit activities (Opcom SA, Smart SA, Teletrans SA and Formenerg SA). Subsidiary Icemenerg Service SA has no public internal audit organised, being provided by the Public Internal Audit (API) structure of the Company.

Role

- Providing consultancy and assurances with respect to the risk management, control and governance systems, contributing to acquiring added value and providing recommendations to improve them;
- Assisting the Company management in accomplishing the objectives and providing objective detailed assessments on the legality, regularity, efficiency, economy and effectiveness of performed activities and operations;

Regulations and principles governing the activity

- Law 672/2002 regarding public internal audit, as subsequently added;
- The general norms regarding the exercise of public internal audit activities (HG 1086/2013);
- Ethical code of conduct for the internal auditor, which provides the ethical framework necessary for the internal auditor trade;
- The internal audit charter establishes the position of the internal audit structure within the public entity, defines the activity domain of public internal audit as well as the internal auditors' rights and obligations;
- Organisational independence within the Company so as not to be subject to any kind of interference, beginning from the establishment of audit objectives, actual work specific to the mission and up to communicating the results;
- Individual objectivity, competence, professional conscience and permanent professional training of auditors;
- Integrity, obligation to maintain confidentiality and political neutrality of internal auditors;

Planning public internal audit activities

Annual planning is established under the Multiannual plan of internal public audit, 2017 - 2021 based on analysis of associated risks and on certain requests from Directorate and Supervisory Board members.

Taking into account risks associated to activities are generated by the economic and social environment of activity performance, there is need to periodically

reevaluate risks in order to supervise them according to their dynamics.

Also to make a fundamental risk analysis and to reduce as well the subjective degree of risk analysis it is required to use well defined risk analysis criteria while also explaining the actual accomplishment mode of risk analysis and the establishment of the risk score points.

Risk analysis criteria used for annual and multiannual planning are as follows:

- Likelihood of risk occurrence;
- Seriousness of event consequences (impact level);

Public internal audit activities

In 2020 Company-wide 27 internal public audit missions were carried out, of which one ad-hoc mission and one for assessment. They targeted the following domains:

- Financial-accounting;
- Specific functions;

All planned missions have been achieved in due time, and the Annual plan has been accomplished 100%.

Audit activities performed in 2020 were included in a report that was submitted to the superior hierarchical body (Secretariat General of the Government).

Taking into account the Methodological norms regarding the exercise of the Company's public internal audit, there is periodical analysis on the implementation results, progress registered with implementing the recommendations reported by the audited entity / structure. There is annual reporting of the progress registered in the implementation of recommendations to the Company's management and to the public internal audit structure from the superior hierarchical body.

In 2020 a number of 150 recommendations were formulated, of which:

- 77 recommendations implemented on the established term;
- 1 recommendation after the established term;
- 14 recommendations partially implemented, but their term has not been exceeded;
- 46 recommendations not implemented but their established implementation term has not been exceeded;
- 12 recommendations with exceeded term;

The Company's public internal audit structure issued the Programme for quality insurance and improvement, and the latest update of this document was made on 11.01.2018.

In accordance with the provisions of item 2.3.7 from annex 1 to HG 1086/2013, within the internal public internal audit structure a programme is elaborated to provide and improve quality (PAIC) in all aspects of internal audit, which should enable uninterrupted control of its effectiveness.

The programme providing and improving the quality of public internal audit activities should guarantee such activities are carried out in accordance with the norms, guidelines and the internal auditor's Ethical conduct code and also contribute to improving the public internal audit activities.

The public internal audit by means of its counselling provider missions adds value to activities and supports the management to preserve an effective public internal control and to accomplish established objectives.

The following perspectives are taken into account:

- Provide continuous uniform training at qualitative standards as necessary to obtain certificates ascertaining the national licensing of internal auditors,
- There is need for permanent collaboration in methodological terms and guidance between the public internal audit structure of the superior hierarchical body (Secretariat General of the Government) and API of NPG Transelectrica SA.

Statement of compliance with the Corporate Governance Code of the BVB

Provisions of the Code		Compliant	Partially compliant (reason for incompliance)
Section A – Responsibilities [of the Supervisory Board]			
A.1.	TEL should have an internal CS regulation including the CS terms of reference / responsibilities and its key TEL management functions, which applies, among others, the General Principles of Section A.	CS of TEL performs based on the applicable legislation, the Articles of association, Regulation of organisation and operation of CS and decides over issues regarding Company activities, except for those found as per legal terms in the competence of AGA or of other society bodies.	
A.2.	The provisions on settling conflicts of interests should be included in the CS Regulation. In any case CS members should notify the CS about any conflicts of interests having occurred or that can occur and refrain from participating to discussions (including by non-presentation, except when non-presentation might prevent quorum reaching) and from the vote on passing a decision regarding the issue generating the respective conflict of interests.	Such aspects have been stipulated in detail also in the Regulation of organisation and operation of CS; CS members are appointed by AGOA observing the provisions applicable to companies admitted for transaction and are selected in accordance with the provisions of Governmental Emergency Ordinance 109/2011 on the corporative governance of public enterprises ⁵ . Moreover candidates to hold a place in the CS are selected observing the provisions of article 40 from the Articles of Association in the application of article 34 from Law 123/2012; All seven CS members have filled in and submitted the independence statements. Details - in the Annual Report, Corporative Governance section	
A.3.	CS should consist of at least five members	CS comprises seven members Details - in the Annual Report, Corporative Governance section	
A.4.	At least two non-executive CS members should be independent. Each CS independent member should submit a statement when he / she is nominated for election or re-election, as well as when any change occurs in his / her condition, indicating the elements based on which he / she is considered independent in terms of his / her character and judgement.	All seven CS members have filled in and submitted the independence statements. The recruitment process associated to the procedure regulated by OUG 109/2011 provides the candidates' obligation to submit an affidavit with respect to their independent status (attached to the participation documents);	
A.5.	Other commitments and professional obligations quite permanent of a CS member, including executive and non-executive positions in the CS of companies and non-profit institutions should be revealed to potential shareholders and investors before nomination and during his / her mandate.	Details - in the Statements of Interests posted on the Company's website, section Human Resources; https://www.transselectrica.ro/web/tel/declaratii-de-avere ;	
A.6.	Any CS member should provide the CS with information about any relation with a shareholder holding directly or indirectly shares representing over 5% of all voting rights. Such obligation refers to any kind of relation that might impact the member's position with respect to issues decide on by the CS.	Such information is requested from any CS member on his/her appointment date by signing a statement to comply with the provisions of article 40 from the Articles of Association in the application of article 34 from Law 123/2012;	
A.7.	TEL shall designate a CS secretary responsible to support Board activities.	The membership of CS Secretariat was designated by CS Decision and the persons who performed secretariat activities in 2020 were Nicoleta BRATUCU and Irina RACANEL	

⁵ See explanations in A.4.

Provisions of the Code		Compliant	Partially compliant (reason for non-compliance)
A.8.	The statement regarding corporative governance will notify whether Board assessment took place under Chairperson guidance or of the nomination committee, will concisely provide key measures and the changes occurring after it. TEL should have a policy / guide regarding CS assessment including the purpose, criteria and frequency of assessment processes.		Partially implemented - CS activities are annually examined by AGOA, based on the submitted Activity report. - In 2019 Transelectrica had no policy to assess CS members' activities.
A.9.	The statement regarding corporative governance should contain information about the number of CS and committee meetings in the last year, administrators' participation (in person and in absence) and a CS and committees' report with respect to their activities	In 2020 the Supervisory Board gathered for 30 meetings where all or most members attended or, as the case may be, were represented. There have been 4 meetings of the Audit Committee and 9 of the Nomination and Remuneration Committee. There have also been 7 meetings of the Energy Security Committee. Activity details - in the Annual Report, Corporative Governance section	
A.10.	The corporative governance statement should include information about the actual number of independent members in the CS	All seven CS members have filled in and submitted the independence statements.	
A.11.	CS of TEL should establish a nomination committee including non-executive members, which will manage the procedure for nominations of new CS members and will make recommendations to the CS. Most members of the nomination committee should be independent.	The Nomination and Remuneration Committee formulates proposals for the positions of Directorate and CS members, elaborates and proposes to the CS the selection procedure for CS members, Directorate members and other managerial positions; it formulates proposals for the remuneration of Directorate members and other managerial positions. Organisation, operation and attributions are established in the ROF of the CS. Details - in the Annual Report, Corporative Governance section	Partially – See point A.2
Section B - Risk management and internal control system			
B.1	CS should establish an audit committee where at least one member should be non-executive and independent. Most members, chairperson included, should have proved they have the qualification proper for committee positions and responsibilities. At least one member of the audit committee should be experienced with audit or accounting, adequate and proved. In case of Premium Category companies, the audit committee should include at least three members and most audit committee members should be independent.	The Audit committee assists the Board in achieving its responsibilities of financial reporting, internal control and risk management. The detailed attributions and responsibilities are stipulated in the ROF of the CS. Economist, specialising in business administration, Mr. Jean-Valentin Comanescu has experience both in the economic-financial domain and in procurement and public investments All seven CS members have filled in and submitted the independence statements. Details - in the Annual Report, Corporative Governance section	
B.2.	The audit committee's chairperson should be independent non-executive member.	Until the elaboration date of this Annual Report, the Audit committee's chairman, namely Mr. Jean - Valentin COMANESCU has submitted a statement that he is independent.	
B.3.	Among its responsibilities the audit committee should make an annual valuation of the internal audit system.	Details can be found in the Audit Committee's Report, AGOA material for the meeting approving the Annual Financial Statements, published in the AGA section of the Company's web page.	
B.4.	Valuation should take into account the effectiveness and content of the internal audit function, the adequacy of risk management and internal audit reports	Details - in the Audit Committee's Report AGA section of the Company's web page, namely https://www.transelectrica.ro/web/tel/aga ,	

Provisions of the Code		Compliant	Partially compliant (reason for incompliance)
	submitted to the Board's audit committee; promptness and effectiveness of executive management in solving deficiencies or weaknesses identified after internal control, and submitting relevant reports to the Board's attention		
B.5.	The audit committee should assess the conflicts of interests pertaining to company transactions and those performed by its subsidiaries with the affiliated parties.	In accordance with the Articles of association of the National Power Grid Company Transelectrica SA, the competency limits of the Directorate, CS and AGA with respect to TEL operations. CS is obliged to supervise the Company-wide implementation of approval and implementation procedures for transactions concluded by the Company or by its branches with involved parties, as such persons are defined by the capital market's legislation and regulations, as well as according to the best practice in order to provide substantial procedural fairness of transactions with involved parties (self-transactions) by using to this purpose the criteria established or recommended by the capital market's legislation and regulations.	
B.6.	The audit committee should assess the efficiency of the internal control system and of the risk management system.	Details - in the Report of the CS' Audit Committee with respect to the internal control and significant risk management systems in 2020 (Material for the annual reunion of AGOA/27.04.2021 with agenda item to approve the annual Financial Statements)	
B.7.	The Audit committee should monitor the application of legal standards and the generally accepted internal audit standards. The Audit committee should receive and assess the reports of the internal audit team.	Details - in the Report of the CS' Audit Committee with respect to the internal control and significant risk management systems in 2020 (Material for the annual reunion of AGOA/27.04.2021 with agenda item to approve the annual Financial Statements)	
B.8.	Every time the Code mentions reports or analysis initiated by the Audit Committee they should be followed by periodical reports (at least annually) or ad-hoc reporting that should be then submitted to the Board.	Details - in the Report of the CS' Audit Committee with respect to the internal control and significant risk management systems in 2020 (Material for the annual reunion of AGOA/27.04.2021 with agenda item to approve the annual Financial Statements)	
B.9.	No shareholder can be granted preferential treatment compared to other shareholders as regards transactions and agreements concluded by the company with its shareholders and affiliates.	The Company provides equal treatment to all holders of securities of the same type and category and it places all necessary information at their disposal, so they can also exercise their rights.	
B.10.	CS should adopt a policy whereby it should make sure any transaction with any of the companies it has close relations to, whose value is equal to or above 5% of the net assets of TEL (according to the latest financial report) is approved by the CS following a compulsory opinion from the audit committee within the CS and revealed fairly to shareholders and potential investors, to the extent in which it can be assigned to the events that are submitted to reporting requirements.	CS agreement is required to approve certain kinds of operations as per the provisions of article 21 para (3) from the Articles of Association. At the same time, in view of complying with the reporting obligations as per article 144 let. B para (4) of ASF Regulation 5/2018 regarding the issuers of financial instruments and market operations, corroborated with the provisions of article 82 from Law 24/2017 on the issuers of financial instruments and market operations, the financial auditor of TEL makes half-yearly the analysis of transactions with affiliates. The auditor's report is sent to the BVB and ASF and is also published on the TEL site, section Investor Relations / Current reports.	In addition, CS takes into account elaborating in 2021 a distinct document regarding the <i>POLICY ON SIGNIFICANT TRANSACTIONS WITH AFFILIATED PARTIES</i> .
B.11.	Internal audits should be performed by a structurally seDefendante division (internal audit department) within TEL or by hiring an independent third party entity	The Company's public internal audit activities are performed by means of its own audit structure, thus observing the requirement set in Law 672/2002 on the public internal audit, article 10 para (1), republished with later amendments and additions	

Provisions of the Code		Compliant	Partially compliant (reason for incompliance)
		In accordance with the Organisation chart ⁶ there are such organisational entities within TEL, namely the Public Internal Audit, Integrated Management Department, Control Division	
B.12.	In view of accomplishing the main functions of the internal audit department it should report to the CS in functional terms by means of the audit committee. In case of administrative purposes and of the management's obligations to monitor and reduce risks, the department should directly report to the director general.	In accordance with the Organisation and operation regulations of involved organisational entities; Details - in the Annual Report, Corporate Governance section and in the Report of the CS' Audit Committee with respect to the internal control and significant risk management systems in 2020 (Material for the annual reunion of AGOA/27.04.2021 with agenda item to approve the annual Financial Statements)	
Section C - Fair reward and motivation			
C.1.	TEL should publish the remuneration policy on its internet page and include a statement in the annual report regarding the application of such remuneration policy during the annual period under study.	In accordance with applicable regulations the Company informs annually the Shareholders' General Assembly through the Report of the Nomination and Remuneration Committee. Details - the mandate contract is published in the Annual Report, Corporate Governance section, including the Company's web page, section AGA/ Corporate Governance; In the context of appointing executive and non-executive members for 4 years, shareholders approved at AGA / 21.12.2020 the main remuneration elements, including the fixed indemnification, the variable component and other benefits granted as per the assumed Management Plan	
Section D - Value added by investor relations			
D.1.	TEL should organise a department of Investor Relations, indicating to the general public the responsible person/persons or organisational unit. Besides the information required by legal provisions TEL should include on its internet a section dedicated to Investor Relations, in Romanian and English, with all the relevant information of interest for investors, including:	Transelectrica comprises specialised organisational entities both for Investor and for shareholder relations (contact). Documents can be consulted at https://www.transelectrica.ro/web/tel/relatii-investitori ,	
D.1.1	The main corporative regulations: Articles of association, the procedures for shareholders' general assemblies;	<i>They can be consulted on the site of TEL, https://www.transelectrica.ro/regulament-de-guvernanta-corporativa, and AGA Procedure is provided in each Convening notice/notice addition, section Investor Relations / AGA</i>	
D.1.2	The professional CV of all members of TEL's managerial bodies, other professional commitments of CS members, including executive and non-executive positions in administration boards of companies or non-profit institutions;	Public documents on TEL site, section Investor Relations / Corporate Governance / Supervisory Board and Directorate - <i>Biographical Notices and CVs</i> ; (https://www.transelectrica.ro/web/tel/guvernanta-corporativa).	
D.1.3	Current and periodical (quarterly, half-yearly and annual) reports – at least those provided in item D.8 – including the current reports with detailed information on the incompliance with this Code;	Relevant documents can be consulted on TEL's website, section Investor Relations, tab Current and periodical reports, link: https://www.transelectrica.ro/web/tel/relatii-investitori ;	
D.1.4	Information about the shareholders' general assemblies: agenda and informative materials; election procedure for Board members;	Documents can be consulted on the website of TEL, section Investor Relations / AGA, link: https://www.transelectrica.ro/web/tel/aga ,	

Provisions of the Code		Compliant	Partially compliant (reason for non-compliance)
	arguments sustaining the proposed candidates for Board election, and their professional CV; shareholders' questions about agenda items and company answers, including the decisions made;		
D.1.5	Information regarding corporate events such as dividend payment and other distributions to shareholders or other events that lead to acquiring or limiting a shareholder's right, including deadlines and principles applied to such operations. The respective information will be published within a term that should enable investors to take investment decisions;	Documents can be consulted on the website of TEL, section Investor Relations, link https://www.transelectrica.ro/web/tel/relatii-investitori ;	
D.1.6	Names and contact dates of a person that can provide relevant information upon request;	relatii.investitori@transelectrica.ro , Shareholders: Mihaela GRAMA - contact number: +40.21.303.59.48 Investor relations: Adrian SUTA - contact number: +40.21.303.56.67, public data on the website of TEL, link: https://www.transelectrica.ro/web/tel/contact-ri ,	
D.1.7	TEL presentations (e.g. for investors, presentations of quarterly results etc.), (quarterly, half-yearly, annual) financial statements, audit and annual reports.	Documents can be consulted on the website of TEL, section Investor Relations, link: https://www.transelectrica.ro/web/tel/rapoarte-periodice ,	
D.2	TEL will have a policy regarding annual dividend distribution or other benefits to shareholders proposed by the Directorate and appropriated by the Supervisory Board, as a set of guidelines which TEL intends to follow for net profit distribution. The principles of the annual policy on distribution to shareholders will be published on the internet page of TEL.	Company profit is distributed in accordance with the provisions of OUG 64/2001 regarding profit distribution in national societies, national companies, trading companies with full or majority state capital and independent authorities. On 28 March 2016 shareholders approved a policy regarding the annual dividends distribution ⁷ In 2020 TEL distributed dividends from the result carried forward existent in balance on 31.12.2019	
D.3	TEL will adopt a policy regarding forecasts, either made public or not. Projections refer to quantified conclusions of studies aiming at establishing the global impact of a number of factors regarding a future period (so-called assumptions): by its nature this projection has high uncertainty and actual results can differ significantly from initial projections. The projection policy will establish the frequency, targeted interval and projection content. If published, projections can be included only in annual, half-yearly or quarterly reports. The projection policy will be published on the Company's internet page.	Company activities are regulated by the National Regulatory Authority in the Energy domain "RET Development Plan of 2020 – 2029 – main coordinates" proposed and approved by shareholders by HAGEA 12/2020; The 2020-2024 Administration Plan of NPG Transelectrica SA, structured by two components, namely the administration part elaborated by the Supervisory Board and the management component elaborated by Directorate members	
D.4.	AGA rules should not limit shareholders' participation to AGA and the exercise of their rights. Rule changes will become effective, at the earliest beginning with the next AGA;	TEL observes the rights of all financial instrument holders as issued and treats them fairly, regardless of the number of shares they hold and permanently strives to achieve effective active transparent communication, in view of exercising the shareholders' rights in equitable manner;	

⁷ https://www.transelectrica.ro/documents/10179/3235082/03_Propunere+Politica+de+dividend+TEL.pdf/a03e6232-5f57-420b-902f-a98cd611d450.

Provisions of the Code		Compliant	Partially compliant (reason for incompliance)
D.5.	External auditors will be present at the shareholders' general assembly when their reports are submitted to such assemblies.	✓	
D.6.	CS will submit to the annual shareholders' general assembly a brief appreciation of the internal control systems and the management of significant risks, as well as opinions on certain issues subject to the general assembly's decision	AGOA material for the reunion of 27/28 April 2021 – Report of the Audit Committee within the CS on the internal control systems and significant risks management of 2020	
D.7.	Any specialist, consultant, expert or financial analyst can participate to the shareholders' assembly based on preliminary Board invitation. Licensed journalists can also participate to the shareholders' general assembly, except when the Board chairperson decides otherwise.	Licensed journalists can also participate to the shareholders' general assembly provided they transmit a preliminary information to the Directorate	
D.8.	Quarterly and half-yearly financial reports will include information both in Romanian and in English about the key factors influencing the changes in sales, operational profit, net profit and other relevant financial indicators, both from one quarter to another and from one year to the next.	Relevant documents can be consulted on the website of TEL, section Investor Relations / Periodical Reports, link https://www.transelectrica.ro/web/tel/relatii-investitori ;	
D.9.	TEL will organise at least two meetings / phone call conferences with analysts and investors, every year. The information presented on such occasions will be published in the investor relation section of the internet page of TEL on the meeting / conference dates.	According to the TEL's annual Calendar of Financial Communication, approved and transmitted to capital market institutions, BVB and ASF, the Company established in 2020 four meetings with financial analysts, placement consultants, brokers and investors to submit its financial results https://www.transelectrica.ro/web/tel/calendar-financiar	
D.10	In case TEL sustains various forms of artistic and cultural expressions, sportive, educational or scientific activities and deems their impact over the innovative character and competitiveness of TEL belongs to its mission and development strategy, it will publish its policy with activities in this domain.	The document can be consulted on the website of TEL, section About us / Social corporate responsibility, link: https://www.transelectrica.ro/web/tel/responsabilitate-sociala-corporativa . Information on this section can be accessed by consulting the documents of the 2020 annual periodical reporting.	

15. Corporate social responsibility

The Corporate Social Responsibility Policy

Any modern organisation is assessed beyond its economic performance, managerial quality and communication policy also in terms of contribution to the social life of the community it belongs into.

Social responsibility is a management process whereby the Company aims at contributing to developing a sustainable performing Romanian society.

