








NPG CO. TRANSELECTRICA SA

Half-yearly report
January - June 2023



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**REPORT ON ECONOMIC AND FINANCIAL ACTIVITY
OF NPG Co. "TRANSELECTRICA" SA**

**in accordance with the provisions of Article 65 of Law no.24/ 2017 on the capital market and
Regulation no.5/ 2018 issued by the Financial Supervisory Authority (ASF)**

for the period ending 30 June 2023

Report date:	16 August 2023
Name of trading company:	NPG CO. TRANSELECTRICA SA, a company managed under two-tier system
Headquarters:	Bucharest, Str. Olteni nr. 2 - 4, sector 3, postal code 030786
Phone/fax number:	021 303 5611/ 021 303 5610
Code with the ONRC:	13328043
Number with the RC:	J40/ 8060/ 2000
LEI code (Legal Entity Identifier)	254900OLXOUQC90M036
Date of Company establishment:	31.07.2000/ ORG 627
Share capital:	733,031,420 lei, subscribed and paid up
Regulated market where the issued securities are transacted:	Bucharest Stock Exchange, Premium category
Main characteristics of the issued securities:	73,303,142 shares of RON 10/share nominal value each, in dematerialised, registered, ordinary, indivisible, freely marketable form as of 29.08.2006 under the symbol TEL
Market value:	1,847,239,178.40 lei (25.20 lei/share on 30.06.2023)
Accounting standard applied:	International Financial Reporting Standards
Audit:	The half-yearly financial statements elaborated on 30.06.2023 have not been audited. The amounts corresponding to 31 December 2022 are audited by the external financial auditor.

RESPONSIBLE PERSONS' STATEMENT

To the best of our knowledge, the stand-alone interim simplified financial statements as of and for the six months ended 30 June 2023 have been elaborated in accordance with International Accounting Standard 34 - "Interim Financial Reporting" and they provide accurate image in compliance with the real situation of assets, obligations, financial position, profit and loss account of NPG Co. Transelectrica SA.

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

Bucharest, 4 August 2023

**Stefanita
MUNTEANU**

**Directorate
Chairman**

**Catalin-Constantin
NADOLU**

**Directorate
Member**

**Bogdan
TONCESCU**

**Directorate
Member**

**Florin-Cristian
TĂTARU**

**Directorate
Member**



Key figures of H1 2023 vs H1 2022

KEY FIGURES

FINANCIAL HIGHLIGHTS

RON	2,200	mn	▼	-16%	Revenues y/y
RON	344	mn	▲	110%	EBITDA y/y
RON	162	mn	▲	n/a	Net profit y/y
TWh	24.97		▼	-7%	Charged energy volume** y/y

OPERATIONAL

2.54%	*	▲	0.31	pp	Grid losses y/y
20.24		▼	-5%		Transported energy*** TWh y/y

INVESTMENTS

RON	186	mn	▲	7%	Acquisition of tangible and intangible assets y/y
RON	532.35	mn	▲	147%	Fixed assets recorded in the accounts (commissioning) y/y

CPT - Own Technological Consumption

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

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

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

Note: For ease of reading and understanding the results, some figures presented in graphs and/or tables use mil. lei as the unit of measure and are rounded to that unit. This convention of presentation may, in some cases, result in minor differences between the total figures, the totals obtained by summing the components and the calculated percentages.



Financial data

A summary of the financial results as at 30 June 2023 is shown in the tables below. The financial results for H1 2023 have not been audited and an extended version for the same period is provided in the Annexes to this Report.

Stand-alone profit or loss statement				
[mil RON]	H1 2023	H1 2022	Δ	Δ (%)
	1	2	3=1-2	4=1/2
Charged energy volume [TWh]	24.97	26.90	(1.93)	(7%)
ALLOWED PROFIT ACTIVITIES				
Operating revenues	993	858	135	16%
Transmission and other revenues on the electricity market, of wich:	963	833	130	16%
<i>Regulated tariff</i>	748	694	54	8%
<i>Other revenues on the electricity market</i>	34	12	22	n/a
<i>Interconnection</i>	181	127	54	43%
Other revenues	30	25	5	21%
Operating expenses	608	714	(107)	(15%)
System operating expenses	307	466	(159)	(34%)
Repairs and maintenance expenses	44	41	3	7%
Staff expenses	158	132	26	20%
Other expenses	98	75	23	31%
EBITDA	385	143	242	n/a
Depreciation	167	128	39	30%
EBIT	218	15	203	n/a
ZERO PROFIT ACTIVITIES				
Operating revenues	1,207	1,747	(540)	(31%)
System services revenues	189	252	(62)	(25%)
Balancing market revenues	1,018	1,495	(477)	(32%)
Operating expenses	1,248	1,726	(478)	(28%)
System services expenses	231	231	-	n/a
Balancing market expenses	1,017	1,495	(478)	(32%)
EBIT	(41)	21	(62)	n/a
ALL ACTIVITIES (WITH PROFIT ALLOWED AND ZERO-PROFIT)				
Operating revenues	2,200	2,604	(404)	(16%)
Operating expenses	1,855	2,440	(585)	(24%)
EBITDA	344	164	180	n/a
Depreciation	167	128	39	30%
EBIT	177	36	141	n/a
Net finance result	2	(3)	5	n/a
EBT - Profit before income tax	179	33	146	n/a
Income tax	18	5	13	n/a
Net profit	162	28	134	n/a