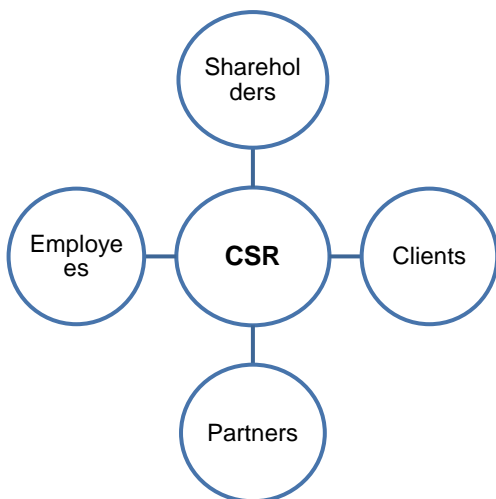
We get involved in solving social problems of the community where we work in while also sustaining higher access to education in disfavoured areas.

The Company takes into consideration the society's interests and turns answerable to employees, shareholders, community and the environment.

Social responsibility represents an integral part of the Company's business strategy and contributes to consolidating the market position and to keeping up one's reputation.

The Company's CSR vision consists in promoting national values such as innovation, team spirit, respect of diversity and commitment. They make up the base of the Company's performance.

Figure 35: CSR policy – stakeholders



CSR domains and actions

By its corporate social responsibility policy the Company focusses on the following domains and actions included in a long term strategy:

Areas	Actions
<input type="checkbox"/> Education and training	<input type="checkbox"/> Donations
<input type="checkbox"/> Humanitarian	<input type="checkbox"/> Sponsorships
<input type="checkbox"/> Community development	<input type="checkbox"/> Patronage acts

In 2020, even if it was atypical because of Covid-19 epidemic, Transelectrica focused its CSR activities in domains such as: education and training, humanitarian actions, environment, responsibility to employees and corporative volunteering.

Education and training

Objective: Sustaining young people who study in the energy domain in view of their educational and professional development

Young people are the most important value for Romanian society. We are active in the university environment by means of partnerships with students' associations, but also by other initiatives.

- We cooperate with faculties in the energy domain by equipping research laboratories and by providing study grants to students;
- We provide the students of the energy domain with the possibility to participate to Transelectrica activities as technical study tours in the company;

Humanitarian actions

Objective: Sponsorship for Associations that support people with medical needs in disfavoured areas and from low revenue families, or who need long term medical treatment

People are the centre of our concerns and we are always attempting to help the disfavoured persons.

The associations supporting such people are among those that can benefit from our support.

Environment

Objective: Providing environmental protection and quality improvement, and promoting activities resulting in selective collection in view of recycling

Corporate social responsibility can be perceived as relying also on some personal social liability, on the care and availability of any individual to structure his / her existence around a close connection with the environment, since it can be found among the values promoted by the Company.

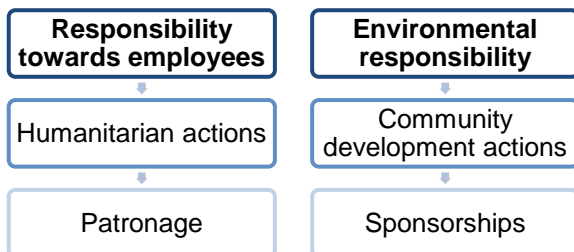
Our environmental policy takes over the commitment to carry out all our specific activities in responsible manner, paying proper attention to environmental impact and sustainable development.



It includes environmental protection, which conditions

sustainable development. Requirements and exigencies of the European Union require a new approach for global environmental problems in terms of their effects and pressure over the environment and of all consequences for the social-economic development. In concrete terms we want our corporate social responsibility activities to include as main component, regardless of the final direction, environmental aspects and methods to significantly reduce the environmental impact of our activities.

Figure 36: Actions performed in 2020



Social responsibility towards employees

The Company’s objective with respect to social responsibility to employees involves support provided both to Company employees and to their families in case of major health issues.

Corporate volunteer actions

Objective: Performing volunteering actions in view of solving the community problems

The employer-supported volunteering domain represents any Company effort to encourage its employees and / or former employees (now retired people) to participate to community volunteer activities and to sustain their involvement efforts.

The Company’s executive management encourages and sustains employees’ participation as volunteers into fund-raising actions and campaigns and proposes concrete projects for them to spend their

time and be dedicated to improved relations between employees by means of team activities.

Project eligibility criteria

Transelectrica will support only those projects or organisations that can provide reaching the objectives established in the previously-mentioned corporate social responsibility strategy.

At the same time Transelectrica intends to support projects / organisations that it shares the same values with and prove to be beneficial for society.

Company-granted sponsorships CANNOT be accessed by:

- Political parties or organisations whose activity is assimilated to a political party;
- Public institutions, except for the educational ones (school, kindergarten, university, etc.), museums, hospitals and other cultural and health institutions seated in Romania;
- Cult units, religious cults and / or other religious associations and foundations;
- Natural or legal persons subject to a conflict of interests;
- Organisations / institutions aiming at obtaining profit;
- Natural or legal persons that have been declared in a previous sponsorship situation;
- Beneficiaries that are in the condition of or pending judiciary reorganisation, dissolving, liquidation or suspended activity;
- Beneficiaries / organisations that received final sentences for offences;
- Beneficiaries / organisations that have been declared in a situation trespassing a previous financing and / or donation contract and / or sponsorship with Transelectrica;
- Persons affiliated or whose kin up to the 3rd degree are affiliated to political parties or any other organisation with activity assimilated to them;

In accordance with article XIV of OUG 2/2015 amending and adding certain norms as well as other measures, it is stipulated that economic operators provided in article 1 of Governmental Ordinance 26/2013 on enhancing financial discipline of certain economic operators where the state or territorial administrative units are single or majority shareholders or directly or indirectly hold majority participation, approved with additions by Law 47/2014 (category where the Company belongs), that grant monetary donations and sponsorships according to applicable legislation comply on granting with the following ceilings:

- Minimum 40% of the approved amount to the medical and health domain;
- Minimum 40% of the approved amount to education, social and cultural domains for endowments with equipment, services, actions or any other activities related to such domains, including national programmes;
- Maximum 20% of the approved amount for other actions and activities, including supplements to those provided above;

The sponsorship policy

The sponsorship criteria established by the Company are as follows:

- Transparency: sponsorship should be transparent, its beneficiary should be known, and the purpose of utilisation should be revealed and verifiable;
- Purpose: the donated amount should contribute to a relevant purpose of the sector described above;
- Cost: as necessary to implement the project / action subject to sponsorship, it should be justified and detailed;
- Beneficiary's reputation / dignified trustworthy character: the beneficiary's integrity will be assessed as much as possible;
- Strategic framework of sponsorships: these should comply with Transelectrica's strategy;
- Benefits for the Company: the beneficiary should provide Transelectrica with visibility opportunities and reciprocity in business with financial impact;
- Previous relations *with Transelectrica*: the previous positive experience influences beneficially the valuation of a demand;

The sponsorship or donation is assessed by the Company according to assessment criteria.

- The beneficiary should send a concise report to the Social Corporate Responsibility Office when the donation/sponsorship is over, specifying all the tangible results implemented by him/her;
- In general the Company should monitor the following:
 - The compliance with the written contract and Company policies;
 - Reaching the objectives of the sponsorship or donation;
 - Good management, accounts kept;
 - Submitting reports;
 - Benefits for the Company and the community;

All sponsorship / donation demands should be made in writing and addressed to the Corporate Social Responsibility Office, including the following details:

- Name of the organisation / beneficiary, phone number, address and contact person;
- Purpose of the action / programme / event which support is requested for, including background information;
- The necessary amount;
- The results to be obtained by such support granting;
- Benefits resulting from the granted support;

Consequently Transelectrica, part of public life, has certain duties towards society.

Community involvement is necessary not only in order to acquire commercial success, but also to obtain the respect of communities where we are active, contributing to the development of a sustainable performing Romanian society.

This is the reason why the projects we choose to get involved into should exceed the business area and be as close as possible to the people's needs and to the environment, in order to be able to actively participate to improved living quality and conditions.

Our commitment is to sustain strategic partnerships in these domains and to convince by our own example the employees, clients or even business partners to join us.

The main CSR projects in 2020

In 2020 we chose to get involved into certain domains such as: education and training, humanitarian actions, responsibility to employees, environmental protection and corporate volunteering.

The 2020 corporate volunteering programme comprised participation to environmental actions and getting the Company's employees involved in supporting disfavoured people by participating to the Shoe Box campaign. Such activities were cancelled because of the Covid-19 pandemic.

The amount provided and approved in the Revenue and Expense Budget towards sponsorship actions, corporate social responsibility in 2020 was 1,100,000 Lei.

The expenses of 2020 amounting to 171,450 Lei were distributed to the following domains:

- Medical and health domain: 465,500 Lei
- Education, training, social and sport: 462,960 Lei
- Other activities: 171,540 Lei

In 2020 the Company decided providing financial aids amounting to 316,500 Lei to 20 persons diagnosed with various medical diagnoses, in order to cover their treatment expenses.

In the same medical sector 4 more sponsorships were granted to the National Red Cross Society, Neamt Subsidiary (to prevent and fight the effects of the Coronavirus pandemic, to procure products / materials / equipment necessary to fight against contagion and/or treat the existent cases); to the National Red Cross Society, Dambovitza Subsidiary (to procure and distribute medical equipment and/or protection materials for the Emergency County Hospital Targoviste); the Children's Hospital Foundation, Brasov (to procure medical equipment and protection for the COVID-19 pandemic and sending them to the Clinical Emergency Children's Hospital, Brasov) and the City Hospital Gaiesti (to procure instrumentation, equipment and devices necessary for hospital endowment) totally cumulating an amount of 90,000 Lei.

In 2020 the Company continued the social responsibility projects initiated in the last years and got involved into new programmes, becoming ever more visible and constant, as it shoulders associations, non-governmental organisations and educational units of power engineering / technical profile.

Education and training

With a view to support education and motivate young people to follow a career in the energy sector Transelectrica provided monthly study grants to 10 students, totally allocating 167,960 Lei in 2020, with the intention to continue such grant programme in 2021 as well, increasing the number of recipients.

In education, training, social and sports Transelectrica provided the following sponsorships:

National Red Cross Society, Giurgiu Subsidiary

The Company sponsored subsidiary Giurgiu in order to support disfavoured families of Giurgiu County that received food packages through the Red Cross.

The sponsorship contract amounted to: 25,000 Lei

Blind People's Association of Romania

The Company contributed by providing sponsorship to the association to purchase a Braille Fonfold D V5 printing installation.

The sponsorship contract amounted to: 15,000 Lei

The Mentoring Project Association

The Company supported it by covering the costs of elaborating and launching the documentary book 5 "Club Romania, Life quality; the Future by the force of communities".

The sponsorship contract amounted to: 97.000 lei

Traveller in Romania Association

The Company financed the procurement of tablets offered to students in rural environments with a view to implement the project "We support education by digitalisation" and promote agro tourism in Romania.

The sponsorship contract amounted to: 30,000 Lei

Maya & Friends Association

The Company contributed to financing the project "Together for our elderly people" that aimed at providing a hot meal to old people in village Valiug.

The sponsorship contract amounted to: 15,000 Lei

Association Developing Cultural Objectives

The Company granted the sponsorship to be used in procuring individual packages and consumable goods, distributed to the Virgin's Veil Monastery of Suceava County, to Sihla Monastery of Neamt County and to Petru Voda Monastery of Neamt County.

The sponsorship contract amounted to: 30,000 Lei

Polytechnic Foundation Timisoara

The granted sponsorship was used by the managerial board of the Electro Technique and Electro Power Faculty of the Polytechnic University Timisoara to award its best students on the occasion of opening the 2020-2021 university year of study.

The sponsorship contract amounted to: 30,000 Lei

Hands Across Romania Association

The Company contributed to covering the costs for the organisation and support of the international IT contest "Adolescent Grigore Moisil".

The sponsorship contract amounted to: 30,000 Lei

Me and the World Association

The Company contributed to covering the costs of the "Children for children!" by purchasing books, school consumables, sweets and expenses with involved personnel as well.

The sponsorship contract amounted to: 30,000 Lei

Lions Club Bucharesti - Phoenix Association

The sponsorship provided contributes to building a social-educational centre, the Udricani Establishment.

The sponsorship contract amounted to: 73,000 Lei

Natural Park Vacaresti Association

The Company sponsored purchasing / leasing, locating and decorating a container which should enable the operation of the visiting mini-centre "Nature at your doorstep"; installing photo-voltaic panels, and

organising activities dedicated to biodiversity in the Natural Park Vacaresti. This sponsorship was allocated from the 'other actions and activities' entry.

The sponsorship contract amounted to: 82,450 Lei

Consequently Transelectrica, as part of public life, has got certain duties to society. Community involvement is necessary not only in order to acquire business success, but to obtain the respect of communities we are active in as well, thus contributing to the development of a sustainable performing Romanian society.

Environmental responsibility

Environmental protection is an important objective for the Company, in view of the Company's long-lasting and sustainable development. Thus the environmental protection policy is an integrant part of the general policy, with objectives such as: maintaining a performant environmental management system, pollution prevention and reduction, compliance with legal national and European requirements and sustainable development.



2020 environmental objectives aimed at maintaining a performing environmental management system, preventing and reducing pollution so that the electricity transmission grid's environmental impact can comply with the limits of national and European requirements. Such objectives were reached by means of preventive and correction activities included in the annual environmental management programme.

To achieve these objectives the Company applied measures meant to reduce environmental impacts both from operational activities and from maintenance & investments, which included construction-installation works so that in 2020 no particular issues of environmental protection were notified.

Describing RET's environmental impact

High voltage electricity installations mainly comprise overhead lines and transformer & connection substations, therefore they can have significant environmental impact because of the complexity of installations, the lands occupied and their length of tens or even hundreds of km, usually crossing several counties.

Under normal operational conditions of RET installations no pollutants are discharged into the environment. There can be accidental emissions of chemical substances of pollutant component in case of un-tight equipment, wrong operation, failures or when executing construction and maintenance work.

Environmental issues are detected and assessed for technology and construction from the very first design stage. Based on such assessments the environmental management plan is elaborated (for construction, operation and installation dismantling),

which includes measures to prevent pollution and to reduce impact, as well as the monitoring schedule for environmental factors.

In terms of impacts environmental aspects related to construction and to operation-maintenance are divided into:

➤ **Physical** which get visible by means of (effects):

- Soil impact by opening new access roads, topsoil removal and excavation;
 - Land occupation by site organisation, storage places included;
 - Impacting the flora by systematic vegetation cutting;
 - Impacting the fauna (fragmentation of habitats, electrocution, etc.);
 - Impacting birds (by building overhead obstacles located on the flight corridor);
 - Waste generation (porcelain, glass, concrete, metals, used oil, packages, rubble, etc.);
 - Impacting the population and fauna with the noises produced by equipment, transportation means, etc.;
 - Impacting the population and fauna by the noises of corona effects from high voltage installations;
 - Land occupation by OHL routes and location of substations;
 - Danger of electrocution or burns when getting in touch with OHL or by line falling near or on road crossings, railroads, waters, buildings, etc.;
 - Danger of fire from insulation damaging or by accidental touch of conductors to objects or dry vegetation;
 - Impacting the population and fauna by the noise and vibrations produced by the operation or vibration of RET elements;
 - Acoustic and luminous effects of corona processes;
 - Disturbances of radio and television systems produced by the electromagnetic field;
 - Electromagnetic field's influences over telecommunication installations or other electric networks upon their crossing or near them;
 - Effects of the electromagnetic field over living beings;
- **Chemical** of which one can mention:
- Soil and/or water pollution by accidental fuel and oil spills or of other chemical substances;
 - Air pollution by means of:

- Flue gas emissions (SO_x, CO_x, NO_x, COV, suspended powders) from heating installations or transportation means;
- Sulphur hexafluoride emissions (SF₆) – accidental leaks during gas handling or because of un-tight equipment;
- Powdery emissions because of construction-installation works;
- Emissions of volatile organic compounds from paints and diluters, etc.;
- Ozone and nitrogen oxides – high voltage corona effects;

- Sulphur acid vapours – from accumulator batteries;

- **Social-economic** such as disturbance of social activities, including population move-out;
- **Visual and psychic** ones by landscape impacts and fear caused by the proximity and the visual and acoustic effects of RET;

In terms of environmental impacts in 2020:

- There have been no accidental pollutions of significant environmental impact;
- There have been no environmental complaints;
- The generated waste was disposed of / capitalised 76%, the other waste being stored;

Impact indicators

Table 30: Areas occupied by electric lines and substations

Entity	No safety area [m ²]		With safety area [m ²]	
	Substations	OHL	Substations	OHL
Total 2020	3,980,544	2,992,588	7,123,765	560,996,126

Underground and terrestrial sources of soil and water pollution

Under normal operational conditions of RET installations no noxious substances are discharged on soil, in the underground or terrestrial water. Accidental spills can occur because of un-tight/broken equipment containing dangerous substances or electro insulating oil or of defects in the oil regeneration/supply/discharge into / from equipment.

Motor car oil / fuel spills can also occur from outfits and transportation means during construction and maintenance activities (the oil leaked in the environment was retained by biodegradable absorbent earth).

Air pollution sources

Direct emissions

During construction, maintenance and normal operation of RET installations no significant amounts of pollutants are discharged in the atmosphere.

During the construction, maintenance and normal operational stages of RET the following atmospheric emissions can occur: suspended powders during construction, flue gas from motor cars, electric generating sets and thermal power plants, ozone in negligible amounts (Corona effect), sulphur hexafluoride from un-tight equipment or improper gas handling.

Flue gas can occur (SO_x, CO_x, NO_x, COV, suspended powders, etc.) in case of fire or explosions.

High voltage OHL generate atmospheric pollution by ozone and nitrogen oxides from Corona discharges around active conductors, especially during rainfalls. The additional contribution of such pollutants to the existent fund is not major and cannot lead to exceeding the ceiling values for legal information, level beyond which there is hazard for human health.

Wastewater sources

Electricity transmission does not generate technological used water. Waste water generated on the location of RET installations is *domestic used water* from human activities (it is directly discharged into the urban drainage network or it is emptied and carried to a station treating urban used water or it is locally treated in micro-stations and then discharged on ground or into terrestrial water), *rainwater* collected in the tanks of oil-containing equipment or in the manholes of concreted platforms storing waste and equipment (it can contain leakage oil), which is mechanically cleansed within the water/oil separators then discharged in the urban drainage network or it is emptied and carried to a station treating urban used water or it is discharged on ground or into terrestrial water, while observing the maximum admissible limits of pollutants discharged in the environment).

Generating waste

There is no direct waste resulting from electricity transmission activities. Waste results mainly from construction, maintenance and human activities. The amounts of waste are different from one year to

another, depending on the volume of investment and maintenance work.

Generated waste was disposed of / capitalised by means of licensed companies.

Table 31: Waste management

Generated waste (t)	Capitalised waste (t)	Disposed waste (t)	Stored waste (t)	Waste management indicator: disposed, capitalised waste/generated waste
2691.22	277.50	1764.70	649.02	76%

Electromagnetic field generated by RET installations

Transformer / connection substations and the 220 kV and 400 kV overhead lines have got quite low impact over their surrounding areas, which can be found only around RET installations. A great part of disturbing effects are owed to electric induction (into metallic objects or structures that are not grounded) and interference phenomena (radiointerference).

The constructive solutions adopted to build high voltage lines and substations provide proper protection against the effects owed to living beings' exposure to the electromagnetic field, providing also diminished environmental impact of such installations.

In accordance with the studies performed by specific institutions near the 220 kV and 400 kV overhead lines, the electric field intensity decreases with distance, therefore the field intensity is zero at 25 – 30 m away from the line axis.

Acoustic pollution

During construction noise can be generated because of work execution and the operation of equipment and motor cars. During operation the acoustic pollution is owed to the noises produces by the operation and vibration of RET installations or by the Corona discharges around active conductors.

The noise level of Corona effects 25 m away of the active conductor varies from 53 dB during rainfall to 33 dB in fair weather.

Impact on fauna

This impact is significant especially as regards birds, since they can collide or get electrocuted by RET installations found within their migration corridors or protected areas.

The main migratory corridors of various bird types were identified in Banat, Dobrogea and Danube Delta regions.

Impact on vegetation

This impact is determined by final or temporary occupation of lands and by vegetation removal, as it exceeds a certain height in the safety areas of RET installations with a view to prevent fires. This impact ca be significant only within protected areas.

Measures to prevent and/or limit the environmental impact

The main measures applied in 2019 to prevent and/or limit environmental impacts were associated to the:

- Execution of:
 - Construction or maintenance work for drainage networks of domestic used water and/or rainwater;
 - Installing water / oil seDefendantors to the tanks of oil-containing equipment and on storage platforms;
 - Building concreted platforms for temporary equipment and waste storage;
 - Maintenance of oil- or SF6-containing equipment in order to prevent leaks;
 - Painting the overhead linestowers (OHL) using landscape proper colours;
 - Clearing up / maintaining the safety corridors of OHLs;
 - Remaking / developing the lands in order to get them in the initial state when work has finished
 - Service procurement with respect to:
 - Monitoring used water quality in the Company substations and offices and proposing solutions to reduce pollution as per the terms of environmental and water management permits;

- Waste gathering, sort-out, transportation and capitalisation / disposal;
 - Elaborating environmental management plans for maintenance, refurbishment / upgrade projects;



RON 4.5 mn

Environment protection expenses

Total environmental protection expenses, including environmental costs of operational, maintenance and investment works amounted to 4.5 mill Lei (about 934 thousand Euros).

Compliance with legal requirements

The Company-managed objectives (269 of such: transformer and connection substations, overhead lines, offices etc., licensed or under licensing) operate as per legal environmental protection requirements and the licensing degree was 99.26% (35 permits). Maintenance and investment works executed in 2020 were in accordance with legal and regulatory requirements (environmental permits and/or agreements, water management permits, as the case may be).

Generated waste was managed in accordance with legal requirements and disposed of / capitalised using licensed companies, thus taxes of 35 Lei were paid to the Environmental fund for emissions from stationary sources. The measures indicated by the regulatory and control authorities of environmental protection and water management domains were fully complied with, the Company monitoring environmental factors (air, water, soil, noise, electromagnetic field, waste) all through 2020 according to requirements from regulatory documents on environment and water management.

All environmental information was accurately reported in due time as per legal and regulatory requirements and the provisions resulting from controls made by regulatory and control authorities.