Stand-alone statement of financial position				
[mil RON]	H1 2023	2022	Δ	Δ (%)
	1	2	3=1-2	4=1/2
Non-current assets				
Tangible assets	4,073	4,002	72	2%
Assets representing rights of use under a lease - buildings	18	22	(4)	(18%)
Intangible assets	303	338	(35)	(10%)
Financial assets	86	86	-	-
Total non-current assets	4,480	4,447	32	1%
Current assets				
Inventories	52	42	10	24%
Trade and other receivables	1,578	3,340	(1,763)	(53%)
Profit tax recoverable	1	4	(3)	(77%)
Cash and cash equivalents	484	315	169	54%
Total current assets	2,115	3,702	(1,586)	(43%)
Total assets	6,595	8,149	(1,554)	(19%)
Shareholders' Equity	4,039	3,869	170	4%
Non-current liabilities				
Long term deferred revenues	456	439	17	4%
Long term borrowings	44	56	(12)	(21%)
Other loans and assimilated debts - Non-current building lease liabilities	11	15	(4)	(28%)
Other non-current liabilities	172	178	(6)	(4%)
Total non-current liabilities	682	687	(5)	(1%)
Current liabilities				
Trade and other liabilities	1,706	3,372	(1,666)	(49%)
Short-term borrowings	25	92	(68)	(73%)
Other loans and assimilated debts - Current building lease liabilities	9	8	-	1%
Other current liabilities	135	120	15	12%
Total current liabilities	1,874	3,593	(1,719)	(48%)
Total liabilities	2,556	4,281	(1,724)	(40%)
Total shareholder's equity and liabilities	6,595	8,149	(1,554)	(19%)

Stand-alone cash flow statement				
[mil RON]	H1 2023	H1 2022	Δ	Δ (%)
Net cash from operating activities	379	(86)	465	n/a
Net cash used in investing activities	(125)	(171)	46	27%
Net cash used in financing activities	(85)	115	(200)	n/a
Net increase/decrease in cash and cash equivalents	169	(142)	311	n/a
Cash and cash equivalents as at January 1st	315	252	63	25%
Cash and cash equivalents at the end of the period	484	111	374	n/a

OPERATIONAL RESULTS

I. Charged volume of electricity

In the period January-June 2023, the total amount of electricity charged for electricity market services (24.97 TWh) decreased by 7% compared to the same period in 2022 (the difference between the two periods was - 1.93 TWh).

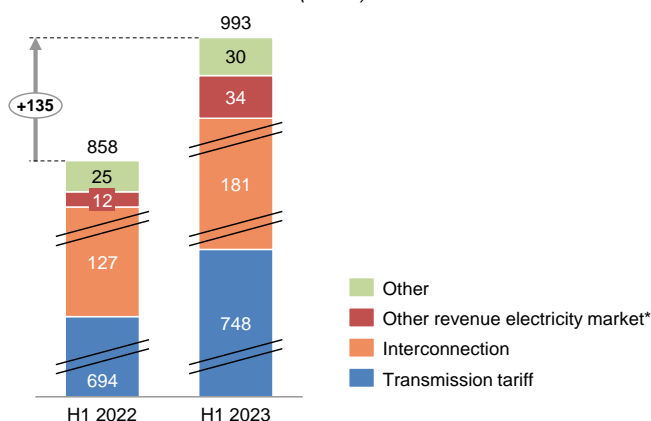
Profit segment allowed

Operational revenues



The segment of **activities with allowed profit** recorded a 16% increase in revenues (993 million lei in H1 2023 compared to 858 million lei in H1 2022) determined mainly by the increase in interconnection revenues and transmission revenues.