The application of the Company's environmental policy and the implemented environmental performance are substantiated by means of:

- Proper waste management resulting from maintenance and refurbishment activities;
- Reducing and measuring the pollutant emissions in the environment;
- Rational utilisation of natural resources;
- Periodical monitoring of environmental factors (water, air, soil, noise, electromagnetic field, waste);
- Upgrading and refurbishing installations using state-of-the-art technologies, by which environmental pollution is prevented or reduced;
- Providing knowledge and observance of environmental legislation by all Company employees, through information, training and motivation;

Preventive and corrective actions

The Company intends by future activities to reduce the negative environmental impact of installations by means of:

- Sizing the installations so that electromagnetic field intensity can be reduced on ground, on the land occupied, bird impact included;
- Replacing the pieces of equipment containing electro insulating oil;
- Replacing porcelain insulators by composite ones;
- Reducing the sulphuric acid emissions by replacing condenser batteries;
- Reducing pollutant emissions within flue gas;
- Installing bird-repellent devices to the newly built OHL;
- Reducing acoustic pollution by installing low-noise fans (on autotransformers); installing electric generating sets with noise and vibration dampers;

Photo: Iron Gates - Anina



Transelectrica, in its capacity of transmission and system operator considers it has major responsibility towards future generations and permanently attempts to find sustainable economic solutions in order to develop and upgrade its installations in accordance with EU requirements in the environmental protection domain.

Annex 1 - Articles of association amended in 2020

- Amending article 7 para (2) item 1 of the Articles of association by replacing the phrase “Romanian State through the Ministry of Economy” with the following formulation “Romanian State through the Secretariat General of the Government” approved by AGEA Decision 3 of 06 March 2020.
- Amending the title of article 3 in the Articles of association by replacing the phrase “Offices of the Company, Subsidiaries, Branches and secondary headquarters” with the formulation “Offices of the Company, Subsidiaries, Secondary headquarters”;
 - Amending paragraph (3) of article 3, the new formulation being as follows: “(3) Transelectrica comprises subsidiaries organised as joint-stock companies, namely Company Electricity Market Operator Opcom SA, Maintenance Service Company of the Electricity Transmission Grid Smart SA, Company Training Electric Power Engineers of Romania FORMENERG SA, Company of Telecommunication and Information Technology in Electricity Transmission Networks TELETRANS SA, Subsidiary Trading Company Energy Research and Modernising Institute ICEMENERG SA Bucharest, Subsidiary Company ICEMENERG-SERVICE SA Bucharest, as well as secondary offices with no legal personality for transmission and dispatcher activities, provided in Annex 1 to these Articles of association”;
 - Amending paragraph (4) al article 3, the new formulation being: “(4) The Company may also establish other secondary offices without legal personality, situated in other localities in the country or abroad, which will be organised as branches, territorial units, representation offices, agencies, working locations or other similar units with no legal personality, according to legal provisions”;
 - Amending let. f) of paragraph (3) of article 21, the new formulation being as follows: “f) establishing or cancelling secondary offices of the Company, in the country or abroad (branches, territorial units, representation offices, agencies or other similar units without legal personality)”;
 - Amending let. (i) of article 25, the new formulation being as follows: “(i) approving with the Supervisory Board’s agreement the establishment or dissolution of secondary offices (branches, territorial units, representation offices, agencies or other similar units without legal personality)”;
 - Amending paragraph (3) of article 26, the new formulation being as follows: „(3) The managers of branches, territorial units or of other Company secondary offices will have no representation capacity of the Company in trading transactions, unless such representation capacity has been expressly delegated by the Directorate and only within the competency limits established by the Directorate”;
 - Amending paragraph (2) of article 30, the new formulation being as follows: “(2) Personnel recruitment and dismissal from branches or secondary offices of Transelectrica are performed by the manager of the secondary office, within the limits of delegated competency established by the Directorate”;
 - Amending the Title of Annex 1, the new formulation being as follows: “LIST including the territorial transmission units, system operators and the subsidiaries of the National Power Grid Company Transelectrica SA”
 - Amending item 1 of Annex 1, the new formulation being as follows:

“1. Territorial transmission units of Transelectrica

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

All such changes were approved under AGEA Decision 7 of 28 May 2020.

- Amending article 20 of the Company's Articles of Association by adding a new paragraph, paragraph (16), with the following formulation:
 - *(16) The Supervisory Board can constitute consultative committees, comprising at least 2 board members and entrusted with making investigations and elaborating recommendations for the board. The Board's constitution of the audit committee and of the nomination & remuneration committee is compulsory.*
- Amending article 21 of the Company's Articles of Association by adding a new paragraph, paragraph (5), with the following formulation:
 - *(5) The Supervisory Board approves the Company's transactions with affiliated parties in the cases and under the conditions according to legal provisions.*

All such amendments were approved under AGEA Decision 12 of 21 December 2020.

Annex 2 - Appointment/recalling deeds issued in 2020

Directorate

- In accordance with CS Decision 2/09.01.2020
 - The Supervisory Board acknowledged Mr. Ioan FOLESCU's renunciation to the provisional Directorate member mandate beginning with 09.01.2020
- In accordance with CS Decision 3/09.01.2020
 - The Supervisory Board designated Mr. Corneliu-Bogdan MARCU as provisional Directorate member, beginning with 09.01.2020 until 20 April 2020
- In accordance with CS Decision 30/08.04.2020
 - The Supervisory Board decided extending by two months, from 21 April 2020 to 20 June 2020, the mandates of the following provisional Directorate members: Catalin NITU, Ionut-Bogdan GRECIA, Andreea-Mihaela MIU, and Bogdan MARCU,
 - The Supervisory Board designated Mr. Marius Viorel STANCIU as provisional Directorate member, beginning with 21 Aprilie 2020 until 20 June 2020
- In accordance with CS Decision 42/09.06.2020
 - The Supervisory Board designated 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 mandate extension for two more months, for solid reasons, which period will not exceed the completion date of the selection procedure for Directorate members in the Company according to the provisions of OUG 109/2011
- In accordance with CS Decision 57/12.10.2020
 - The Supervisory Board decided extending by two more months, beginning with 21 October 2020 until 20 December 2020, the mandates of the following provisional Directorate members: Catalin NITU, Ionut-Bogdan GRECIA, Andreea-Mihaela MIU, Marius Viorel STANCIU and Bogdan MARCU
- In accordance with CS Decision 67/27.10.2020
 - The Supervisory Board acknowledged Mr. Ionut-Bogdan Grecia's renunciation to the provisional Directorate member mandate beginning with 27 October 2020
- In accordance with CS Decision 68/29.10.2020
 - The Supervisory Board designated Mr. Ovidiu ANGHEL as provisional Directorate member, beginning with 30 October 2020 until 20 December 2020
- In accordance with CS Decision 73/16.11.2020
 - The Supervisory Board approved appointing Catalin NITU, Andreea-Mihaela MIU, Corneliu-Bogdan MARCU and Marius Viorel STANCIU as Directorate members with four years' mandate, from 17 November 2020 onward,
 - The Supervisory Board elected Mr. Catalin NITU as Directorate Chairman;

- In accordance with CS Decision 76/14.12.2020
 - Supervisory Board designated Mr. Ovidiu ANGHEL as provisional Directorate member, with mandate term of four months beginning with 21 December 2020, with possible mandate extension for two more months, for solid reasons, which period will not exceed the completion date of the selection procedure for Directorate members in the Company according to the provisions of OUG nr.109/2011;

The Supervisory Board

- In accordance with CS Decision 1/06.01.2020 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 date of a Supervisory Board member by the Shareholders' General Assembly;
- In accordance with CS Decision 16/06.02.2020
 - In accordance with letter 4657/03.02.2020, Mr. Jean BADEA gave up beginning with 04.02.2019 to his mandate of provisional Supervisory Board member in the Company;
- In accordance with CS Decision 18/07.02.2020 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 date of a Supervisory Board member by the Shareholders' General Assembly;
- In accordance with CS Decision 19/11.02.2020 and AGOA Decision 1/06 March 2020
 - Mr. Mircea Cristian STAIKU was appointed provisional Supervisory Board member, with mandate term until 29 March 2020, but no later than the appointment date of a Supervisory Board member by the Shareholders' General Assembly;
- In accordance with AGOA Decision 4/26 March 2020
 - The provisional Supervisory Board member mandates of Adrian GOICEA, Luiza POPESCU, Oleg BURLACU, Valentin Jean COMANESCU, Mihaela CONSTANTINOVICI, Ciprian Constantin DUMITRU, and Mircea Cristian STAIKU were extended for two months, from 30 March 2020 to 29 May 2020;
- In accordance with AGOA Decision 6/28 May 2020
 - The provisional Supervisory Board member mandates of Adrian GOICEA, Luiza POPESCU, Oleg BURLACU, Valentin Jean COMANESCU, Mihaela CONSTANTINOVICI, Ciprian Constantin DUMITRU, and Mircea Cristian STAIKU were extended for four months, from 30 May 2020 to 29 September 2020;
- In accordance with CS Decision 40/02.06.2020
 - Mr. Adrian GOICEA was elected Supervisory Board Chairman;
- In accordance with AGOA Decisions 9 & 10 / 28 September 2020
 - Supervisory Board members with mandate of four years from 30 September 2020 onward were appointed the following persons: Adrian GOICEA, Luiza POPESCU, Oleg BURLACU, Jean-Valentin COMANESCU, Mihaela POPESCU, Ciprian Constantin DUMITRU and Mircea Cristian STAIKU;
- In accordance with CS Decision 52/30.09.2020
 - Mr. Adrian GOICEA was elected Supervisory Board Chairman;

Annex 3 - Major agreements the Company entered into in 2020

In accordance with HAGEA 4/29.04.2015 of the Shareholders' Extraordinary General Assembly on the agreements signed in 2020 for purchase of goods, services & works amounting above 500,000 Euro/purchase (for procurement of goods and works) and of 100,000 Euro/purchase respectively (for services)

No.	Agreement number	The Scope of the Contract	Duration	Value		Agreement type	Legal basis	Acquisition procedure
				Mill Lei	Mill Euro			
0	1	2	3	4	5	6	7	8
1	C 356/2020	Upgrading the 220/110 kV substation Dumbrava	24 months	16.78	-	Work	Law 99/2016 + HG 394/2016	Open bid
2	C 293/2020	Converting the Portile de Fier-Resita-Timisoara-Sacalaz-Arad axis to 400 kV / the 400/220/110 kV substation Resita	28 months	103.82	-	Work	Law 99/2016 + HG 394/2016	Open bid
3	C 207/2020	Extending the 400 kV substation Gura Ialomitei by two bays: 400 kV OHL Cernavoda 2 & 3, procure the 400 kV GIS set (primary & secondary circuits) and integrating it in the command control protection metering and EMS-SCADA system	12 months	-	2.60	Supply	Law 99/2016 + HG 394/2016	Open bid
4	C 203/2020	Medium & high voltage primary equipment	24 months	4.89	-	Supply	Law 99/2016 + HG 394/2016	Open bid
5	C 165/2020	Refurbishing the 220/110/20 kV substation Baru Mare	27 months	58.86	-	Work	Law 99/2016 + HG 394/2016	Open bid
6	C 166/2020	400 kV OHL Oradea-Bekescsaba; installing a 100 MVAR shunt reactor in 400 kV subst. Oradea Sud; telecomm. & tele-transmission equip. for 400 kV OHL Oradea-Bekescsaba, final stage: segment of towers 1-42 (48), 400 kV OHL Oradea Sud-Nadab	12 months	4.12	-	Work	Law 99/2016 + HG 394/2016	Open bid
7	C 140/2020	Upgrading the 220/110 kV substation Raureni	18 months	13.72	-	Work	Law 99/2016 + HG 394/2016	Open bid
8	C 127/2020	Extending the 400 kV substation Gura Ialomitei by two bays: 400 kV OHL Cernavoda 2 & 3, procure equipment, installation and services	12 months	5.30	-	Work	Law 99/2016 + HG 394/2016	Open bid
9	C 101/2020	RC to 400 kV double circuit OHL Tantareni - Kozlodui 1+2	48 months	34.27	-	Work	Law 99/2016 + HG 394/2016	Open bid
10	C 90/2020	Composite & reinforced glass insulation for the 110-400 kV installations (framework agreement)	18 months	2.54	-	Supply	Law 99/2016 + HG 394/2016	Open bid
11	CT 782/2020	Optimising the operation of 400 kV OHL Isaccea-Tulcea Vest and 400 kV OHL Gura Ialomitei - Lacu Sarat by installing monitoring systems	24 months	2.61	-	Work	Law 99/2016 + HG 394/2016	Open bid
12	C 77/2020	SDH communication equipment, N-E ring	12 months	2.98	-	Supply	Law 99/2016 + HG 394/2016	Open bid
13	C 69/2020	Connecting 400 kV OHL Isaccea-Varna & 400 kV OHL Isaccea-Dobrudja in 400 kV subst. Medgidia Sud, stage I: extending 400 kV subst Medgidia Sud	11 months	22.44	-	Work	Law 99/2016 + HG 394/2016	Open bid
14	C 50/2020	Installation / disassemblage of intervention tower system under emergency regime	48 months	9.68	-	Work	Law 99/2016 + HG 394/2016	Open bid
15	SB 10/2020	Research-development of live work (LW) techniques & fast SEN intervention - Stage 2	24 months	4.27	-	Work	Law 99/2016 + HG 394/2016	Simplified procedure
16	PT54/13717/2020	Specific guard & intervention services, intervention in particular cases to the objectives of UTT Pitesti	3 months	0.77	-	Services	Law 99/2016 + HG 394/2016	Negotiation, no preliminary invitation
17	BC 378/2020	Tree vegetation removal services in the passage corridors of OHLs managed by UTT Bucharest	12 months	0.53	-	Services	Law 99/2016 + HG 394/2016	Open bid
18	C 05/2009 AA9	Addendum 9 to contract 05/2009 - "business continuity and post-disaster recovery services"	9 months	0.66	-	Services	Law 99/2016 + HG 394/2016	Negotiation, no preliminary invitation
19	CJ 15/2020	Maintenance services for OHL passage corridors in areas with tree vegetation	36 months	1.50	-	Services	Law 99/2016 + HG 394/2016	Open bid
20	C 262/2020	Design services to make the FS of the system monitoring electricity quality (PQMS), ToR and TP Neutral to make PQMS & ToR for PQMS post-guarantee maintenance	9 months	0.52	-	Services	Law 99/2016 + HG 394/2016	Open bid
21	C 243/2020	Pilot project - refurbish 220/110/20 kV substation	18 months	2.60	-	Services	Law 99/2016 +	Open bid

No.	Agreement number	The Scope of the Contract	Duration	Value		Agreement type	Legal basis	Acquisition procedure
				Mill Lei	Mill Euro			
		Alba Iulia as digital substation concept (design)					HG 394/2016	
22	C 232/2020	Space rental in an office building + maintenance, necessary for NPG Transelectrica SA - Executive	60 months	-	9.00	Services	Law 99/2016 + HG 394/2016	Procedură proprie
23	PT 42/10505/2020	Specific guard & intervention services, intervention in particular cases to the objectives of UTT Pitesti	3 months	0.78	-	Services	Law 99/2016 + HG 394/2016	Negotiation, no preliminary invitation
24	CR 42/2020 - C 180/2020	Specific guard, monitoring and fast intervention services to UTT Craiova objectives for 12 months	12 months	2.53	-	Services	Law 99/2016 + HG 394/2016	Open bid
25	PT 142/2020	Specific guard & intervention services, intervention in particular cases to the objectives of UTT Pitesti	2 months	0.54	-	Services	Law 99/2016 + HG 394/2016	Negotiation, no preliminary invitation
26	C 86/2020	Cleaning services for buildings of NPG Transelectrica SA - executive and UNO-DEN	24 months	0.84	-	Services	Law 99/2016 + HG 394/2016	Open bid
27	C 85/2020	Specific consultancy services for work/services to 110-750 kV overhead lines	48 months	6.82	-	Services	Law 99/2016 + HG 394/2016	Open bid
28	C 75/2020	Support services to build and operate electronic comm. networks to operate the excess optical fibre capacity existent in Transelectrica, keeping control within NPG Transelectrica SA for 5 years	60 months	4.80	-	Services	Law 99/2016 + HG 394/2016	Negotiation, no preliminary invitation
29	CR 20/2020	Specific guard, monitoring and fast intervention services to UTT Craiova objectives for 6 months	6 months	1.11	-	Services	Law 99/2016 + HG 394/2016	Negotiation, no preliminary invitation
30	C 52/2020	Revolving bank credit line needed for the operation of the support scheme under optimum conditions	12 months	3.91	-	Services	Law 99/2016 + HG 394/2016	One's own procedure
31	BC 630/2020	Cleaning services in the offices of UTT Bucharest and Centre	24 months	0.59	-	Services	Law 99/2016 + HG 394/2016	Open bid
32	C 47/2020	Technical support services associated to ORACLE licences	36 months	2.34	-	Services	Law 99/2016 + HG 394/2016	Open bid
33	CR 16/2020	Services maintaining the OHL passage corridors in areas with tree vegetation	12 months	0.53	-	Services	Law 99/2016 + HG 394/2016	Open bid

In 2020 in the context generated worldwide by the Covid-19 pandemic, mention can be made from the legislative measures impacting activities of the provisions of Decree 195/2020 on *Instituting the emergency state on Romania's territory*, Annex 1 *Measures of first emergency with direct applicability*, Article 10 and Article 13 whereby "public central authorities, as well as legal entities where the state is majority shareholder *can procure directly* materials and equipment necessary to fight" the Covid-19 coronavirus epidemic, being obliged to impose "measures to provide supply continuity, namely extraction, production, processing, transportation, distribution, delivery, maintenance and repairs of resources and raw materials and/or semi-processed as necessary for the proper operation of the National Power System, as well as to provide its uninterrupted operation and of all public utility services".

In this context, to facilitate planning and procurements covered by the "Covid-19 fight" the following measures have been applied:

- ✓ The PAAS 2020 database was adjusted so as to enable detecting the procurements to be planned strictly to purchase products or services meant to fight Covid-19; a new Need was established in the Catalogue of Needs, exclusively dedicated to acquisitions for Covid-19 repelling and its effect, Need 264- Provision of Materials, Equipment and Services necessary for Coronavirus Fighting (during the emergency state, Decree 195/2020);
- ✓ The application database was adjusted, which monitors procurement procedures, in order to provide reports specific for the procurements made to fight Covid-19 and its effects;
- ✓ Company entities were proposed a text of Necessity Report strictly tailored for purchases under "Covid-19".

Such measures provided the necessary framework so that specific acquisitions performed during the emergency state can be done rapidly but in full compliance with the provisions of the applicable sectoral procurement legislation.

Annex 4 - List of Transelectrica's subsidiaries

- Maintenance Service Company of the Electricity Transmission Grid SMART SA, J40/ 8613/ 2001, Bucharest City, Boulevard General Gheorghe Magheru 33, Bucharest 1, code 010325, www.smart-sa.ro;
- Company Electricity Market Operator OPCOM SA, J40/ 7542/ 2000, Bucharest City, Boulevard Hristo Botev 16-18, Bucharest 3, code 030236, www.opcom.ro;
- Company of Telecommunication and Information Technology in Electricity Transmission Networks TELETRANS SA, J40/ 12511/ 2002, Bucharest City, Boulevard Hristo Botev 16-18, Bucharest 3, code 030236, www.teletrans.ro;
- Company FORMENERG SA, J40/ 2265/ 2002, Bucharest City, Boulevard Gheorghe Sincai 3, Bucharest 4, code 040311, www.formenerg.ro;
- Subsidiary Company ICEMENERG SERVICE SA, J40/ 11414/ 2003, Bucharest City, Boulevard Energeticienilor 8, Bucharest 3, code 032092, www.icemenerg-service.ro

List of persons affiliated to the company

Company Subsidiaries:

- SMART
- OPCOM
- TELETRANS
- FORMENERG
- ICEMENERG-SERVICE

Annex 5 – Significant transactions

All contracts concluded with affiliated persons amounting above 50,000 Euro were reported under Current Reports, according to legal provisions.

- Current report 06 January 2020, Addendum 6 to contract C256/2014 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;

Annex 6 - Disputes

On 31.12.2020 the Company was involved into the following disputes, amounting to above 100,000 Euro (477,920 Lei at BNR exchange):

No.	File no.	Court	Parties to the dispute and status	Scope	Disputed amount	Court / settlement terms
1	41911/3/2014 41911/3/2014*	Bucharest Tribunal CAB ICCJ	Claimant : Transelectrica Defendant I. SC Gallup Organization Romania SRL Defendant II. Stelian Baicusi and others	Claims	4,958,587.72 Lei	<p>Settlement in brief: Admitted the exception of functional incompetency of section VIII of Bucharest Tribunal. Referring the file to the registration office from the civil sections of Bucharest Tribunal. No appeal. Pronounced at public hearing on 19.02 .2015.</p> <p>Document: Conclusion (desinvestment) 19.02.2015</p> <p>Filed appeal</p> <p>Deferred pronouncement on 18.12.2017.</p> <p>It denied the appeals as groundless. It compelled the appellant-claimant paying to appellant-defendant Gallup Organization Romania SRL 6,250 Lei court expenses (representing reduced lawyer fee). Appeal right granted within 30 from notification. Pronounced at public hearing on 18.12.2017.</p> <p>Document: Ruling 2269/2017 / 18.12.2017</p> <p>TEL filed appeal on 26.03.2018.</p> <p>The case is under screening procedure with the ICCJ</p> <p>It admitted in principle the appeals filed by claimant National Power Grid Company Transelectrica SA and defendant The Gallup Organization Romania SRL against ruling 2269 of 18 December 2017 of the Appeal Court Bucharest, Section V civil. Setting 30 January 2019 hearing term for appeal settlement, Judge panel C3-NCPC, 9:00 h, at public hearing, summoning the parties.</p> <p>Ruling 251: It denied as groundless the appeal filed by defendant The Gallup Organization Romania SRL against ruling 2269 of 18 December 2017 of the Appeal Court Bucharest, Section V civil. It admitted the appeal filed by claimant National Power Grid Company Transelectrica SA against the same ruling. It partly cancelled the ruling with respect to the appeals filed by claimant National Power Grid Company Transelectrica SA and defendants Adrian Baicusi, Mihaela Maciuceanu against sentence 6508, 17 October 2016 of Bucharest Tribunal, Section VI Civil, meaning the settlement of the subsidiary request.</p> <p>It maintained the other provisions of the ruling appealed against. It compelled claimant National Power Grid Company Transelectrica SA to pay 10,000 Lei law court expenses in appeal to defendant The Gallup Organization Romania SRL, reduced as per article 451 para 2 civil proced. Code; final;</p>

2	17284/3/2015	Bucharest Tribunal CAB ICCJ	Claimant : SC Dagesh Rom SRL Defendant: Transelectrica	Claims	2,784,950 Lei + 168,500 Lei	<p>It denied the request - Settlement in brief: 1. It admitted the write-off exception with respect to the claims represented by: - rent difference requested for 04.03.2012 - 12.05.2012; - related penalties requested as rent difference calculated for 04.03.2012 - 12.05.2012; - service fee difference asked for the interval 04.03.2012 - 12.05.2012; - related penalties requested as service fee difference calculated for 04.03.2012 - 12.05.2012. It denied such claims as being written-off. 2. It denied the other claims as groundless. 3. It compelled the claimant to pay 2250 Lei to the defendant as law court expenses. 4. Appeal right granted within 30 from notification. Appeal to be submitted to Bucharest Tribunal, Section VI Civil. Pronounced at public hearing on 15.11.2016. Ruling 7230/2016 / 15.11.2016.</p> <p>Settlement in brief: It admitted the appeal. It partly changed the contested ruling; it partly admitted the suing, 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 pay 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. Pronounced at public hearing on 20.04.2018.</p> <p>Document: Ruling 810/2018 / 20.04.2018</p> <p>It established 12 November 2019 as next hearing term to settle the appeals at public hearing, summoning the parties.</p> <p>It denied as groundless the appeals filed by the recurrent-claimant SC Dagesh Rom SRL and by the recurrent-defendant National Power Grid Company Transelectrica SA against civil ruling 810A/2018 of 20 April 2018, pronounced by the Appeal Court Bucharest, Section VI Civil. It denied the requests filed by recurrent-claimant SC Dagesh Rom SRL and by recurrent-defendant National Power Grid Company Transelectrica SA on granting law court expenses; final</p>
3	2177/99/2012/ a40 2177/99/2012	iasi Tribunal	CET SA Iasi – insolvency debtor Transelectrica SA - Creditor	Insolvency procedure	Recorded in the creditors' table with 1,935,308.24 Lei	<p>It denied the appeals filed by the recurrent contesters.</p> <p>Control term granted on 21.05.2019</p> <p>Settlement in brief: It dismissed the judiciary reorganisation plan of debtor SC CET SA (District Heating Centre Iasi), seated in Iasi, Calea Chisinaului 25, registered with ORC at J22/677/2002, CUI 14718982. In accordance with the provisions of article 107 para 1 let B of Law 85/2006 on the insolvency procedure it decided beginning the general bankruptcy procedure of debtor SC CET SA (District Heating Centre Iasi), seated in Iasi, Calea Chisinaului 25, registered with ORC at J22/677/2002, CUI 14718982. According to the provisions of article 107 para 2 of the Law on the insolvency procedure it designated provisional liquidator the judiciary administrator Management Reorganizare Lichidare Iasi SPRL seated in Iasi, str. Aleea Nicolina 82, Iasi County, registered with the Professional Societies Register at 0120/31.12.2006, which will perform the attributions provided in article 25 of the law. According to the provisions of article 107 para 2 of the Law on the insolvency procedure it decided dissolving the debtor company and suspend the debtor's administration right. It set the maximum term on 21.03.2014 for liability submission to the judiciary liquidator, together with the list of deeds and operations performed after procedure institution. It decided notifying such opening of the bankruptcy procedure to the debtor, the creditors and the Office of the trade register from Iasi Tribunal, to perform the mention by publishing it in the Bulletin of insolvency procedures.</p>

						<p>It set the maximum term on 25.04.2014 for submission of demands for trade receivables occurred during the procedure. It set the maximum term on 26.05.2014 to verify the receivables occurred during the procedure, the execution, display and communication of the additional creditors' table. The deadline to submit contestations against receivables occurred during the procedure will be at least 10 days before 24.06.2014. It set the term on 24.06.2014 to settle contestations to receivables occurred during the procedure. It set the deadline to draw up and display the final consolidated receivables' table on 24.06.2014. According to article 113 of the Law on the insolvency procedure it decided sealing the debtor's assets and goods, blocking the buildings, the social parts and all the other liquidation operations.</p> <p>Document: Intermediate ruling 17.09.2014 .</p> <p>Term to continue the procedure: 13.04.2021</p>
4	9089/101/2013/a 152	Mehedinti Tribunal	<p>RAAN – bankrupt debtor</p> <p>Transelectrica SA - Creditor</p>	Bankruptcy procedure	<p>Request to be recorded in the creditors' table with 89,360,986.06 Lei</p> <p>Transelectrica SA was recorded in the creditors' list of debtor RAAN with 11,264,777.30 Lei, in the category of liabilities resulting from continued debtor activities, the sum requested by our company being 89,360,986.06 Lei, the amount of 78,096,208.76 Lei was not written in the preliminary liability table because "it was not found as liability in the accounting books of RAAN. Moreover, requesting this sum of 78,096,208.76 Lei was expressed late as it pertains to 2011 – 2013, for which reason it should have been asked for when the insolvency procedure was initiated on 18.09.2013". We submitted contestation to the Table.</p> <p>Settlement in brief: In accordance with article 139 C. pr. civ. it joins this case to file 9089/101/2013/a140; final. Pronounced at public hearing on 14.02.2019</p> <p>Document: Final ruling (desinvestment) / 14.02.2019</p>	
5	6473/111/2013	Bihor Tribunal	<p>SC Electrocentrale Oradea – insolvency debtor</p>	Insolvency procedure	<p>Request to be recorded in the creditors' table with 641,673.13 Lei</p> <p>In accordance with article 107 para 1 let. B) of the Law on the insolvency procedure it decided initiating the bankruptcy procedure for debtor SC Electrocentrale SA. It appointed as provisional judiciary liquidator CITR, Branch Bihor SPRL seated in Oradea, str. Roman Ciorogariu 24, to perform the attributions provided by article 25 of the law and whose retribution will be established later, according to amount. According to article 107 para 2 of the Law on the insolvency procedure it decided dissolving the debtor company and suspending its administration right. It set the maximum term on 18 January 2018 for liability submission to the judiciary liquidator, together with the list of deeds and operations performed after procedure institution. According to articles 61 and 109 of the Law on the insolvency procedure it decided notifying such opening of the bankruptcy procedure to the debtor, the creditors and the Office of the trade register from Bihor Tribunal, through the Bulletin of insolvency procedures, in order to make the mention according to article 61 of the Law on the insolvency procedure. It set 26 February 2018 as deadline for submission of demands for trade receivables occurred during the procedure. It set 16 March 2018 as deadline to verify the receivables occurred during the procedure, the execution, display and communication of the additional creditors' table. It set 28 March 2018 as term to settle possible contestations and 11 April 2018 to provide the final consolidated table of receivables. It established 11 April 2018 for next hearing, room 66, 9:00 h. It established the liquidator's task to set a date for creditors gathering and to convene the debtor's creditors. It decided the liquidator to send notifications to all creditors. It decided communicating such decision to the law courts in whose jurisdiction the debtor is found, and to all banks where he has accounts. According to article 113 of the Law on the insolvency procedure it decided sealing the debtor's assets and goods and performance of all liquidation operations; enforceable. Appeal right granted within 30 days from notification, to be submitted to Bihor Tribunal.</p>	

			Transelectrica SA - Creditoare			<p>Document: Intermediary ruling 14/2018 / 10.01.2018</p> <p>Term: 06.02.2019 - Settlement type: deferring the case</p> <p>Settlement in brief: Making the inventory of the debtor's goods, capitalising them</p> <p>Document: Hearing conclusion / 06.02.2019</p> <p>Term 17.04.2019 - Settlement type: Law 85/2006 on insolvency</p> <p>Settlement in brief: It admitted the request of creditor Vinter loan in contradiction with the judiciary liquidator CINTR, Branch Bihor SPRL. It placed again the creditor within the term to express the receivable statement. It compelled the judiciary liquidator to examine the creditor's receivable statement; enforceable. Appeal right granted within 30 days from notification, to be submitted to Bihor Tribunal.</p> <p>Document: Intermediary ruling 483/2019 / 17.04.2019</p> <p>Term 21.04.2021</p>
6	873/1259/2008	Arges Tribunal	Creditor: DGFP, Transelectrica Debtor : SC Termoficare 2000 Pitesti SA	Insolvency procedure Transelectrica filed request to be recorded in the creditors' list to recover the debt	Recorded in the creditors' table with 3,903,604.27 Lei	<p>Term to continue the procedure 11.05.2021.</p> <p>We have been recorded in the creditors' table.</p>
7	4328/110/2013	Bacau Tribunal	CET SA Bacau – insolvency debtor Transelectrica SA - Creditor	Insolvency procedure	Request to be recorded in the creditors' table with 1,484,636.78 Lei	<p>It deferred the case</p> <p>Settlement in brief: to continue the procedure</p> <p>Term: 11.07.2019</p> <p>Settlement type: It deferred the case</p> <p>Settlement in brief: to continue the procedure</p> <p>Document: Hearing conclusion / 11.07.2019</p> <p>TERM : 22.04.2021</p>
8	29322/3/2014	Bucharest Tribunal	SC ENNET GRUP SRL– insolvency debtor NPGTranselectrica SA - Creditor	Insolvency procedure	Request to be recorded in the creditors' table with 3,277,527.03 Lei	<p>Settlement type: It deferred the case</p> <p>Settlement in brief: to continue the procedure</p> <p>Term to continue the procedure: 05.04.2021</p>
9	1867/90/2010	Valcea Tribunal	SC Total Electric Oltenia SA	Insolvency procedure – joint-stock	Recorded in the creditors' table	Settlement type: It deferred the case

				companies – UPON DEBTOR's REQUEST	14,085,415.27	Settlement in brief: - To continue the procedure in view of capitalising the goods from the debtor's inventory and to gather the creditors on 12.04.2019, with an agenda item on establishing a new sale strategy for the debtor's movable property Term: 19.06.2019 Settlement type: It deferred the case Settlement in brief: to continue the procedure in view of capitalising the assets in the debtor's stocks Document: Hearing conclusion / 19.06.2019 Term: 07.04.2021
10	47478/3/2012 170/3/2014 47478/3/2012* /a1	Bucharest Tribunal	SC PETPROD SRL Transelectrica SA - creditor	Insolvency procedure – joint-stock companies – UPON DEBTOR's REQUEST	30,047,752.90 Lei	We have been recorded in the creditors' list of debtor SC PETPROD SRL with 30,046,403.79 Lei Settlement type: Conclusion Settlement in brief: to continue the procedure for capitalisation Term : 11.05.2021
11	20190/3/2015	Bucharest Tribunal Appeal Court Bucharest	Claimant : Transelectrica Defendant: SC Dagesh Rom SRL Defendant: Adrian Baicusi	Claims	1,353,963.60 lei + interest	Settlement in brief: It denied as groundless the exception of absence of passive processual capacity of defendant Baicusi Adrian, exception claimed by him in the objection. It partly admitted the exceptions relating to the prescription of the action right in a material sense, as sustained in the defendants' complaints. It ascertained as written-off the material right to action about to the amounts that became due before 29.05.2012 and it denied the request for such sums for occurrence of prescription. It denied as groundless the court summoning filed by claimant National Power Grid Company Transelectrica SA in contradiction with defendant Dagesh Rom SRL and defendant Baicusi Adrian. It denied as groundless the claimant's request to be granted law suit expenses. It partly admitted the request of defendant Dagesh Rom SRL to be granted law suit costs and compelled the claimant to pay it 5000 Lei reduced lawyer fee. It denied as groundless the request of defendant Baicusi Adrian to be granted law suit costs. Appeal right granted within 30 days from notification, to be submitted to section VI of Bucharest Tribunal. Pronounced on 13.04.2018 and given to the parties by the court clerk. Document: Ruling 13.04.2018 Settlement in brief: It denied the sustained exceptions as groundless. It admitted the appeal. It cancelled the conclusion appealed against and referred the case to the same court to continue judgment; final. Document: Ruling 255/2017 / 22.09.2017
12	5302/2/2013	Appeal Court Bucharest	Recurrent claimant C Transelectrica, ANRE	Administrative dispute	Compelling payment of 722,756,000 Euro, representing unrealised profit as per business plan and 17,419,508.07 Lei – actual expenses recorded in accounts	According to article 413 par 1 item 1 from the Civil procedural code, it suspended judging the case. Appeal right granted during all suspension term, to be filed with the Appeal Court Bucharest. It was pronounced at public hearing on 24 June 2014. Document: Conclusion - Suspension 24.06.2014. Settlement: Admitted the appeal - Admitting the appeal with cassation - Orders re-judging

12107/3/2017	ICCJ	Recurrent respondent R Conaid Company	Ascertaining the unjustified refusal to conclude and sign RET connection addendum and/or contract, obligation to sign addendum and/or contract for RET connection,		Settlement details: Ruling 2148/29.06.2016. It denied the exceptions invoked by the recurrent-claimant SC Conaid Company SRL, by judiciary administrator RVA Insolvency Specialists SPRL and by the recurrent-defendant National Power Grid Company Transelectrica SA. Admitted the appeal of defendant National Power Grid Company Transelectrica SA against the hearing conclusion of 18 February 2014 and the civil sentence 1866 of 11 June 2014, pronounced by the Appeal Court Bucharest, Section VIII administrative and fiscal. It cancelled the conclusion appealed against and partly the sentence and referred the case to Bucharest Tribunal, Section VI Civil to settle the claimant's case in contradiction with the National Power Grid Company Transelectrica SA. Maintained the other stipulations of the sentence with respect to the claimant's suit against the National Regulatory Authority in the Energy domain. Denied the appeals filed by claimant SC Conaid Company SRL, by its judiciary administrator RVA Insolvency Specialists SPRL and by the third party SC Duro Felguera SA against civil sentence 1866 of 11 June 2014, pronounced by the Appeal Court Bucharest, Section VIII administrative and fiscal disputes. Denied the appeal filed by the National Power Grid Company Transelectrica SA against the hearing conclusion of 25 March 2014, pronounced by the Appeal Court Bucharest, Section VIII administrative and fiscal disputes; final. Pronounced at public hearing on 29 June 2016. Settlement in brief: It admitted the exception of inadmissibility. Denied the request as inadmissible. Denied the intervention request to the claimant's interest. Appeal right granted within 30 days from notification. Appeal to be submitted to Bucharest Tribunal, Section VI Civil. Placed at the parties' disposal by the court clerk on 23.11.2017. Document: Ruling 4364/2017 / 23.11.2017 New file 36755/3/2018 on the same issue, according to item 12 bis	
12 bis	36755/3/2018	Bucharest Tribunal	C: Conaid Company SRL D: Transelectrica	Claims and ascertaining unjustified refusal to conclude addendum to C154/2012 RET connection contract	17,216,093.43 Lei, incurred damage and 100,000 Euro, estimated unrealised benefit	Settlement type: It deferred the case Settlement in brief: To acknowledge the request modifying the summoning request Term : 07.05.2019 Settlement in brief: It denied the plea lis pendens exception as groundless. It denied the judgment suspension request as groundless. Appeal granted with the subject matter & term to continue the procedure on 17.09.2019, summoning the parties. Pronounced by placing the settlement to the parties' disposal by the court clerk. Document: Hearing conclusion / 11.06.2019 TERM : 11.05.2021 – to provide the expertise evidence
13	8207 /62/2011	Brasov Tribunal	CET SA Brasov – insolvency debtor Transelectrica SA - Creditor	Insolvency procedure	Recorded in the creditors' table with 4,303,741.44 Lei	Settlement in brief: To continue attempts to capitalise the debtor's assets, to continue steps and settle the environmental issues and to settle the disputes where the CET is a party it established a control term on 15.04.2021
14	926/62/2019	Brasov Tribunal	C: Transelectrica D: ICCO Energ SRL	Request to be recorded in the creditors' list	1,422,119.64 Lei	The receivable was registered in the PT published on 15.05.2019. In accordance with the reorganisation plan voted by the Creditors' Assembly of 27.08.2020 the reorganisation plan was voted, which provides that chirographic creditors will receive 0 Lei. The plan was confirmed by the syndic judge by intermediate ruling 796/09.11.2020, and the creditors attacked the syndic judge's ruling. Pronouncement term: 23.02.2021

						In accordance with article 140 para 1 of Law 85/2014, if the reorganisation plan fails and bankruptcy follows, the situation established by the final table of all receivables against the debtor will be resumed, as provided in article 112 para (1), deducting the amounts paid during the reorganisation plan
15	40814/3/2014 40814/3/2014*	Bucharest Tribunal Appeal Court Bucharest ICCJ	Claimant : OPCOM SA Defendants: NPG Transelectrica SA	Claims	582,086.31 Euro (2,585,161.72 Lei) + 84,867.67 Lei interest	<p>Settlement in brief: It admitted the suing file of claimant Electricity and Natural Gas Market Operator OPCOM SA in contradiction with defendant National Power Grid Company Transelectrica SA. It obliged the defendant to pay 582,086.31 Euro, representing the sum the claimant paid instead of the defendant from the fine of 1,031,000 Euro applied by Decision of the European Commission on 05.03.2014 in the AT.39984 case, plus legal interest to such 582,086.31 Euro, calculated on 11.06.2014 until actual payment. It obliged the defendant to pay 37,828.08 Lei as law suit expenses; appeal within 30 days from notification. The appeal to be filed with Bucharest Tribunal, Section VI Civil. Pronounced at public hearing on 24 July 2015.</p> <p>Document: Ruling 4275/2015 / 24.07.2015</p> <p>Settlement in brief: It admitted the appeal. It changed the entire civil sentence appealed against, namely it denied the suing as groundless. It compelled the claimant plaintiff in appeal to pay 16,129.49 Lei law suit expenses, being judiciary stamp fee. Appeal was granted within 30 days from notification. It was pronounced at public hearing on 10.10.2016.</p> <p>Document: Ruling 1517/2016 / 10.10.2016</p> <p>It admitted the appeal filed by the recurrent-claimant Electricity and Natural Gas Market Operator OPCOM SA against ruling 1517/10.10.2016, pronounced by the Appeal Court Bucharest, Section V Civil. It cancelled the ruling appealed against and referred the case for new judgment to the appeal court; final.</p> <p>CAB settlement: It denied the appeal as groundless. It compelled the appellant to pay 26,070.31 Lei law suit costs to the respondent; appeal within 30 days from notification, to be submitted to CAB Section V Civil. It was pronounced at public hearing.</p> <p>Document: Ruling 1813/2018 / 01.10.2018</p> <p>We filed appeal on 27.11.2018</p> <p>Hearing sessions:</p> <p>Hearing term 09.03.2021</p>
16	1284/101/2015 24206/3/2015	Mehedinti Tribunal Bucharest Tribunal	Claimant: RAAN Defendant: Transelectrica	Claims	16,896,664.09 Lei, representing the cogeneration bonus for the interval September 2014 – February 2015 and the sum of 909,016.08 Lei, value of delay penalties	<p>Settlement type: It declined settling the case</p> <p>Settlement in brief: It admitted the exception of territorial incompetency. It declined ruling competency in favour of Bucharest Tribunal, Section VI Civil; no appeal. It was pronounced at public hearing on 22.05.2015.</p> <p>Document: Ruling 41/2015 / 22.05.2015</p> <p>Settlement in brief: It admitted the request as supplemented. It compelled the defendant to pay 17,805,680.17 Lei to the claimant, as amount of the bonus and penalties. It denied the claimant's request to grant law suit expenses as groundless. Appeal within 30 days from notification, to be filed with Bucharest Tribunal, Section VI Civil. Pronounced at public hearing on 03.11.2015.</p> <p>Document: Ruling 6075/2015 / 03.11.2015</p> <p>Filed appeal</p>