Operational revenues from allowed profit activities
(mil lei)



* ITC, reactive energy, OTC transactions, energy exchanges

The increase in transmission and other revenues on the energy market (963 million lei in H1 2023 compared to 833 million lei in H1 2022) is mainly influenced by the evolution of interconnection revenues. Revenues from the application of the transmission tariff increased by 54 million lei (+8%) compared to the same period of the previous year.

In the period January-June 2023, **revenues from interconnection capacity allocation** increased significantly, from 127 million lei in H1 2022 to 181 million lei in H1 2023 due to the following:

- The unit price of electricity has increased across the European Union, leading to a large price difference between the coupled markets. *Implicit allocations, where capacity and energy are allocated simultaneously, are strongly influenced by variations in the price of electricity on European exchanges.*
- the European energy deficit,

- the impact of the extension of market coupling which has the effect of levelling out energy prices in Europe, which *is also one of the main objectives of Regulation (EU) 2015/1222 "establishing guidelines for capacity allocation and congestion management"*.

The allocation mechanism of interconnection capacities consists of annual, monthly, daily and intra-day bids. The annual, monthly and intra-day (*borders with Serbia, Ukraine*) bids are explicit - only transmission capacity is bided, while the daily and intra-day (*borders with Hungary and Bulgaria*) bids are implicit - they are allocated simultaneously with energy and capacity through the coupling mechanism.

On 8 June 2022 the Core FB MC (Core Flow-Based Market Coupling) project went live, thus initiating day-ahead flow-based market coupling in the Core capacity calculation region. The flow-based market coupling mechanism optimises the European electricity market for 13 countries (Austria, Belgium, Croatia, Czech Republic, France, Germany, Hungary, Luxembourg, Netherlands, Poland, Romania, Slovakia and Slovenia).

The use of the net revenues from the allocation of interconnection capacity is carried out in accordance with the provisions of the updated ANRE Order no.171/2019 and the EU Regulation no. 943 of 05 June 2019 on the internal electricity market, as financing source of investments made in order to upgrade and develop interconnection capacities with neighbouring systems.

Inter TSO Compensation (ITC) revenues

These revenues were higher in H1 2023 (+1.75 million lei) compared to the same period in 2022 (0.24 million lei) and come mainly from scheduled electricity exchanges with the perimeter countries (countries not part of the ITC mechanism), namely Ukraine and Moldova.

Starting from 01.09.2022, the tariff for trade with perimeter countries has changed from 0.6 EUR/MWh to 1.2 EUR/MWh, resulting in an increase in revenue compared to the same period of the previous year. This was compounded by the fact that in February and March 2022, trade with Ukraine was severely reduced due to the onset of armed conflict in the region, and trade with Moldova only started in October 2022.

Energy trading revenues for OTC were mainly derived from the sale of surplus energy resulting from the difference between the long and medium term forecast and the short term forecast on the Intraday

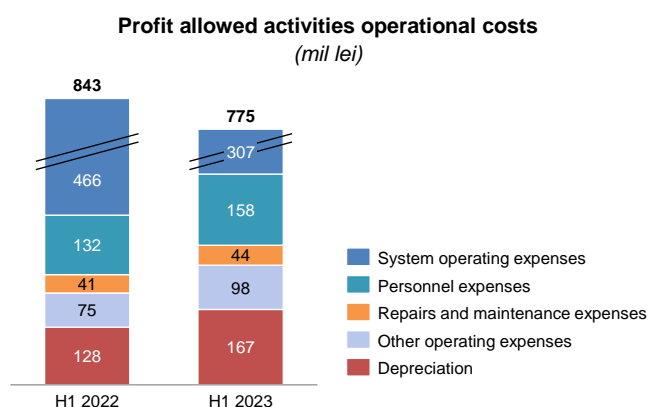
Market administered by OPCOM and from the difference between the forecast OTC and the actual OTC on the Balancing Market.

For H1 2023, the Company registered an increase compared to the same period of the previous year in **revenues from energy trading for own technological consumption (OTC)** in the amount of +10 million lei.

In the structure of these revenues, transactions on the Intraday Market were lower than in the previous year, as a large part of the required OTC was acquired on the long-term markets through the Central Electricity Acquisition Mechanism (CEPA) mechanism and bilateral contracts, and prices on the short-term markets decreased compared to the previous year, while transactions on the Balancing Market were higher than in the previous year, mainly due to the fact that there were several intervals with negative balancing prices.