	Appeal Court Bucharest				Settlement in brief: It denied as groundless the appeal filed by the appellant defendant TRANSELECTRICA against civil sentence 6075/03.11.2015 pronounced by Bucharest Tribunal, Section VI Civil in file 24206/3/2015 in contradiction with the intimated claimant RAAN by judiciary liquidator EURO INSOL SPRL. It denied as groundless the appellant defendant's request pertaining to be paid law suit expenses for the appeal. Appeal right was granted within 30 days from notification, to be submitted to Appeal Court Bucharest, Section V Civil. It was pronounced at public hearing on 24.09.2020. Document: Ruling 1206/2020 / 24.09.2020. The amount was enforced; Transelectrica filed appeal on 11.01.2021
7566/101/2014 26024/3/2015 17	Mehedinti Tribunal Appeal Court Craiova Bucharest Tribunal CAB	Claimant: RAAN Defendant: Transelectrica	Claims for 10,048,628.86 Lei	10,048,628.86 Lei	Settlement in brief: It admitted the case; appeal right granted within 30 days from notification. It was pronounced at public hearing on 04.02.2015. Document: Ruling 16/2015 / 04.02.2015 Filed appeal Settlement type: It decided re-judgment in the first court or in the competent court Settlement in brief: It admitted the appeal, cancelling the sentence and referring the case for settlement to Bucharest Tribunal, Section VI Civil; final. Document: Ruling 509/2015 / 30.06.2015 TB settlement in brief: It denied the suing as groundless; appeal within 30 days from notification. It was pronounced by placing the hearing at the parties' disposal by the court clerk on 04.02.2020. Document: Ruling 166/2020 / 04.02.2020 RAAN filed appeal. Settlement in brief: It denied the appeal as groundless; final. It was pronounced at public hearing. Document: Ruling 1839/2020 / 09.12.2020
3269/3/2015 1015/2/2018 – nr.nou 18 1015/2/2018	Bucharest Tribunal CAB ICCJ	Claimant : Transelectrica Defendant: Trading Company of Maintenance Services to the Electricity Transmission Grid Smart SA	Claims	566,773.42 Lei	Settlement in brief: It admitted the inadmissibility exception, it denied entirely the request as inadmissible; appeal right within 30 days from notification, to be submitted to Bucharest Tribunal, Section VI Civil. It was pronounced at public hearing on 11.10.2017 Document: Ruling 3592/2017 / 11.10.2017 Settlement of TEL appeal: It denied the appeal as groundless; final. It was pronounced at public hearing on 09.09.2016 Document: Ruling 348/2016 / 09.09.2016 Settlement details: It denied as groundless the appeal filed by the recurrent-claimant NATIONAL POWER GRID COMPANY TRANSELECTRICA SA against ruling 904 of 07 May 2018 pronounced by the Appeal Court Bucharest, Section VI Civil, in

						contradiction with the respondent-defendant MAINTENANCE SERVICES TO THE ELECTRICITY TRANSMISSION GRID SMART SA; final ; 26.09.2019
19	4569/107/2015	Alba Tribunal	C: Transelectrica D: ROMENERGY INDUSTRY SRL	Claims	11,881,453.01 Lei	It admitted the civil case filed by claimant NPG Transelectrica SA: it compelled the defendant to pay 10,608,353.71 Lei as claims to the claimant. It obliged the defendant to pay 122,419.53 Lei as judiciary expenses to the claimant. Appeal in 30 days from notification. It was pronounced at public hearing on 9 June 2016 according to article 396 Cod pr. civil. Document: Ruling 1088/2016 09.06.2016. TEL was recorded with 16,475,047.45 Lei in the creditors' list of file 2088/107/2016.
20	627/107/2016	Alba Tribunal	C: Transelectrica D: ROMENERGY INDUSTRY SRL	Claims	1,748,339.29 Lei	Settlement in brief: Case was suspended according to article 75 of Law 85/2014. Document: Conclusion - Suspension / 21.09.2016
21	7226/3/2016	Bucharest Tribunal	Defendant : Energy Holding Claimant : Transelectrica	Claims	1,073,561.72 Lei	It partly admitted the restricted and amended summons. It compelled the defendant to pay the claimant 1,050,000 Lei as price of provided services according to fiscal invoice 6080 of 23.11.2015 and 14,129.79 Lei as delay penalties. It compelled the defendant to pay the claimant 14,916.48 Lei, as law suit expenses; appeal within 30 days from notification, to be submitted to Bucharest Tribunal, Section VI Civil. Document: Ruling 5375/2016 / 16.09.2016. We filed appeal. On 04.03.2017 hearing term the court admitted the evidence of accounting expertise. Term: 13.06.2017 to perform the expertise and be summoned by the judiciary administrator On 08.05.2017 the defendant entered insolvency. Suspended. Returned to the docket in order to ascertain file cessation according to article 75 of the insolvency law. It was pronounced on: 26.06.2018 Settlement in brief: It admitted the appeal and partly cancelled the sentence appealed against. It ended the judiciary action pertaining to the payment of 7,573.96 Lei representing delay penalties related to invoice 3590/27.02.2016, and 1,857.97 Lei representing delay penalties related to invoice 17773/17.02.2016. Appeal right was granted within 30 from notification, to be submitted to the Appeal Court Bucharest, Section VI Civil pending nullity sanction. It was pronounced at public hearing on 26.06.2018. Document: Ruling 1367/2018 / 26.06.2018
22	3694/3/2016	Bucharest Tribunal	Claimant: RAAN Defendant: Transelectrica	Claims	15,698,721.88 Lei	Settlement in brief: It denied the summons as groundless. Appeal right granted within 30 days from notification, to be submitted to Bucharest Tribunal, section VI civil. It was pronounced at public hearing on 11.06.2020. Document: Ruling 630/2020 / 11.06.2020
23	9089/101/2013/a140	Mehedinti Tribunal	Claimant: Transelectrica	Claims	86,513,430.37 Lei	Settlement in brief: It admitted the decline exception; partly admitted the main subject and attached contestation; it compelled the defendant to pay to the claimant 16,950,117.14 Lei receivable occurring during the procedure, deciding to register it in the creditors' table constituted against debtor RAAN with this amount. It denied the other attached requests; according to article 453 para 2 C. pr. civ. it compelled the defendant to pay the claimant 1000 Lei as law suit expenses; appeal right was

						granted. It was pronounced at public hearing on 20.06.2019.
		CA CRAIOVA ICCJ	Defendant: RAAN			Document: Ruling 163/2019 / 20.06.2019 CA Craiova: It denies the appeal as groundless. Transelectrica filed review request for contradictory decisions, with hearing term on 03.02.2021 la ICCJ. The review request was dined. We will file another review request, which can be stated admissible.
24	1396/90/2016	Valcea Tribunal	Transelectrica – creditor CET Govora - debtor	Request to be recorded in the creditors' list of TP	28,200,440.31 Lei	NPG Transelectrica SA was registered in the preliminary table with total liability of 28,200,440.31 Lei, as per our company's request. Mention should be made the liability of 21,962,243.71 Lei, meaning principal and penalties under invoice 8116/08.04.2016, has been recorded under suspensive condition of pronounced final judgment in favour of ANRE in file 2428/2/2014 on the docket of the Appeal Court Bucharest, pertaining to cancelling ANRE Decision 738/28.03.2014. Settlement type: It deferred the case Settlement in brief: It granted a term to continue the insolvency procedure for the debtor company; it agreed with the judiciary administrator's proposal to amend the structure of the creditors' committee, by establishing one of three members, namely Alpha Bank Romania SA, Rm.Valcea City and ANAF-DGAMC. Document: Hearing conclusion / 10.06.2019 Settlement in brief: It confirmed the change in the reorganisation plan submitted to the file on 23 December 2019 (f. 1-29 vol. 76) as well as the extension of plan execution by one more year, namely until 18 July 2022. Appeal right was granted. Document: Ruling 225/2020 / 02.03.2020 Term to continue the procedure: 29.03.2020
25	1196/93/2016	Ilfov Tribunal	Transelectrica – Claimant UGM Energy Trading - Defendant	Claims	3,422,293.07 Lei	Hearing term: 20.09.2016 In accordance with article 75 para 1 of Law 85 / 2014 on insolvency it ascertained the lawful suspension of judgment had occurred.
26	1705/93/2016/ A2	Ilfov Tribunal	UGM Energy Trading SRL – debtor under insolvency	Claims	3,515,687.51 Lei	29.06.2016 – opening the general insolvency procedure, 14.08.2016 – submission term of liability statement. The liability was admitted in quantum of 3,515,687.51 Lei, representing the value of invoices issued by our company for services provided to debtor UGM Energy Trading SRL, calculated by 29.06.2016, when the general insolvency procedure was initiated; the liabilities amounting to 200 Lei and 41,331.59 Lei claimed by our Company as judiciary stamp fees were denied. The contestation to the table has been submitted within the legal term. Settlement in brief: It denied the contestation as groundless; appeal right within 7 days from notification, to be submitted to Ilfov Tribunal. Pronounced at public hearing on 23.02.2017. Document: Ruling 511/2017 / 23.02.2017 The tribunal ruled on 03.08.2017 to initiate the bankruptcy procedure. Term to continue the procedure 20.05.2021

27	2088/107/2016	Alba Tribunal	C: Transelectrica - creditor D: ROMENERGY INDUSTRY SRL - debtor	Request to be recorded in the creditors' list	16,112,165.18 Lei	30.06.2016 – opening the general insolvency procedure, 16.08.2016 – the entire amount was admitted Settlement in brief: It set the term on 23.04.2018 to continue the bankruptcy procedure by capitalising the goods and recovering receivables. The judiciary liquidator will execute and submit to the file: - on each 15 th day of the month, the monthly activity reports provided in para 1 of article 21 Law 85/2006, for the previous month; - for the verification date, 5 days before term the synthesis report every 120 days, provided in the final part of para 1 of article 21 Law 85/2014 Document: Hearing conclusion / 05.10.2020
28	7958/2/2016	CAB ICCJ	C: Transelectrica D: Ministry of Energy - OIE	Contestation of Decision 232127/20.05.2016		Settlement in brief: It denied as groundless the inadmissibility exception of pieces 3 & 5 of the suit. It admitted the exception of inadmissibility of piece 4 of the suit (pertaining to compelling the defendant to approve the settlement of amounts denied for repayment by the notifications associated to the repayment requests 1-3) and denied this piece as inadmissible. It denied the remaining suit as groundless; appeal within 15 days from notification, to be submitted to the Appeal Court Bucharest, Section VIII, pending nullity. It was pronounced at public hearing on 12.04.2017. Document: Ruling 1359/2017 / 12.04.2017 We filed appeal, Term: 23.01.2020 Settlement details: It denied as groundless the appeal filed by claimant National Power Grid Company Transelectrica SA against sentence 1359 of 12 April 2017 from the Appeal Court Bucharest, Section VIII of administrative and fiscal disputes; final. It was pronounced at public hearing on 23 January 2020.
29	35304/3/2016	Bucharest Tribunal	Debtor : Electrocentrale Bucharest SA Creditor : Transelectrica SA	Insolvency - Request to be recorded in the creditors' list	2,286,832.15 Lei (dc. amount 1,739,926.66 Lei which is not compensated)	Settlement type: The request was admitted Settlement in brief: It admitted the debtor's request SC ELECTROCENTRALE BUCHAREST SA seated in Bucharest 6, Splaiul Independentei 227, recorded under no. J40/1696/2003 in the commercial register of Bucharest Tribunal, single registration code 15189596. According to article 71 para 1 of Law 85/2014 on the procedures to prevent insolvency and on insolvency it opened the general procedure against debtor SC ELECTROCENTRALE BUCHAREST SA. It set the following deadlines : a) deadline for creditors to submit their objections to the procedure opening conclusion - 10 days from notification, as well as the objection settlement term which will not exceed 5 days from the submission date expiry; b) deadline to register the request to be admitted the liabilities over the debtor's assets – 08.12.2016; c) term to check the liabilities, elaborate and print the preliminary liability table in the Bulletin of Insolvency Procedures – 05.01.2017; d) term to complete the liability table – 02.02.2017 Settlement in brief: In accordance with article 139 para 5 of Law 85/2014 regarding insolvency prevention procedures and insolvency, it confirmed changing the reorganisation plan of debtor SC ELECTROCENTRALE BUCURESTI SA. According to article 62 para 5 of Law 85/2014 regarding insolvency prevention procedures and insolvency it confirmed the assessment report elaborated by DAS Evaluari Group. It set on 05.11.2020, 12:00 h the term to continue the procedure. Appeal right within 7 days of ruling notification by B.P.I., to be submitted to Bucharest Tribunal, Section VII

						Civil. It was pronounced by placing the settlement at the parties' disposal by the court clerk on 09.07.2020. Document: Intermediate ruling 2058/2020 / 09.07.2020
30	40958/3/2016	Bucharest Tribunal	Claimant : Transelectrica Defendant : TRADING CO. OF MAINTENANCE SERVICES TO ELECTRICITY TRANSMISSIO N GRIDS SMART SA	Claims	2,797,095.21 Lei, with VAT + 1,211,694.26 Lei accessories	In accordance with article 413 para 1 pt. 1 NCPC it suspended judging the case until final settlement of the file vs CCR 1658/2/2014* (term 28.10.2021). Appeal right was granted during entire suspension period. It was pronounced at public hearing on 07.06.2017. Document: Conclusion - Suspension / 07.06.2017
31	3256/85/2016	Sibiu Tribunal	Claimant: Transelectrica Defendant: GOG METAL SRL and ELECTRO Construct System SRL	Claims	756,770 Lei	Settlement in brief: It admitted the suspension of request filed by claimant NATIONAL POWER GRID COMPANY TRANSELECTRICA SA by answering the claims. It decided suspending this case until final settlement of file 1658/2/2014 on the docket of the Appeal Court Bucharest. Appeal right during entire suit suspension. It was pronounced at public hearing on 02.03.2017. Document: Conclusion - Suspension / 02.03.2017
32	7282/3/2017	Bucharest Tribunal	C: Transelectrica and others D: Arelco Energy SRL	Bankruptcy procedure	1,878,467.85 Lei receivable to recover	Trade receivable was admitted in the preliminary receivables' table. Term of procedure: 25.05.2021
33	4452/3/2017	Bucharest Tribunal	C: Transelectrica si altii D: Arelco Power SRL	Bankruptcy procedure	20,996,030.49 Lei	Receivable of 20,041,519.94 Lei was admitted, mentioning that 954,510.55 Lei were extinguished by compensation. Initially the sum requested and admitted amounted to 21,025,161 Lei Term to continue the procedure: 26.02.2021
34	1372/3/2017		C: Transelectrica D: Transenergo Com	Insolvency procedure	6,850,000.98 Lei	The requested receivable was admitted with the following remarks: sum of 1,983.36 Lei (compensated) is taken out of the total amount; 69,808.42 Lei, of which 48,642.11 Lei receivable settled by TEL by executing the security and 21,166.31 Lei, receivable deemed current, the value of invoice issued after the insolvency opening date. Term to continue the procedure: 21.04.2021 Settlement in brief: In accordance with article 139 of Law 85/2014, it confirmed the reorganisation plan of debtor SC TRANENERGO COM SA, proposed by the special administrator. Appeal right within 7 from ruling notification in the Bulletin of Insolvency Procedures, to be submitted to Bucharest Tribunal, Section VII Civil. It was pronounced at public hearing on 03.02.2021. Document: Intermediate ruling 469/2021 / 03.02.2021

35	345/40/2017	Botosani Tribunal	C: Transelectrica D: Elsaco Energy SRL	Claims	9,198,673.80 Lei	In accordance with article 75 of Law 85/2014 corroborated with article 412 NCPC, it suspended judging the case. Appeal right granted during entire suspension. It was pronounced at public hearing on 26.09.2017. Document: Conclusion - Suspension 26.09.2017
36	10085/3/2017	Bucharest Tribunal	C: Electromontaj SA D: SMART SA Transelectrica SA	Claims	121,099.16 Euro, value for absence of using intervention towers 100,000 Euro, revenues which could have been obtained from towers operation	Term: 02.04.2021
37	3052/99/2017	Iasi Tribunal	Debtor: Fidelis Energy SRL	Insolvency procedure	2,219,985 Lei, invoice value + 200 Lei, judiciary stamp tax	Receivable was recorded in the preliminary table in sum of 2,219,985 Lei. The sum of 200 Lei, judiciary stamp tax was not recorded. Term to continue the procedure: 20.05.2021
38	14733/3/2017	Bucharest Tribunal Appeal Court Bucharest	Debtor: Energy Holding SRL	Insolvency procedure	1,199,910.16 Lei, value of invoices, judiciary stamp tax and chartered accountant's fee	We were recorded in the PT with 1,179,545.28 Lei for invoices; 20,364.88 Lei as judiciary stamp tax and accountant fee were denied. We filed contestation of the preliminary table for the denied amount, which was denied as groundless. Appeal term on 22.03.2018 It denied the appeal as groundless; final;
39	2236/118/2017 si 2236/118/2017/a11 – contestatie cerere plata	Constanta Tribunal CA CT	Debtor: Elcomex IEA SA C: Transelectrica	Insolvency procedure	31,189,486.75 Lei	The receivable was recorded in the creditors' list. Contestation of the payment request Hearing term: 15.06.2018 Settlement in brief: It denied as groundless the contestation against the measure of the judiciary administrator to deny the payment request of contestator National Power Grid Company Transelectrica SA in contradiction with respondent Pricewaterhouse Coopers Business Recovery Services IPURL, in capacity of judiciary administrator of debtor Elcomex IEA SA. Appeal right granted within 7 days from notification, by publication in the BPI, to be submitted to Constanta Tribunal, Section II Civil. It was pronounced at public hearing on 15.06.2018 Document: Ruling 987/2018 / 15.06.2018 Hearing term: 28/10/2018 Settlement in brief: Ruling 579 - red. jud.C.M. It denied the appeal as groundless; final. It was pronounced on 05.11.2018 by placing the settlement at the parties' disposal by the court clerk on 05.11.2018. Document: Ruling 579/2018 / 05.11.2018

					Settlement in brief: According to article 45 para 1 let. r corroborated with article 58 let. m of Law 85/2014, it confirmed the transaction Contract of 21.01.2019 concluded by debtor Elcomex IEA SA under insolvency and creditor ABB SRL, approved by the debtor's creditors assembly as per Minutes 07.02.2019 published in BPI 2757/08.02.2019. It confirmed the reorganisation plan proposed by debtor Elcomex IEA SA by its special administrator, Plesca loan. During reorganisation the debtor company will be led by the special administrator, under supervision of the judiciary administrator, as per the provisions of the confirmed plan. It disposed for the judiciary administrator to submit monthly activity reports, as well as the reports executed according to article 144 of Law 85/2014. It set the term on 06.09.2019, 8:30 h, judge panel F10, administrative measures; enforceable. Appeal right granted within 7 days from publication through the BPI. It was pronounced at public hearing on 19.04.2019. Document: Intermediate ruling 739/2019 / 19.04.2019	
40	24552/3/2017 35865/3/2018	Bucharest Tribunal	C: Transelectrica D: Asito Kapital	Pay ordinance – Claims Cancellation request	31,180,857.96 Lei	Term: 24.10.2017 Settlement in brief: It admitted the request. It ordered the debtor to pay 2,237,750.83 Euro (equivalent of 9,948,592.64 Lei at the 4.4458 Lei/Euro exchange rate) in 20 days from notification of this ruling, which is unreturned down payment secured by indemnity letter of down payment BR-1500544/18.11.2015 as well as 4,821,022.53 Euro (equivalent of 21,233,265.32 Lei at 4.4041 Lei/Euro) which represents unreturned down payment secured by indemnity letter of down payment BR-1500520/29.07.2015; 200 Lei as law suit expenses. With right to submit annulment request within 10 days from notification. Document: Ruling 4067/2017 / 07.11.2017 Term of cancellation request: 20.03.2019 Settlement in brief: It denied as inadmissible the request part pertaining to reversing the enforcement; it denied as groundless the request to return the stamp tax of the request part regarding reversing the enforcement. It denied as groundless the cancellation request filed by the contestor-debtor ASITO KAPITAL SA against civil sentence 4067/07.11.2017 pronounced by Bucharest Tribunal, Section VI Civil in file 24552/3/2017, in contradiction with respondent-creditor NATIONAL POWER GRID COMPANY TRANSELECTRICA SA; final. It was pronounced at public hearing on 20.03.2019. Document: Ruling 743/2019 20.03.2019
41	3093/3/2017	Bucharest Tribunal Appeal Court Bucharest	C: Transelectrica D: Electrocentrale Bucharest	Contestation of the preliminary receivables table		It denied the request filed by contestor NATIONAL POWER GRID COMPANY TRANSELECTRICA SA seated in Bucharest 3, str. Olteni 2-4 in contradiction with debtor ELECTROCENTRALE BUCHAREST SA, by the special administrator seated in Bucharest, Splaiul Independentei 227 and judiciary administrator KPMG Restructuring SPRL seated in Bucharest 1, Sos. Bucharest-Ploiesti 69-71, ground floor, app. 25, postal code 013685, pertaining to contestation of the preliminary receivables' table; appeal right within 7 days from notification by publication in the BPI, to be submitted to Bucharest Tribunal, Section VII Civil; pronounced at public hearing on 22.06.2017. Document: Ruling 3999/2017 / 22.06.2017 Settlement type: Not grounded Settlement in brief: It denied the appeal as groundless; final. It was pronounced at public hearing on 21.11.2017. Document: Ruling 2112/2017 / 21.11.2017
42	20223/3/2017	Bucharest Tribunal	C: Teletrans	Claims		Term of pronouncement for TMB: 18.05.2018

		CAB ICCJ	D: Transelectrica	4,634,841.31 Lei, value of performance bond of Contract C243/2010 + 293,496.69 Lei legala interest		It denied Teletrans' request as groundless. Teletrans filed appeal. CAB settlement: It admitted the appeal; it changed the sentence appealed against namely: partly admitted the summons; it compelled the defendant to pay the claimant 4,632,187.61 Lei. It denied as groundless the request to compel the defendant to pay legal interest. It compelled the defendant to pay the claimant 49,926.87 Lei as law suit expenses, first matter. It compelled the respondent defendant to pay to the appellant claimant 24,963.43 Lei as law suit expensed for the appeal. Appeal right granted within 30 days from notification, to be submitted to the Appeal Court Bucharest, Section VI Civil, pending nullity. It was pronounced at public hearing on 17.12.2019. Document: Ruling 2119/2019 17.12.2019 We filed appeal, which is under screening with the High Court.
43	16216/3/2017	Bucharest Tribunal CAB	C: Teletrans D: Transelectrica	Ascertaining the fulfilment of contractual obligations and Claims		Term: It deferred pronouncement on 22.04.2019 Settlement type: It denied the request Settlement in brief: It admitted the exception of the material right being written-off for suit on invoices of February-March 2014. It denied the request pertaining to invoices 115/01.03.2015 and 123/01.03.2017 as written-off. It denied the remaining suit as groundless; appeal within 30 days from notification, to be submitted to Bucharest Tribunal, Section VI Civil. It was pronounced at public hearing on 22.04.2019. Document: Ruling 1064/2019 / 22.04.2019 Teletrans filed appeal, with hearing term on 11.03.2021.
44	28458/3/2017	Bucharest Tribunal / CAB	C: RAAN D: Transelectrica	Claims – regularisation of Jan-Dec 2016 bonus, ANRE Dec. 347/2017	2,106,843.49 Lei	Settlement in brief: It denied the request as groundless. Appeal right within 30 days from notification, to be submitted to Bucharest Tribunal, Section VI Civil. It was pronounced at public hearing on 1.07.2020. Document: Ruling 875/2020 / 01.07.2020 RAAN filed appeal
45	7141/2/2017	CAB	C: Transelectrica I: ANAF	Cancel enforcement title 13540/22.08.2017	91,823,180 Lei	Settlement in brief: It admitted the exception of material incompetence of the Appeal Court Bucharest, SCAF. It declined the case settlement competence in favour of Law Court of Bucharest District 1; no appeal. It was pronounced at public hearing on 08.02.2018. Document: Ruling 478/2018 / 08.02.2018
46	28460/3/2017	TMB	C: RAAN D: Transelectrica	Law wuit on claims	12,346,063.10 Lei (Nov 15 – Apr 16 bonus; regularisation, 2015 bonus; delay penalties)	Settlement in brief: It denied as groundless the summons filed by claimant Independent Authority of Nuclear Activities in contradiction with defendant National Power Grid Company Transelectrica SA. It denied as groundless the parties' request to be granted law suit expenses. Appeal right within 30 days from notification, to be submitted to Bucharest Tribunal, Section VI Civil. It was pronounced on 24 June 2020 and placed at the parties' disposal by the court clerk. Document: Ruling 777/2020 / 24.06.2020
47	33009/3/2017	Bucharest Tribunal	D: Photovoltaic Green Project C: Transelectrica sa	Insolvency procedure	Request to be recorded in the creditors' list with 693,073.51 Lei	Transelectria was recorded in the preliminary receivables table with total sum of 693,073.51 Lei 11.03.2019 - Settlement in brief: In accordance with article 139 para 1 of Law 85/2014 on the insolvency procedure it confirmed the reorganisation plan of debtor PHOTOVOLTAIC GREEN PROJECT SRL. Term was granted on 10.06.2019 to

						continue the procedure; appeal right within 30 days from notification, to be submitted to Bucharest Tribunal, Section VII Civil. It was pronounced at public hearing on 11.03.2019. Document: Intermediate ruling 1303/2019 / 11.03.2019 Term: 22.03.2021
48	28430/3/2019	Bucharest Tribunal	C: Romsilva SA D: Transelectrica	Claims	2,433,608.52 Lei, 2019 rent of temporary land occupation + penalties	Settlement in brief: In accordance with article 413 para (1) pt. 1 C. proc.civ., it suspended case settlement until final settlement of file 3155/115/2018 on the docket of the High Court of Cassation and Justice. Appeal right granted during entire suspension. It was pronounced at public hearing on 19.05.2020. Pronouncement will be made by placing the settlement at the parties' disposal by the court clerk. Document: Conclusion - Suspension 19.05.2020
49	32612/3/2017	Bucharest Tribunal	Biol Energy	Insolvency procedure	Request to be recorded in the creditors' list with 566,511.73 Lei	The receivable was recorded in the preliminary receivables' table. Term to continue the procedure: 11.03.2021
50	4328/110/2013	Bacau Tribunal	C : Transelectrica D : CET Bacau	Bankruptcy procedure	Request to be recorded in the creditors' list with 1,484,636.78 Lei	Recorded with 1,484,636.78 Lei in the creditors' list. Term to continue the procedure: 22.04.2021
51	48509/3/2017	TMB	C: Transelectrica D: SMART	Law suit on claims	7,652,449 Lei + interest	Hearing term: 24.04.2018 Suspended until settlement of file 6577/2/2017 on the docket of CAB, in contradiction with CCR, where we filed appeal
52	47332/3/2017	TMB CAB ICCJ	C: FF Wind Energy International D: Transelectrica	Cancelling the termination statement / law suit on claims	32,777,167.35 Lei, prejudice termination contract 85/2011 of RET connection 45,000,000 Euro (company devaluation)	Settlement in brief: It denied as groundless the summons as specified; acknowledged the defendant did not ask law suit costs; appeal right within 30 days from notification. In accordance with 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. It was provided to the parties by the court clerk on 28 December 2018. Document: Ruling 3891/2018 / 28.12.2018 FF WIND ENERGY INTERNATIONAL SRL filed appeal, 05/03/2019 Settlement in brief: It denied the appeal as groundless; appeal within 30 days from notification, to be submitted to the Appeal Court Bucharest, Section VI Civil, pending nullity. It was pronounced at public hearing on 23.07.2019. Document: Ruling 1191/2019 / 23.07.2019 FF Wind filed appeal, with hearing term on 30.03.2021
53	8207/62/2011	Brasov Tribunal	D: CET SA Brasov C: Transelectrica	Bankruptcy procedure	Request to be recorded in the creditors' list with 4,303,741.44 Lei	Recorded with 4,303,741.44 Lei in the creditors' list. Hearing term: 15.04.2021

54	8993/299/2018	Judges of Bucharest 1	Contester: Transelectrica Intimated: ANAF - DJAMC	Contesting enforcement of ENFORCEMENT FILE 13328043/61/90/1/2017/267761 – 30.08.2017/267764 – 31.08.2017 SUSPENDING THE ENFORCEMENT	470,922.95 Lei + 44,730,885 Lei	Hearing term: 17.04.2018 Settlement in brief: It admitted the trial suspension request filed by the contester. According to article 413 para (1) pt. 1 of the Civil procedural code it suspended trial until final settlement of file 1802/2/2018, on the docket of the Appeal Court Bucharest, Section VIII administrative & fiscal disputes. Appeal during the entire suspension time, to be filed with the law court of sector 1 Bucharest; pronounced at public hearing. Document: Conclusion - Suspension 17.04.2018
55	5660/85/2017 severed from file 3847/85/2017	Sibiu Tribunal	C: Electromontaj Sibiu Defendants: Vero SRL, Siemens SA, Transelectrica SA,	Claims	118,781 Euro + VAT	Settlement in brief: It denied the exception of written-off material right to suit action claimed by defendant SC SMART SA. It partly admitted the civil suit filed and specified by claimant SC ELECTROMONTAJ CARPATI SA, seated in Sibiu, in contradiction with defendant SC SMART SA, seated in Bucharest, and consequently: it compelled defendant SC SMART SA to pay the claimant the following: - 14,572 Euro + VAT in Lei equivalent at BNR exchange rate on payment date for the execution of 38 concrete foundations. – 98,280 Euro + VAT in Lei equivalent at BNR exchange rate on payment date as difference in the value of double canals executed instead of simple ones. It denied the other claims; admitted the exception of absence of passive processual capacity of defendants: NPG TRANSELECTRICA SA, seated in Bucharest and SC SIEMENS SRL seated in Bucharest and consequently: it denied the case filed by claimant SC ELECTROMONTAJ CARPATI SA in contradiction with such defendants. It found the other exceptions as being obsolete, claimed by two defendants: NPG TRANSELECTRICA SA and SC SIEMENS SRL, namely: prescription of the material right to action; absence of claimant's active processual capacity; suit inadmissibility; insufficient stamping of the file; absence of interest. It compelled defendant SC SMART SA to partial payment to the claimant of law suit expenses in quantum of 7,631.96 Lei meaning stamp tax; appeal within 30 days from notification, to be submitted to Sibiu Tribunal. It was pronounced at public hearing on 27 June 2018. Document: Ruling 327/2018 27.06.2018 Settlement type: Appeal (other settlements)

			SMART SA		Settlement in brief: It denied the exception of absence of interest for appellant SC Electromontaj Carpati SA Sibiu in filing the appeal; the exception claimed by respondents National Power Grid Company Transelectrica SA and Company for Maintenance Services to Electricity Transmission Networks Smart SA. It denied the exception of absence of passive processual capacity of respondent Siemens SRL, in the appeal filed by appellant SC Electromontaj Carpati SA Sibiu. It denied the exception of inadmissibility of the appeal filed by appellant Company for Maintenance Services to Electricity Transmission Networks Smart SA against conclusion 22.12.2017 pronounced by Sibiu Tribunal in file 5660/85/2017, exception claimed by SC Electromontaj Carpati SA Sibiu. It admitted the appeal filed by claimant SC Electromontaj Carpati SA Sibiu, against sentence 327/C/2018 pronounced by Sibiu Tribunal, Section II Civil of Administrative and Fiscal Disputes in file 5660/85/2017 and consequently: partly changed the sentence appealed against, meaning it compelled defendant SC Smart SA to pay the claimant SC Electromontaj Carpati SA 112,421 Lei + VAT, representing expenses made to procure Mecanoracks. It maintained the other provisions of the sentence appealed against. It denied the appeal filed by defendant Company for Maintenance Services to Electricity Transmission Networks Smart SA against conclusion of 13.12.2017, motivated by conclusion of 22.12.2017 and against sentence 327/C/27.06.2018 pronounced by Sibiu Tribunal, Section II Civil of Administrative and Fiscal Disputes in file 5660/85/2017. It compelled the respondent Smart SA to pay 1,677 Lei law suit expenses for appeal in favour of appellant SC Electromontaj Carpati SA; enforceable; final. It was pronounced at public hearing on 07.02.2019. Document: Ruling 33/2019 07.02.2019
56	807/85/2015	Sibiu Tribunal / Appeal Court Alba	C: Electromontaj Sibiu D: Vero SRL Called as guarantors: Siemens SA, Transelectrica SA, SMART SA	Claims / calling as guarantors	It partly admitted the civil suit filed by claimant SC VERO SRL, insolvency, through the judiciary liquidator INSOLVENTA SM SPRL in contradiction with defendant SC ELECTROMONTAJ CARPATI SA and consequently: it compelled the defendant to pay the claimant the following amounts: -14,572 Euro + VAT in Lei equivalent at BNR exchange rate on payment date as execution of 38 concrete foundations. -98,280 Euro+ VAT in Lei equivalent at BNR exchange rate on payment date as value difference double canals executed instead of simple ones + 112,421 Lei + VAT representing expenses made to procure Mecanoracks. It denied the other claims; compelled the defendant to pay the claimant law suit expenses of 10,494.11 Lei, representing travel costs, accommodation and meals. Appeal right granted within 30 days from notification, to be submitted to Sibiu Tribunal. It was pronounced at public hearing on 7 July 2017. Ruling 515/2017 / 07.07.2017 CA Alba settlement: It denied the appeals filed by claimant SC Vero SRL Negresti Oas under insolvency by judiciary liquidator Insolventa SM SPRL Satu Mare and by defendant SC Electromonaj Carpati SA Sibiu against civil sentence 515/7.07.2017 pronounced by Sibiu Tribunal in file 807/85/2015. It denied the request on law suit expenses; appeal within 15 days from notification. It was pronounced at public hearing on 11.01.2018. Ruling 1/2018 / 11.01.2018

57	1802/2/2018	CAB	C: Transelectrica	Contestation of administrative- fiscal decision no. f-mc 439/30.06.201 7	<p>It partly admitted the litispended requests; Ruling 122/13.03.2018 was partly cancelled, on settling the contestation filed against Taxation Decision F-MC 439/30.06.2017 issued by the National Agency of Fiscal Administration, General Dispute Settlement Division, Taxation Decision F-MC 439/30.06.2017 issued on 12.07.2017 by the National Agency of Fiscal Administration, General Directorate Managing Large Tax-Payers, Taxation Decision F-MC 439/30.06.2017 issued by the National Agency of Fiscal Administration, General Directorate Managing Large Tax-Payers and the Tax audit report F-MC 222 concluded on 30.06.2017, which was used for the taxation decision, meaning: - it removed the paying liability of the income tax amounting to 18,522,280 Lei, VAT in sum of 5,694,636 Lei and fiscal accessories pertaining to such main fiscal debts in quantum of 48,436,653 Lei, fiscal liabilities established for the 349 fiscal invoices of special regime found as missing from the claimant's books; it removed the non-deductible nature of 27,001,727 Lei when calculating the the taxable income, sum representing technological system services invoiced by electricity suppliers, considered as non-deductible after the fiscal audit and compelling the payment of main fiscal arrears and accessories on this amount; it removed the non-deductible nature of 343,629.91 Lei when calculating the taxable income, amount representing "weed removal services" and the payment obligation of main fiscal arrears</p>
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			<p>I: ANAF – DGAMC and the General Directorate of Dispute Settling</p>		<p>and accessories pertaining to such sum; it removed the non-deductible nature of 230,685,49 Lei when calculating the taxable income, sum representing expenses for promotional and protocol objects and payment obligation for the main fiscal arrears and accessories pertaining to such sum; it removed the non-deductible nature of VAT in quantum of 46,417.1 Lei pertaining to 343,629.91 Lei, representing “weed-removal services” and payment obligations of the main fiscal arrears and accessories of this amount; it removed the non-deductible nature of VAT in quantum of 37,693.88 Lei pertaining to 230,685.49 Lei representing expenses for promotional and protocol products and payment obligation for the main fiscal arrears and accessories of such amount; it removed the mention about obliging the Transmission Branch Sibiu of NPG Transelectrica SA to register 576,846.80 Lei as taxable revenue on 30.06.2010 at the latest, date when the audited unit was accepted to be recorded in the creditors’ table with such sum; it maintained the mention about the taxable revenue nature of 576,846.80 Lei when calculating the profit according to the provisions of article 19 para 1 of Law 571/2003 on the Fiscal Code, with later amendments and additions, corroborated with item 23 let. d of HG 44/2004 including the Methodological Norms to apply Law 571/2003, income tax chapter, namely chapter VII on the function of accounts from Order 3055 of 29 October 2009 approving the accounting regulations compliant with European directives and compelling the payment of main fiscal arrears and accessories of such sum; it removed the Minutes ascertaining the “determination of the deductible value added tax lower than that recorded by the claimant, thus resulting a difference of 13,141 Lei” (annex 15) and compelling the payment of main fiscal arrears and accessories of this amount; it removed the payment obligation for delay penalties of penalising juridical regime, calculated for more than 6 months from the inception date of the fiscal audit, regarding the main fiscal liabilities maintained by judgment in this ruling, as established by the Taxation Decision F-MC 439/30.06.2017 issued on 12.07.2017 by the National Agency of Fiscal Administration, General Directorate Managing Large Tax-Payers, Taxation Decision F-MC 439/30.06.2017 issued by the National Agency of Fiscal Administration, General Directorate Managing Large Tax-Payers and Decision 122/13.03.2018 on settling the contestation against the Taxation Decision F-MC 439/30.06.2017 issued by the National Agency of Fiscal Administration, General Dispute Settlement Division. It maintained the other provisions of Taxation Decision 122/13.03.2018 on settling the contestation against the Taxation Decision F-MC 439/30.06.2017 2017 issued by the National Agency of Fiscal Administration, General Dispute Settlement Division, the Taxation decision F-MC 439/30.06.2017 issued on 12.07.2017 by the National Agency of Fiscal Administration, General Directorate Managing Large Tax-Payers, Taxation decision F-MC 439/30.06.2017 issued by the National Agency of Fiscal Administration, General Directorate Managing Large Tax-Payers. It denied the other litispended requests as groundless. It denied as groundless the request to grant court expenses as judiciary stamp tax. It compelled the defendants to jointly pay to the claimant the law court expenses amounting to 4000 Lei, representing fee for the accounting-fiscal expertise, in proportion to request admission. Appeal right was granted within 15 days from notification, to be submitted to the Appeal Court Bucharest; Ruling 382/2020 / 20.10.2020</p>
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58	30570/3/2017	Bucharest Tribunal CAB	C: Teau Toni Ion D: Transelectrica	Claims	3,814,768 Lei as net value of the variable component in mandate contracts C356/18.12.2013 and C419/13.11.2014, and legal penalty interest	<p>TMB settlement in brief: It admitted the summons filed by claimant TEAU ION TONI in contradiction with defendant NATIONAL POWER GRID COMPANY TRANSELECTRICA SA. It compelled the defendant to pay the claimant 3,814,768 Lei as net value of variable component under mandate contracts C356/18.12.2013 and C419/13.11.2014, and the legal penalty interest according to article 3 para 21 of OG 13/2011 to the fore-mentioned amount calculated from due date of each instalment until actual payment. It compelled the defendant to pay the claimant 86,279.25 Lei as law suit expenses. Appeal right granted within 30 days from notification, to be submitted to Bucharest Tribunal, Section VI Civil. It was pronounced on 21.06.2018 by placing the ruling to the party's disposal by the court clerk.</p> <p>Document: Ruling 1994/2018 / 21.06.2018</p> <p>TERM: 07.11.2019</p> <p>CAB settlement in brief: It denied the appeal as groundless. It compelled the appellant defendant to pay the respondent claimant 23,174.25 Lei as law suit expenses for appeal. Appeal right granted within 30 days from notification, to be submitted to the Appeal Court Bucharest, Section VI Civil. Pronounced on 21.11.2019 and placed at the parties' disposal by the court clerk.</p> <p>Document: Ruling 1958/2019 / 21.11.2019</p> <p>We filed appeal, which is under screening with the ICCJ</p>
59	20764/3/2017*	Bucharest Tribunal CAB ICCJ	C: Bugica Radu D: Transelectrica	Claims	2,175,209 Lei + 190,671 Lei, value of the variable component of remuneration OAVT, 108,462.55 Lei legal interest	<p>Settlement in brief: It admitted the request. It compelled the defendant to pay the claimant: - 2,175,209 Lei representing gross value of variable component of remuneration; - 190,671 Lei representing difference between net value of remuneration to be paid at present and the net value of remuneration which should have been paid on due date; - 108,462.55 Lei representing legal interest calculated until 20.07.2017, and legal interest calculated as per article 3 para 2 ind. 1 of OG 13/2011 on the liability in quantum of 2,365,880 Lei, from 21.07.2017 until actual payment. It compelled the defendant to issue and communicate the 2015 and 2016 OAVT certificates, indicating in them the correct number of 90,000 OAVT-s owed to the claimant. It compelled the defendant to pay the claimant 44,408.76 Lei as law suit expenses, regarding stamp tax and lawyer's fee. Appeal right within 30 days from notification, to be submitted to Bucharest Tribunal, Section VI Civil. It was pronounced at public hearing on 04.07.2018.</p> <p>Document: Ruling 2160/2018 / 04.07.2018</p> <p>TERM: 08.11.2019</p> <p>CAB settlement in brief: It denied the appeal as groundless. It compelled the appellant to pay the respondent 8,447 Lei as law suit expenses for appeal. Appeal right within 30 days from notification, to be submitted to the Appeal Court Bucharest. It was pronounced on 06.12.2019. Settlement placed at the parties' disposal by the court clerk.</p> <p>Document: Ruling 2099/2019 06.12.2019</p> <p>Term of appeal 13.04.2021.</p>

60	43557/3/2017	Bucharest Tribunal CAB	C: Vaduva Constantin D: Transelectrica	Claims	2,175,210 Lei, variable component of remuneration OAVT, legal interest	<p>Settlement in brief: It admitted the request summons filed by claimant Vaduva Constantin in contradiction with defendant National Power Grid Company Transelectrica SA. It compelled the defendant to pay the claimant 2,171,210 Lei as net value of the variable component of remuneration, 773,687.71 Lei as performance bonus, both owed according to the mandate contract C18/27.01.2014, and penalty interest as per article 3 para 2 1 of OG 13/2011 to the fore-mentioned amounts calculated from due date of each instalment until actual payment. It compelled the defendant to pay the claimant 39,859.10 Lei as law suit expenses, of which 36,659.10 Lei representing stamp tax and 3,500 Lei representing reduced lawyer's fee. It denied as groundless the defendant's request to be granted law suit expenses. Appeal right granted within 30 days from notification, to be submitted to Bucharest Tribunal, Section VI Civil. It was pronounced on 31.10.2018 by placing the ruling at the court's disposal by the court clerk office.</p> <p>Document: Ruling 3287/2018 / 31.10.2018</p> <p>TERM of APPEAL: 04.03.2020</p> <p>Term of pronouncement: 18.03.2020</p> <p>It denied as groundless the appeal filed by appellant-claimant Vaduva Constantin against civil sentence 3287/ 31.10.2018 pronounced by Bucharest Tribunal, Section VI Civil in file 43557/ 3/ 2017, in contradiction with respondent-defendant National Power Grid Company Transelectrica SA. It denied as groundless the exception of absence of representative quality of appellant-defendant National Power Grid Company Transelectrica SA claimed by the intimated-claimant Vaduva Constantin. It admitted the exception of tardive appeal filing by the appellant-defendant National Power Grid Company Transelectrica SA, claimed by the intimated-claimant Vaduva Constantin. It denied the appeal filed by the appellant-defendant National Power Grid Company Transelectrica SA against civil sentence 3287/ 31.10.2018 pronounced by Bucharest Tribunal, Section VI Civil in file 43557/ 3/ 2017, in contradiction with intimated-claimant Vaduva Constantin, as being filed late. It denied as groundless the request of appellant-claimant Vaduva Constantin to compel the intimated-respondent National Power Grid Company Transelectrica SA to pay the law court expenses of its own appeal. It denied as groundless the request of appellant-defendant National Power Grid Company Transelectrica SA to compel the intimated-claimant Vaduva Constantin to pay the law court expenses of his own appeal. It compelled the appellant-defendant National Power Grid Company Transelectrica SA to pay the intimated-claimant Vaduva Constantin 2,000 Lei as law court expenses in the appeal filed by the appellant-defendant. Appeal right within 30 days from notification, to be submitted to the Appeal Court Bucharest, Section VI Civil. It was pronounced at public hearing on 1 April 2020.</p> <p>Document: Ruling 253/2020 / 01.04.2020</p> <p>We filed appeal, which is under screening with the ICCJ</p>
61	6606/3/2016	Bucharest Tribunal CAB	C: Sandu Danut Leonard D: Transelectrica	Claims	424,485 Lei	<p>TMB settlement in brief: It admitted the request. It compelled the defendant to pay the claimant 424,485 Lei representing the amount of options for virtual Transelectrica shares as performance bonus, and associated legal interest calculated from due date: 14.02.2014- until actual payment date. It compelled the defendant to pay 11,949 Lei as law suit expenses to the claimant. Appeal right granted within 30 days from notification.</p> <p>Document: Ruling 4310/2016 / 19.07.2016</p> <p>CAB settlement: Settlement in brief: It admitted the appeal; changed entirely the sentence appealed against, meaning it denied the principal matter as groundless.</p>

					Appeal right granted within 30 days from notification, to be submitted to CAB, Section VI Civil. It was pronounced at public hearing on 05.06.2018. Document: Ruling 1163/2018 / 05.06.2018 ICCJ settlement: It denied the appeal as groundless, 07.10.2020, final
		ICCJ			
62	43560/3/2017	Bucharest Tribunal CAB	C: Octavian Lohan D: Transelectrica	Claims 1,332,958 Lei + 773,681.37 Lei	TMB settlement in brief: It denied the summons; appeal within 30 days from notification, to be submitted to Bucharest Tribunal, Section VI Civil. It was pronounced at public hearing on 09.07.2018. Document: Ruling 2172/2018 / 09.07.2018 Mr. Lohan filed appeal. CAB settlement in brief: It admitted the appeal; changed entirely the sentence appealed against meaning that: It admitted the completed request. It compelled the defendant to pay the claimant 2,106,639.37 Lei representing net value of variable component of owed remuneration according to mandate contract C158905/2014, which will be added legal interest calculated from due date of each instalment until actual payment date. It compelled the defendant to pay the claimant law suit expenses in quantum of 59,556.32 Lei representing stamp tax and lawyer's fee for the first instance ruling and for appeal. Appeal right granted within 30 days from notification. Document: Ruling 2009/2019 / 02.12.2019 Term of appeal: 25.02.2021
63	42104/3/2017	Bucharest Tribunal CAB ICCJ	C: Visan Gheorghe D: Transelectrica	Claims 683,138 Lei + 19,881.80 Lei	Settlement in brief: It admitted the suit. It compelled the defendant to pay the claimant: - 683,138 Lei, representing the amount of options for virtual Transelectrica shares, updated by inflation rate, beginning with 03.11.2017 until payment date; - 19,881.80 Lei as legal interest calculated to the owed amounts as variable remuneration until 03.11.2017 and further until actual full payment; - 68,134 Lei representing amount of options for virtual Transelectrica shares, with capitalisation date on 15.11.2017, updated by inflation rate from 27.02.2018 until payment date; - 784.01 Lei representing legal interest calculated to the owed sum as variable remuneration beginning with 05.06.2011 and further until payment date. It compelled the defendant to pay the claimant 17,390.56 Lei as law suit expenses. Appeal right granted within 30 days from notification, to be submitted to Bucharest Tribunal, Section VI Civil. It was pronounced at public hearing on 17.10.2018. Document: Ruling 3124/2018 / 17.10.2018 Transelectrica filed appeal - 16/04/2019 Settlement in brief: It denied the appeal as groundless. Appeal right within 30 days from notification, to be submitted to the Appeal Court Bucharest, Section VI Civil. It was pronounced at public hearing on 25.09.2019. Document: Ruling 1436/2019 / 25.09.2019. Transelectrica filed appeal, with hearing term on 17.02.2021. ICCJ settlement: It denied the appeal as groundless.