Operational expenses

On the segment of **profit allowed activities**, expenses (including depreciation) decreased by 8% (775 million lei in H1 2023 compared to 843 million lei in H1 2022).



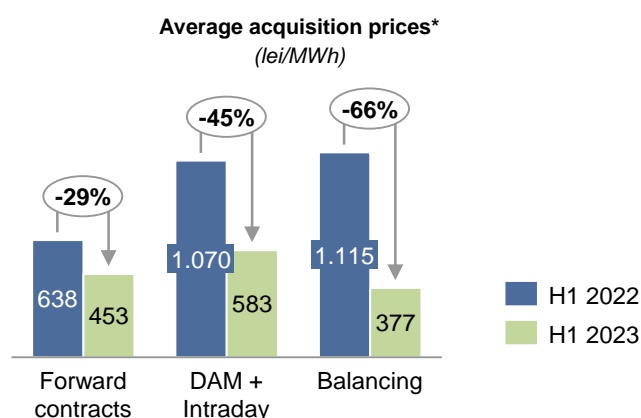
OTC: In the period January-June 2023 the costs for energy acquisition to cover own technological consumption are in the amount of 261 mil lei, 40% lower (-173 mil lei) compared to January-June 2022, motivated by the following:

- Due to its characteristics, the Own Technological Consumption (OTC) in the Electricity Transmission Network (RET) is strongly dependent on meteorological conditions, the structure of electricity generation and consumption nation-wide, the distribution of electricity flows in the internal transmission network and on the interconnection lines with neighbouring power systems, its value being very little if at all controllable in an interconnected and coupled regional power market;
- following the provisions of GEO 153/2022,

Transelectrica acquired electricity to cover 75% of the quantity of the OTC forecast validated by the Centralised Electricity Acquisition Mechanism (MACEE), at a regulated acquiring price;

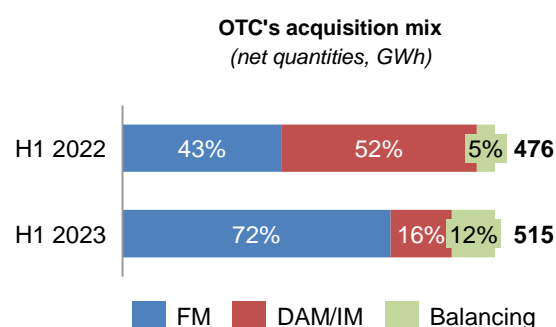
- measures taken at European level to make energy consumption more efficient, the replacement of Russian gas, the reduction in demand in the industrial area and the increase in the share of wind energy, in the context of an atypically warm winter, have led to a drop in consumption of quantities traded on the short-term markets by more than 35% and in energy prices on these markets.

Thus, the average price of energy acquired from the DAM in the first half of the year was about 50% lower than in the same period of 2022, while remaining higher than in previous years.



* the average price was calculated on net value (acquisitions - sales)

Average prices in all markets were lower than in the first half of 2022, and the acquisition mix (net quantity) shows the following components in the two periods analysed:



Expenses on electricity consumption in RET stations in the amount of 25.4 million lei increased by 23.4% compared to the first half of 2022 when it was 20.6 million lei.

In order to carry out the electricity transmission activity in the substations and to operate the National Electricity System in safe conditions, Transelectrica must acquire electricity to cover the consumption related to internal

services in the high-voltage substations under the management of the Company.

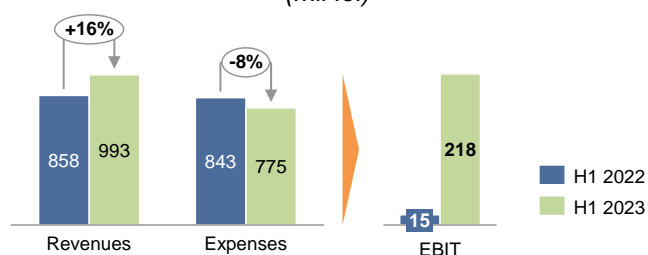
Expenses on Inter TSO Compensation (ITC)

In H1 2023 these expenses were higher by 9.3 million lei compared to the same period of the previous year and represent the monthly payment liabilities/collection rights for each transmission system operator (TSO) that are established under the mechanism of compensation/discount of the effects of the use of the electricity transmission network (RET) for electricity transits between the TSOs that have joined this mechanism within ENTSO-E.