64	42676/3/2017	Bucharest Tribunal	C: Diaconu Ciprian D: Transelectrica	Claims	1,137,762 Lei + 36,806.38 Lei	<p>Settlement in brief: It admitted the request. It compelled the defendant to pay the claimant 1,137,762 Lei representing the amount of options for virtual Transelectrica shares owed as variable remuneration updated by inflation until actual payment date. It compelled the defendant to pay the claimant 36,806.38 Lei as legal penalising interest to the main owed amount, calculated until 17 September 2019 and further until actual payment date. It compelled the defendant to pay the claimant 22,164.62 Lei as law suit expenses. Appeal right granted within 30 days from notification. It was pronounced at public hearing on 6.12.2018.</p> <p>Document: Ruling 3657/2018 06.12.2018</p> <p>We filed appeal.</p> <p>Mr. Diaconu requested to have a material error solved, term on 07.05.2020</p> <p>Both parties filed appeal.</p> <p>It denied the appeals as groundless. Appeal right within 30 days from notification, to be submitted to CAB, Section V Civil. It was pronounced at public hearing on 09.12.2020.</p> <p>Document: Ruling 1833/2020 / 09.12.2020</p>
65	5354/3/2017*	Bucharest Tribunal CAB ICCJ	C: Artopolescu Petrisor D: Transelectrica	Claims	1,887,648 Lei + legal interest	<p>TMB settlement in brief: It admitted the request. It compelled the defendant to pay 1,887,648 Lei representing the amount for 90,000 OAVT packages and associated legal interest, further, until actual payment date. It compelled the defendant to pay the claimant law suit expenses in quantum of 22,881.48 Lei. Appeal right granted within 30 days from notification, to be submitted to Bucharest Tribunal, Section VI Civil. It was pronounced at public hearing on 5.12.2017.</p> <p>Document: Ruling 4449/2017 / 05.12.2017</p> <p>CAB settlement in brief: It ascertained the filed appeal as null; remedy right within 30 days from notification, to be submitted to the law court whose ruling is attacked. It was pronounced at public hearing on 16.05.2018.</p> <p>Document: Ruling 1108/2018 / 16.05.2018</p> <p>TEL filed suspension request for sentence application and remedy. The suspension request was denied by ICCJ</p> <p>Settlement details: It admitted the appeal filed by the recurrent-defendant NATIONAL POWER GRID COMPANY TRANSELECTRICA SA against civil ruling 1108 of 16 May 2018 pronounced by the Appeal Court Bucharest, Section VI Civil. It cancelled the ruling appealed against and referred the case to a new judgment of the same appeal court; final.</p>
66	43480/3/2017	Bucharest Tribunal CAB	C: Chimirel Catalin Lucian D: Transelectrica	Claims	150,813 + 44,529.09 Lei	<p>Solutia TMB: It denied the request as groundless. Chimirel filed appeal.</p> <p>CAB settlement in brief: It admitted the appeal; changed entirely the civil sentence appealed against, meaning that: it admitted the request summons. It compelled the defendant to pay the claimant 150,813 Lei representing performance bonus; 44,529.09 Lei representing legal penalising interest for 15.11.2014 – 14.11.2017, as well as legal penalising interest for the main debt amount from 15.11.2017 until actual payment date. It compelled the defendant to pay the claimant 11,102.68 Lei as law suit expenses. It compelled the respondent to pay the appellant 3,032 Lei as law suit expenses. Appeal right within 30 days from notification, to be submitted to the Appeal Court Bucharest, Section VI Civil. It was pronounced at public hearing on 25.09.2019.</p> <p>Document: Ruling 1437/2019 25.09.2019</p> <p>Term of appeal: 13.04.2021.</p>

67	6642/3/2018	Bucharest Tribunal CAB	C: Transelectrica D: ELCEN	Contestation of payment request	56,680,387 Lei	<p>Settlement in brief: It partly admitted the expert's request to increase the expertise fee. It decided increasing the expertise fee by a quantum of 1,500 Lei. It compelled the debtor to pay 1,500 Lei into the account of BLEJ as representing the difference of expertise fee. It decided issuing to BLEJ and to the expert mentioning it was decided under the case to increase the expertise fee up to a total quantum of 4,000 Lei. It denied as groundless the exception of late date claimed by the respondent by complaint. It admitted the contestation filed against the judiciary administrator's measure. It compelled the debtor to pay the contestee 56,680,387 Lei representing unpaid difference under the overcompensation decision 476/30.03.2017 and invoice TEL17COG 17948/30.03.2017</p> <p>It admitted the request with respect to compelling the debtor to pay the law suit expenses. It compelled the debtor to pay the contestee 2,500 Lei as law suit expenses, representing stamp tax and provisional expertise fee. Appeal right granted within 7 days from notification, to be submitted to Bucharest Tribunal, Section VII Civil. It was pronounced at public hearing on 21.12.2018.</p> <p>Document: Ruling 7834/2018 / 21.12.2018</p> <p>Appeal filed by ELECTROCENTRALE BUCURESTI SA - by judiciary administrator SIERRA QUADRANT FILIALA BUCURESTI SPRL (motivated) – 21.02.2019</p> <p>Settlement in brief: It denied the appeal as groundless; final. It was pronounced at public hearing on 11.06.2019.</p> <p>Document: Ruling 1035/2019 / 11.06.2019</p>
68	20117/3/2018	Bucharest Tribunal	C: Pogonaru Andrei Mihai D: Transelectrica	Claims - OAVT	2,435,333.04 Lei, debit and interests	<p>Settlement in brief: It partly admitted the summons as specified. It compelled the defendant to pay the claimant 1,437,343 Lei representing gross value of options for virtual Transelectrica shares owed as variable remuneration in November 2013-November 2014; 184,562.29 Lei representing legal interest calculated by 13.06.2018, as well as legal interest calculated as per article 3 para 2 of OG 13/2011 on the liability in quantum of 1,437,343 Lei from 14.06.2018 until actual payment date. It compelled the defendant to pay the claimant 91,080.45 Lei representing gross value of options for virtual Transelectrica shares owed as variable remuneration in November 2014-January 2015; 6,543.28 Lei representing legal interest calculated until 13.06.2018, as well as legal interest calculated as per article 3 para 2 of OG 13/2011 on the liability in quantum of 91,080.45 Lei from 14.06.2018 until actual payment date. It denied the remaining parts of the summons as groundless. It compelled the defendant to pay the claimant 31,133.43 Lei as law suit expenses, of which 26,133.43 Lei representing stamp tax for the admitted claims and 5,000 Lei representing reduced lawyer's fee. It denied the defendant's request to be granted law suit expenses as groundless. Appeal right granted within 30 days from notification, to be submitted to Bucharest Tribunal, Section VI Civil. It was pronounced at public hearing on 12.12.2018.</p> <p>Document: Ruling 3743/2018 / 12.12.2018</p> <p>Transelectrica filed appeal.</p> <p>Term of appeal pronouncement 20.10.2020</p> <p>It denied the defendant's appeal as groundless. It admitted the claimant's appeal. It partly changed the civil sentence appealed against, meaning: It compelled the defendant to pay 1,437,343 Lei, net value of the variable component for November 2013-November 2014 and 91,080.45 Lei, the variable component for November 2014-January 2015. It compelled the defendant to pay law suit expenses, representing lawyer fee of 10,683.34 Lei, for first issue. It kept the other sentence items. It compelled the appellant-defendant pay the appeal expenses, such as: 10,520.48 Lei, judiciary stamp tax and 8,619.05 Lei, lawyer fee. Appeal in 30 days from notification, to be sent to Appeal Court Bucharest, Section VI Civil. Pronounced at public hearing,</p>

						17.11.2020.
						Document: Ruling 1576/2020 / 17.11.2020
69	7539/3/2017	Bucharest Tribunal	D: KDF Energy C: Transelectrica	Insolvency procedure	Request to be recorded in the creditors' list with 1,040,138.18 Lei	The receivable recorded in TP amounts to 1,036,124. 40 Lei, and 4,013 were cashed. Term to continue the procedure: 02.03.2021
70	2867/97/2018	Hunedoara Tribunal	C: Transelectrica D: Energy Complex Hunedoara	Pay ordinance	2,104,636.88 Lei	Settlement: It admitted the request; ordinance 778 pronounced on 14.08.2018. We submitted request to be recorded in the creditors' lists and included this amount in it. Insolvency file 5075/57/2016
71	34248/3/2018	Bucharest Tribunal CAB	C: Radu Cernov	Claims OAVT	2,185,278.91 Lei, main debit + interest	Term: 24.04.2019 Settlement type: It denied the request Settlement in brief: It denied the summons as groundless; appeal right granted within 30 days from notification, to be submitted to Bucharest Tribunal, Section VI Civil. It was pronounced at public hearing on 06.05.2019. Document: Ruling 1164/2019 / 06.05.2019 Claimant Cernov filed appeal. Settlement in brief: It admitted the appeal. It fully changed the sentence appealed against, meaning: It admitted the request. It compelled the defendant to pay the claimant 2,185,278.91 Lei representing net value of variable remuneration component (OAVT value) owed according to mandate contract C418/13.11.2014, which will be added legal interest calculated from the due date of each instalment until actual payment day. It compelled the defendant to pay the claimant law suit expenses in quantum of 46,448. 68 Lei representing stamp fee, for first suit and appeal. Appeal right within 30 days from notification. It was pronounced at public hearing on 25.05.2020. Document: Ruling 345/2020 / 25.05.2020 Transelectrica filed appeal, which is under screening.
72	38852/3/2018	Bucharest Tribunal	C: Parvulescu Cristian Daniel D: Transelectrica	Claims OAVT	2,122,360.28 Lei	It denied as being filed late the exception of claimant's decline from the right to request updating the principal amount by the inflation rate. It admitted the request. It compelled the defendant to pay the claimant, withholding the owed taxes and charges, 343,897,008 Lei representing the amount of OAVT updated by the inflation rate plus legal penalising interest to it, calculated from 14.12.2015 until payment date of the full 343,897,008 Lei amount. It compelled the defendant to pay the claimant, withholding the owed taxes and charges, 284,495,304 Lei representing the amount of OAVT updated by the inflation plus legal penalising interest to it, calculated from 15.12.2016 until full payment of 284,495,304 Lei. It compelled the defendant to pay the claimant, withholding the owed taxes and charges, 1,493,967 Lei representing the amount of OAVT updated by the inflation rate plus legal penalising interest rate to it, calculated from 14.12.2017 until full payment of 1,493,967 Lei. It compelled the defendant to pay the claimant 34,203 Lei as law suit expenses. Appeal right granted within 30 days from notification, to be submitted to Bucharest Tribunal, Section VI Civil. It was pronounced at public hearing on 28.11.2019. Document: Ruling 3539/2019 / 28.11.2019 Transelectrica filed appeal.

						Hearing term: 03.03.2021
73	42435/3/2018	Bucharest Tribunal CAB	C: Neagu Carmen D: Transelectrica	Claims OAVT	2,819,476.65 Lei	<p>Term: 03.06.2019</p> <p>Settlement type: It partly admitted the request</p> <p>Settlement in brief: It partly admitted the request, it compelled the defendant to pay the claimant the following amounts: - 536,445 Lei (updated by the inflation rate) plus legal penalising interest to it, calculated from 10.12.2015 until full extinguishing of liability; - 1,893,263.88 Lei (updated by the inflation rate), plus legal penalising interest to it, calculated from 12.12.2015 until full extinguishing of liability; - 389,764.77 Lei (updated by the inflation rate), plus legal penalising interest to it, calculated from 18.12.2017, until full coverage of the amount. It denied as groundless the request on updating the penalising interest with the inflation rate. It decided payment of amounts specified previously, withholding the taxes and charges, applicable from the due date of each amount individually. It compelled the defendant to pay the claimant 52,361 Lei as law suit expenses (stamp tax). Appeal right granted within 30 days from notification, to be submitted to Bucharest Tribunal, Section VI Civil. It was pronounced at public hearing on 18.06.2019.</p> <p>Document: Ruling 1774/2019 / 18.06.2019</p> <p>We filed appeal.</p> <p>Settlement in brief: It denied the request to resume the case on the docket. It denied the appeal as groundless. Appeal right within 30 days from notification. It was pronounced on 29.07.2020.</p> <p>Document: Ruling 998/2020 / 29.07.2020</p> <p>TEL filed appeal which is under screening.</p>
74	30324/299/2018	Law Court of Bucharest 1 Bucharest Tribunal	C: Artopolescu Petrisor D: Transelectica	Claims OAVT	65,937 Lei	<p>03.04.2019</p> <p>Settlement type: It declined settling the case</p> <p>Settlement in brief: It admitted the exception of law court's material incompetence claimed by the defendant. It declined the competence to settle the case to Bucharest Tribunal, Section VI Commercial; no appeal. It was pronounced on 03.04.2019 by placing the ruling at the parties' disposal by the court clerk.</p> <p>Document: Ruling 1809/2019 / 03.04.2019</p> <p>TERM: 15.10.2019</p> <p>Settlement in brief: It admitted the suit. It compelled the defendant to pay the claimant 65,937 Lei representing the amount for a group of 30,000 options for virtual Transelectrica shares from the package granted to the claimant on 15 November 2014 as performance bonus, with penalising legal interest calculated from 15.11.2015 until actual payment date. It compelled the defendant to pay law suit expenses in quantum of 5,917.26 Lei. Appeal right granted within 30 days from notification. It was pronounced by placing the ruling at the parties' disposal by the court clerk.</p> <p>Document: Ruling 3304/2019 / 12.11.2019</p> <p>TEL filed appeal.</p> <p>Term of appeal: 04.03.2021</p>

75	34310/3/2018	Bucharest Tribunal CAB	C: Smeeanu Ion D: Transelectrica	Claims OAVT	391,387.38 lei + interest	Settlement type: It admitted the request Settlement in brief: It admitted the request; compelled the defendant to pay the claimant 391,387.38 Lei as performance bonus according to the mandate contract C116/09.06.2015 as well as the penalising legal interest according to article 3 para 2 of OG 13/2011 to the fore-mentioned amount calculated from due date of each instalment until actual payment date. Appeal right granted within 30 days from notification, to be submitted to Bucharest Tribunal, Section VI Civil. It was pronounced on 08.07.2019 by placing the ruling at the parties' disposal by the court clerk. Document: Ruling 2018/2019 / 08.07.2019 Transelectrica filed appeal. Settlement in brief: It denied the appeal as groundless. It denied as groundless the appellant-defendant's request to compel the intimated-claimant to pay law suit expenses. Appeal right within 30 days from notification, to be submitted to the Appeal Court Bucharest, Section VI Civil. It was pronounced at public hearing on 11.06.2020. Document: Ruling 469/2020 / 11.06.2020
76	3153/115/2018 3153/115/2018**	Caras Severin Tribunal CA Timisoara ICCJ	C: Transelectrica D: Commune Ciudanovita	Claims	527,336.7 Lei + legal interest	TCS settlement in brief: It denied the exception of the material prescription of the right to law suit by corroboration with the payment made as per OP 613/10.11.2015, claimed by the defendant by means of written notes submitted to the file. It denied the summons filed by claimant National Power Grid Company TranselectricaSA against defendant Commune Ciudanovita by Mayor Constantin Dorian Nebunu. It ascertains the defendant's representation reserved the right to ask for law suit expenses by separate means. Appeal right granted within 30 days from notification, to be submitted to Caras-Severin Tribunal. It was pronounced at public hearing on 26.06.2019. Document: Ruling 998/2019 / 26.06.2019 CA Tm denied the appeal filed by the claimant National Power Grid Company Transelectrica SA, in its own name and on behalf of the Transmission Branch Timisoara, in contradiction with the respondent defendant Commune Ciudanovita against civil sentence 998/26.06.2019 pronounced by Cara Severin Tribunal in file 3153/115/2018**. No law suit expenses; appeal right within 30 days from notification, to be submitted to. It was pronounced at public hearing on, 12.12.2019. Document: Ruling 267/2019 / 12.12.2019 Transelectrica filed appeal. Ruling 52 admitted the appeal filed by the claimant National Power Grid Company Transelectrica SA against ruling 267 of 12 December 2019 by the Appeal Court Timisoara, Section I civil. It cancelled the ruling appealed against and referred the case to the same court for rejudgment; final.
77	3156/115/2018	Caras Severin Tribunal Appeal	C: Transelectrica D: Commune Goruia	Claims	522,678.76 Lei + legal interest	15.04.2019 Settlement type: Respinge cererea Settlement in brief: It denied the summons filed by claimant National Power Grid Company Transelectrica SA in its own name and on behalf of the Transmission Branch Timisoara (entity of the claimant company with no legal personality) in contradiction with defendant Commune Goruia, by its Mayor, pertaining to claims. Appeal right granted within 30 days from notification, to be submitted to Caras-Severin Tribunal. It was pronounced at public hearing on 2019. Document: Ruling 448/2019 / 15.04.2019

		Court Timisoara				<p>Term: 24.10.2019</p> <p>It denied the appeal filed by the appellant claimant National Power Grid Company Transelectrica SA in its own name and on behalf of the Transmission Branch Timisoara, in contradiction with respondent defendant Commune Goruia against civil sentence 448/15.04.2019 pronounced by Caras Severin Tribunal in file 3156/115/2018. No law suit expenses; appeal right within 30 days from notification, to be submitted to the Appeal Court Timisoara. It was pronounced at public hearing on 12.12.2019.</p> <p>Document: Ruling 263/2019 / 12.12.2019</p> <p>Transelectrica filed appeal</p> <p>Ruling 269: It admitted the appeal filed by the claimant National Power Grid Company Transelectrica SA against ruling 263 of 12 December 2019 by the Appeal Court Timisoara, Section I civil. It cancelled the ruling appealed against and sent the case to the same instance for rejudgment; final.</p>
78	<p>3157/115/2018</p> <p>3157/115/2018*</p>	<p>Caras Severin Tribunal</p> <p>Appeal Court Timisoara</p> <p>ICCJ</p>	<p>C: Transelectrica</p> <p>D: Commune Ezeris</p>	Claims	<p>1,860,506.85 Lei + legal interest</p>	<p>Declined in Section II</p> <p>18.03.2019</p> <p>Settlement type: It denied the request</p> <p>Settlement in brief: It denied the suit filed by claimant National Power Grid Company Transelectrica SA in contradiction with defendant Commune Ezeris. Appeal right granted within 30 days from notification, to be submitted to the offices of the Caras-Severin Tribunal. It was pronounced according to article 396 C. proc. civ. on 18 March 2019 by placing the ruling at the parties' disposal by the court clerk</p> <p>Document: Ruling 102/2019 / 18.03.2019</p> <p>CA Tm settlement in brief: It admitted the appeal filed by the appellant claimant National Power Grid Company Transelectrica SA, in contradiction with defendant respondent Commune Ezeris against civil sentence 102/2019 of 18 March 2019 pronounced by Caras Severin Tribunal in file 3157/115/2018*, pertaining to claims. It partly changed the sentence appealed against, meaning it partly admitted the claim request filed by claimant National Power Grid Company Transelectrica SA, in contradiction with defendant Commune Ezeris and consequently it compelled the defendant to pay the claimant as return of undue payment: - 331,692.47 Lei representing rent for 2016, plus legal interest counted as of the date of the undue payment – 18 August 2016 until actual return of such amount; - 331,692.47 Lei representing rent for 2017, plus legal interest counted as of the date of the undue payment – 30 January 2017 until actual return of such amount. It maintained the other sentence items of the first law court with respect to denying as groundless the claimant's other monetary claims. It compelled the defendant to pay the claimant 15,358.26 Lei representing law suit expenses partially in the first court and for the appeal. Appeal right granted within 30 days from notification. In case such right is exercised it will be submitted to the Court of Appeal Timisoara. It was pronounced at public hearing on 31.10.2019.</p> <p>Document: Ruling 826/2019 31.10.2019</p> <p>Appeal term on 30.03.2021</p>

79	3154/115/2018 3154/115/2018*	Caras Severin Tribunal Appeal Court Timisoara ICCJ	C: Transelectrica D: Resita City	Claims	4,705,341.91 Lei + legal interest	<p>Settlement in brief: It denied the request filed by claimant NATIONAL POWER GRID COMPANY TRANSELECTRICA SA in contradiction with defendant RESITA CITY, by the mayor. Appeal right granted within 30 days from notification, to be submitted to the offices of the Caras-Severin Tribunal. It was pronounced according to article 396 C. proc. civ. on 18 March 2019 by placing the ruling at the parties' disposal by the court clerk</p> <p>Document: Ruling 101/2019 / 18.03.2019</p> <p>It denied the appeal filed by appellant-claimant NATIONAL POWER GRID COMPANY TRANSELECTRICA SA through the TRANSMISSION BRANCH TIMISOARA in contradiction with respondent-defendant RESITA CITY against civil ruling 101/18.03.2019 pronounced by Caras-Severin Tribunal. No law suit expenses; appeal right within 30 days from notification, to be submitted to the Appeal Court Timisoara. It was pronounced at public hearing on 9.10.2019.</p> <p>Document: Ruling 761/2019 09.10.2019</p> <p>Transelectrica filed appeal</p> <p>Settlement details: It admitted the appeal filed by the recurrent-claimant NATIONAL POWER GRID COMPANY TRANSELECTRICA SA against ruling 761/A of 9 October 2019 pronounced by the Appeal Court Timisoara, Section II Civil, in contradiction with respondent-defendant RESITA CITY. It cancelled the ruling appealed against and sent the case to the same instance for rejudgment; final.</p>
80	3155/115/2018	Caras Severin Tribunal Appeal Court Timisoara ICCJ	C: Transelectrica D: Directia Silvica CS	Claims	5,019,485.05 Lei + legal interest	<p>Term: 20.05.2019</p> <p>Settlement type: Respinge cererea</p> <p>Settlement in brief: It denied the summons filed by claimant National Power Grid Company Transelectrica SA in its own name and on behalf of the Transmission Branch Timisoara (entity of the claimant company without legal personality) in contradiction with defendant National Forests Authority Romsilva, Forestry Division Caras-Severin, pertaining to claims. Appeal right granted within 30 days from notification, to be submitted to Caras-Severin Tribunal. It was pronounced at public hearing on 30 May 2019.</p> <p>Document: Ruling 743/2019 / 30.05.2019.</p> <p>Transelectrica filed appeal.</p> <p>Appeal term on: 16.01.2020</p> <p>Settlement in brief: It admitted the appeal filed by the claimant NATIONAL POWER GRID COMPANY TRANSELECTRICA SA against civil sentence 743/30.05.2019 pronounced in file 3155/115/2018 by the Caras-Severin Tribunal. It partly changed the sentence appealed against and, re-judging, it partly admitted the claimant's suit and compelled the defendant National Forests Authority Romsilva, Forestry Division Caras-Severin to pay 5,019,485.05 Lei to the claimant. It denied the request to compel payment of legal interest from payment date until actual return of the liability. It compelled the defendant to pay law suit expenses to the appellant claimant amounting to 80,699.78 Lei, stamp tax for appeal and first instance. Appeal right granted within 30 days from notification, to be submitted to the Appeal Court Timisoara. It was pronounced at public hearing on 30.01.2020.</p>

						Document: Ruling 17/2020 / 30.01.2020 Appeal term: 23.03.2021
81	3158/115/2018 3158/115/2018*	Caras Severin Tribunal Appeal Court Timisoara ICCJ	C: Transelectrica D: Village Dognecea	Claims	94,088.27 Lei + legal interest	Settlement in brief: It denied the suit filed by claimant National Power Grid Company Transelectrica SA, in contradiction with defendant Commune Dognecea, by the mayor. Appeal right granted within 30 days from notification, to be submitted to the offices of the Caras-Severin Tribunal. It was pronounced at public hearing on 01 aprilie 2019. Document: Ruling 119/2019 / 01.04.2019 Settlement of CA TM: It admitted the appeal filed by claimant NPG Transelectrica SA against civil sentence 119/01.04.2019 pronounced under file 3158/115/2018* of Caras-Severin Tribunal. It changed the sentence appealed against and re-judging: It admitted the claimant's suit and compelled defendant Commune Dognecea to pay 940,888.27 Lei to the claimant, which is added legal interest until actual repayment of liability. It compelled the defendant to pay law suit expenses to the appellant claimant amounting to 19,520.82 Lei, stamp tax for appeal and first instance. Appeal right granted within 30 days from notification. It was pronounced at public hearing on 28.10.2019. Document: Ruling 818/2019 / 28.10.2019 The case is under screening with the ICCJ The request to suspend the effects of the Appeal Court's ruling was denied.
82	2494/115/2018*	Caras Severin Tribunal Bucharest Tribunal	C: Resita City D: Transelectrica	Claims	10,648,829.20 Lei, representing rents for 2015, 2016, 2018, 2019 and 2020, which are added penalty legal interest	Hearing term: 22.03.2021
83	2434/115/2018 2434/115/2018*	Bucharest Tribunal S IV Civil	C: Romsilva Caras Severin D: Transelectrica ST Timisoara	Claims	2,433,608.52 Lei, annual rent for temporary taking land from the national forest fund + delay penalties as of the rend maturity date 31.01.2018. 304,298.47 Lei, for final land reclaiming from forest fund, loss of rising wood mass + delay penalties calculated as as of 10.05.2015	Settlement in brief: In accordance with the provisions of article 413 para 1 pt. 1 C.pr.civ, it suspended judging this cause until final staying of civil sentence 743/F/2019 pronounced in file 3155/115/2018 by Caras Severin Tribunal. Appeal right granted during the entire suspension time interval, to be registered with Bucharest Tribunal, Section VI Civil. It was pronounced at public hearing on 4.10.2019. Document: Conclusion - Suspension / 04.10.2019
84	25544/3/2018	Bucharest Tribunal	C: CHIMIREL CATALIN LUCIAN D: Transelectrica	Claims OAVT	99,968 Lei 136,006 Lei	Settlement type: It denied the request Solutia TMB pe scurt: It denied the cause as groundless, appeal right within 30 days from notification, to be submitted to Bucharest Tribunal, Section VI Civil. Document: Ruling 3814/2018 / 17.12.2018

		Appeal Court Bucharest				Settlement of CAB: It admitted the appeal filed by appellant-claimant CHIMIREL CATALIN LUCIAN in contradiction with respondent-defendant NPG TRANSELECTRICA SA against civil sentence 3814/17.12.2018 pronounced by Bucharest Tribunal, Section VI Civil in file 25544/3/2018. It changed entirely the sentence appealed against, namely: It admitted the summons filed by claimant CHIMIREL CATALIN LUCIAN in contradiction with defendant NPG TRANSELECTRICA SA. It compelled the defendant to pay 235,968 Lei representing remuneration by OAVT capitalisation (Options of Virtual Transelectrica Shares), plus legal interest rate calculated from 15.11.2017 until actual payment date. It compelled the respondent-defendant to pay law suit expenses in quantum of 19,082.50 Lei. Appeal right granted within 30 days from notification, to be submitted to the Appeal Court Bucharest, Section V Civil. It was pronounced on 24 February 2020 by placing the ruling at the parties' disposal by the court clerk. Document: Ruling 96/2020 / 24.02.2020 Transelectrica filed appeal, which is under screening procedure with ICCJ
85	35885/3/2018	Bucharest Tribunal	C: BUGICA RADU D: Transelectrica	Claims OAVT		Settlement in brief: In accordance with article 413 para 1 pt. 1 Civil Procedural Code it suspended the cause until final settlement of file 20764/3/2017*. Granted the right to submit request of re-admittance on the docket and appeal during the entire suspension period. It was pronounced at public hearing on 24.04.2019. Document: Conclusion - Suspension 24.04.2019
86	38096/3/2018	Bucharest Tribunal CAB ICCJ	C: CHIMIREL CATALIN LUCIAN D: Transelectrica	Claims	936,187 Lei and legal penalising interest	Settlement in brief: It admitted the request. It compelled the defendant to pay the claimant 936,187 Lei as performance bonus according to the mandate contract C416/13.11.2014 as well as legal penalising interest as per article 3 para 21 of OG 13/2011 to the fore-mentioned amount, calculated from the due date of each instalment until actual repayment. Appeal right granted within 30 days from notification, to be submitted to Bucharest Tribunal, Section VI Civil. It was pronounced on 08.07.2019 by placing the ruling at the parties' disposal by the court clerk. Document: Ruling 2019/2019 / 08.07.2019 Hearing term: 10.03.2020 Settlement in brief: It readmitted the case on the docket in order to supplement the probative. It requested the parties to submit the juridical deed certifying the intimated's mandate contract. It granted term on 23.06.2020, summoning the parties. It was pronounced at public hearing on 07.04.2020. Document: Hearing conclusion / 07.04.2020 Settlement in brief: It denied the appeal as groundless. Appeal right granted within 30 days from notification, to be submitted to the Appeal Court Bucharest. It was pronounced at public hearing on 23.06.2020. Document: Ruling 592/2020 / 23.06.2020 Transelectrica filed appeal, which is under screening procedure

87	21781/3/2019	Bucharest Tribunal	C: ZACHIA ZLATEA DRAGOS CORNELIU D: Transelectrica	Claims OAVT	332,769.09 Lei, updated by the inflation rate and legal penalising interest to it, calculated as of 15.12.2017, until actual payment of liability; - 100,190.26 Lei, updated by the inflation rate and legal penalising interest to it, calculated as of 15.12.2018, until actual payment of liability;	Settlement in brief: It partly admitted the case; compelled the defendant to pay the claimant, withholding the owed taxes and charges, applicable from due date, the following amounts: - 332,769.09 Lei, updated by the inflation rate plus legal penalising interest to it, calculated from 15.12.2017 until actual payment date; - 100,190.26 Lei updated by the inflation rate plus legal penalising interest to it, calculated from 15.12.2018 until actual payment date; it denied as groundless the request item on updating the penalising interest with the inflation rate. It compelled the defendant to pay the claimant law suit expenses amounting to 7,935 Lei, representing judiciary stamp tax. Appeal right granted within 30 days from notification, to be submitted to Bucharest Tribunal, Section VI Civil. It was pronounced at public hearing on 13.11.2019. Document: Ruling 3330/2019 / 13.11.2019 Transelectrica filed appeal. It denied the appeal as groundless. Appeal within 30 days from notification, to be submitted to the Appeal Court Bucharest. It was pronounced at public hearing on 04.12.2020. Document: Ruling 1809/2020 / 04.12.2020. We will file appeal.
88	17765/3/2019 34022/3/2019	Bucharest Tribunal	C: Transelectrica D: OPCOM	Claims – pay ordinance – contribution of NPG Transelectrica SA to the share capital of OPCOM SA, issued by loan contract 7181RO/2003, commitment to finance the “Electricity Market Project”. Cancellation request	4,517,460 Lei	Settlement in brief: It denied both cancellation requests as groundless. It denied the requests to compel paying law suit expenses, filed by both parties, as groundless. It was pronounced on 17.11.2020 by placing the ruling at the parties' disposal by the court clerk. Document: Ruling 2221/2020 / 17.11.2020
89	22567/3/2019	Bucharest Tribunal	C Transelectrica D: OPCOM	Claims – common law – contribution of NPG Transelectrica SA to the share capital of OPCOM SA, issued by loan contract 7181RO/2003, commitment to finance “Electricity Market Project”.	4,517,460 Lei + 1,293,778.27 Lei	Settlement in brief: It suspended judgment until final settlement of file 31001/3/2017. Appeal right was granted during the suspension. It was pronounced on 17.07.2020 by placing the ruling at the parties' disposal by the court clerk. Document: Conclusion - Suspension 17.07.2020

90	33835/3//2019*	Bucharest Tribunal CAB	C: Artopolescu Petrisor D: Transelectrica	Claims OAVT	1,077,978 Lei, as OAVT + 240,130.11 Lei, interest	<p>Settlement in brief: It admitted the request as specified. It compelled the defendant to pay 1,077,978.00 Lei, representing the gross value of 60,000 OAVT (Virtual Transelectrica shares) of the 90,000 OAVT package granted on 15.11.2014, as performance bonus under Mandate contract C351/13.11.2013 representing the last two instalments; 70,000 OAVT of the 90,000 OAVT package granted on 15.11.2015, as performance bonus under Mandate contract C351/13.11.2013: 10,000 OAVT first instalment and 60,000 OAVT representing the last two instalments. It compelled the defendant to pay to the claimant the legal penalising interest related to relations between professionals beginning with 15.11.2016 for the second 30,000 OAVT instalment, granted in 2014 and the 10,000 OAVT granted 2015 and unpaid, 15.11. 2017 for the second 30,000 OAVT, granted in 2015 and the third 30,000 OAVT instalment granted in 2014, 15.11.2018 for the third 30,000 OAVT granted in 2015 until actual payment. It compelled the defendant to pay the claimant 22,303.38 Lei as law suit expenses. Appeal right within 30 days from notification, to be submitted to Bucharest Tribunal, Section VI Civil. It was pronounced at public hearing on 25 June 2020.</p> <p>Document: Ruling 811/2020 / 25.06.2020</p> <p>TEL filed appeal, term 08.02.2021</p> <p>Settlement in brief: It denied the appeal as groundless. Appeal right within 30 days from notification, to be submitted to the Appeal Court Bucharest, Section VI Civil. It was pronounced at public hearing on 08.02.2021.</p> <p>Document: Ruling 222/2021 / 08.02.2021</p>
91	35346/3/2019	Bucharest Tribunal	C: CET Govora D: Transelectrica	Claims	3,368,965.82 Lei, regularisation of ante-overcompensation and cogeneration bonus for February – March 2016	<p>Settlement in brief: It denied the case as groundless. Appeal right within 30 days from notification, to be submitted to Bucharest Tribunal, Section VI Civil. It was pronounced at public hearing on 22.07.2020.</p> <p>Document: Ruling 1247/2020 / 22.07.2020</p>
92	3083/3/2020	Bucharest Tribunal	C:Nuclearelectrica D: Transelectrica	Claims	1,290,533.156 Lei negative imbalance + 182,251.94 Lei, legal interest	<p>Settlement in brief: It admitted the summons. It compelled the defendant to pay the claimant 1,290,533,156 Lei, as compensatory damages from the update payment with inflation rate from 27.09.2018 until actual payment; to pay 182,251.94 Lei representing legal penalising interest calculated from 27.09.2018 until 31.01.2020, and further pay the legal penalising interest, calculated from 01.02.2020 until actual payment. It compelled the defendant to pay the claimant 23,441.66 Lei as law suit expenses, being judiciary stamp tax. It denied the defendant's request to be paid law suit expenses; appeal right within 30 days from notification, to be submitted to Bucharest Tribunal, Section VI Civil. It was pronounced on 22.12.2020, by placing the ruling at the parties' disposal by the court clerk.</p> <p>Document: Ruling 2698/2020 / 22.12.2020</p>
93	3372/2/2014 despăgubire DISJUNS DIN DOS.5302/2/2 013	Appeal Court Bucharest	C. Conaid Company D. Transelectrica, D. ANRE	Administrative dispute Ascertaining the unjustified refusal to conclude and sign RET connection addendum and/or contract, obligation to	Compel paying 722,756,000 Euro, representing unrealised profit as per business plan and 17,419,508.07 Lei – actual expenses recorded in accounts	Term: 09.04.2021

				sign addendum and/or contract for RET connection		
94	640/120/2020	Galati Tribunal	C: Transelectrica D: Menarom PEC SA Galati	Receivable statement	1.195.792,13 lei	Term to publish the extended preliminary table until 15.06.2020. We submitted the statement on 10.04.2020.
95	22036/3/2020	Bucharest Tribunal	C: Vaduva Constantin D: Transelectrica	Claims OAVT	87,403 Lei value of OAVT, 16,243 Legal interest and 442,820 Lei updating with inflation rate	Hearing term: 21.01.2021 In accordance with article 413 para 1 pt. 1 C.proc.civ. it suspended judging this file until final settlement of file 43557/3/2017. Appeal right granted during the entire suspension, to be submitted to Bucharest Tribunal, Section VI Civil. It was pronounced on 21.01.2021 by placing the ruling at the parties' disposal by the court clerk.
96	3186/117/2020	Cluj Tribunal	C: ENERGObIT SA D: Transelectrica	Claims C199	807,860.75 Lei	It established the request settlement competence of the summons filed by claimant E. SA, in contradiction with defendant NPG. SA, in favour of the Specialised Cluj Tribunal; final. It was pronounced at public hearing on 25.01.2021. Document: Council room ruling 10/2021 / 25.01.2021
97	3104/117/2020	Cluj Tribunal	C: ELM Cluj D: Transelectrica	Claims (updating contractual value)	617,280.31 Lei (exclusive of VAT) 179,124.08 Lei 15,928.09 Lei, judiciary stamp tax + other costs	Hearing term: 11.03.2021
98	20780/3/2020	Cluj Tribunal	C: Energomontaj Cluj D: Transelectrica	Claims (updating contractual value)	401,765.78 Euro, 1,045,660.61 Euro, additional costs regarding indexation of minimum salary in constructions, Compel concluding an addendum to contract C54/2018	Hearing term: 18.03.2021
99	3042/117/2020	Cluj Tribunal	C: ELM Cluj	Claims	965,015.16 Lei, VAT free	Term: 17.02.2021 - It deferred pronouncement

			D:Transelectrica	(updating the contractual value)	(difference of manual labour costs, offered and executed) 379,340.13 Lei (calculated from due date of issued invoices until 31.07.2020, mentioning such penalties still apply until payment date of the full outstanding liability, which it was calculated for)	
100	704/1285/2020	Cluj Tribunal / CA Cluj	C: Energobit D: Transelectrica		762,310.75 Lei (VAT free), cost difference of manual labour under C199/2016 and 49,550.03 Lei, delay penalties 16,237.22 Lei, judiciary stamp tax	Settlement in brief: It admitted the suit filed by claimant SC E SA in contradiction with defendant C T SA. It compelled the defendant conclude with the claimant an addendum to Work Contract C18/07.02.2017, after indexation of the national gross minimum salary guaranteed for payment in constructions. It compelled the defendant to pay the claimant 1,618,421.14 Lei, VAT free, representing difference of manual labour costs offered and executed under Work Contract C18/07.02.2017, pertaining to the work statements until September 2020, inclusive. It compelled the defendant pay the claimant 101,339.90 Lei representing 0.02%/day delay penalties, calculated to the principal liability until 15.10.2020, as well as further 0.02%/day delay penalties until paying the principal liability. It compelled the defendant pay the claimant 40,645.04 Lei, as law suit expenses, representing judiciary stamp tax and lawyer's fee; appeal right within 10 days from notification, to be submitted to the Specialised Cluj Tribunal. It was pronounced at public hearing on 02.12.2020. Document: Ruling 1859/2020 / 02.12.2020 Appeal term on 04.03.2021

Annex 7 - Glossary

ANRE	National Regulatory Authority in the Electricity domain
BAR	Regulated asset base / RAB
BVB	Bucharest Stock Exchange / BSE, operator of the regulated market where the shares are transacted
CCM	Collective labour contract concluded Company-wide
CEE	European Economic Community / EEC
CEE	Wind Power Park / WPP
CEF	Photovoltaic Power Park / PPP
CET	Combined Heat and Power Plant / CHPP
CHEAP	Pump storage hydropower plant
CNE	Nuclear Power Plant / NPP
Company, CNTEE	National Power Grid Company Transelectrica SA
CPT	One's own technologic consumption
CS	Supervisory Board
CSR	Corporative social responsibility
d. c.	Double circuit
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
EMS-SCADA	Main dispatch infrastructure (Energy Management System – Supervisory Collection And Data Acquisition)
ENTSO-E	European Network of Transmission System Operators for Electricity
ENS	Energy not supplied to consumers
Euribor, Libor, Robor	Rates of inter-bank interests
Formenerg	Trading Company Training Electric Power Engineers of Romania FORMENERG SA
Group	The Company and its subsidiaries
HG 627/ 2000	Governmental Decision 627/2000 on reorganising the National Electricity Company SA, published in the Official Gazette 357 of 31 July 2000
HG	Governmental Decision
Icemenerg Service	Trading Company Subsidiary ICEMENERG-SERVICE Bucharest, of the National Power Grid Company Transelectrica SA
IFRS	International Financial Reporting Standards
ISO	Independent System Operator
ITO	Independent Transmission Operator
KPI	Key Performance Indicator
LEA	Overhead lines / OHL
Leu or Lei /RON	Romania's official currency
MO	Official Gazette of Romania

OG	Governmental Ordinance
ONRC	National Trade Register Office
OPCOM	Electricity Market Operator of Romania OPCOM SA
OTS	Transmission System Operator / TSO
OUG	Emergency Governmental Ordinance
pa	Per anum
PCCB	Centralised Bilateral Contracts Market
PCR	Price Coupling of Regions agreed for the future model of the Single European Electricity Market
PE	Balancing Market / BM
PCI	Projects of Common Interest
PZU	Day-ahead Market / DAM
RET	Electricity transmission grid, electricity network of national and strategic interest, and nominal line voltage above 110 kV
SEN	National Power System
Smart	Trading Company of Maintenance Services to the Electricity Transmission Grid SMART SA
SSF	Functional system services
SST	Technological system services
TEL	Stock exchange indicator for Transelectrica
Teletrans	Trading Company of Telecommunication and Information Technology Services in Electricity Transmission Grids TELETRANS SA
TSR	Total shareholders' return
UE	European Union / EU
u.m.	Measuring unit / m.u.
USD or US dollars	American dollar, official currency of the United States of America
WACC	Weighted average cost of capital