Allowed profit-operational result

The allowed profit activities recorded a positive result of 218 million lei, an increase of +203 million lei compared to the same period last year, the increase being mainly due to interconnection revenues and transmission revenues in the context of reduced operating costs (including depreciation) mainly due to the favourable environment, which led to lower operating costs on the electricity market.

EBIT structure - profit allowed activities
(mil lei)



Zero profit segment

Revenues from zero-profit activities decreased by 31% (-540 million lei) compared to the same period of the previous year, from 1,747 million lei as at 30 June 2022 to 1,207 million lei as at 30 June 2023, mainly due to the -477 million lei decrease in revenues on the balancing market.

The segment of zero-profit activities also recorded a decrease in costs by 28% (-478 million lei) compared to the same period in 2022, from 1,726 million lei at 30 June 2022 to 1,248 million lei at 30 June 2023, mainly due to lower expenses on the balancing market.

The balancing market was mainly influenced by the following elements:

- regulatory
- national regulations on the electricity market, namely GEO No 153 of 11 November 2022 for the modification and completion of GEO No 27/2022 on measures applicable to final customers in the

electricity and natural gas market for the period from 1 April 2022 to 31 March 2023, as well as for the modification and completion of certain regulatory acts in the field of energy and the modification of GEO No 119/2022 for the modification and completion of GEO No 27/2022 on measures applicable to final customers in the electricity and natural gas market for the period from 1 April 2022 to 31 March 2023 updated, as well as for the modification and completion of certain regulatory acts in the field of energy;

- European legislative regulations on the energy market.
 - on the operation of the market
- energy market developments at European and regional level;
- contracting method carried out in the pre-balancing markets;
- the evolution of hydropower and wind generation;
- the evolution of the average price recorded on the balancing market;
- the evolution of the negative/positive imbalance of electricity suppliers in the balancing market;
- the evolution of electricity production and consumption.

Revenues on the balancing market in H1 2023 were -477 million lei lower than in H1 2022.

The balancing market expenses in H1 2023 were -478 million lei lower than in H1 2022. These expenses result from notifications/realisations of participants in this market.

For the year 2023, it is estimated that the evolution of electricity production and consumption at national level and the European context of the evolution of the electricity market, the method by which contracting is carried out on the markets prior to the balancing market, will have a significant impact on the evolution of revenues/costs on the balancing market.

System services are acquired by the Company from producers in order to ensure the maintenance of the safety level in operation of the SEN and the quality of the electricity transmitted at the parameters required by the technical standards in force.

The contracting of these services is carried out:

- under the regulated regime, based on Government Decisions and National Energy Regulatory Authority (ANRE) Decisions;
- through competitive mechanisms.

The acquisition of system services shall be carried out on a competitive basis through daily bids in accordance with the provisions of Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019.

In H1 2023, the contracting of system services under the regulated regime was carried out only for Reactive Energy. Transelectrica contracted Reactive Energy from Hidroelectrica SA, according to ANRE Decision no.1078/2020.

During January-June 2023, **revenues from system services** decreased by 25% compared to January-June 2022 (189 million lei as at 30 June 2023 compared to 252 million lei as at 30 June 2022), due to the decrease in the tariff approved by ANRE for these services, as the quantity of electricity delivered to consumers decreased by 7%.

The amount of **expenses on system services** in H1 2023 was similar compared to the same period in 2022, the difference between the two periods being only 0.1 million lei.

The amount of STS acquisition costs for H1 2023 was mainly driven by the following factors:

- system service acquisition prices in the competitive market have remained around values:
 - ✓ the average acquisition price of the secondary regulation reserve at 79,30 lei/hMW;
 - ✓ average acquisition price of fast tertiary reserve, power increase to 37,95 lei/hMW;
 - ✓ average acquisition price of fast tertiary regulation reserve, power reduction to the value of 13,67 lei/hMW.
- the manifestation during the first half of 2023 of a high level of system service market concentration for secondary reserve (SR) system services.

For the system services activity, according to ANRE regulations, the surplus/deficit of revenue compared to the recognized costs resulting from this activity is to be compensated by ex-post tariff correction (negative/positive correction) applied by ANRE in the tariff in the years following the one in which the surplus/deficit was recorded.

The surplus/deficit of revenue over costs resulting from carrying out this activity is calculated per tariff programming period.

For the period from 2023 onwards, it is estimated that a significant impact on the evolution of costs for the acquisition of system services through daily and one-way bids, at Transelectrica SA level, will be the evolution of ANRE's regulatory framework on the

electricity market, as well as the European context of evolution of the electricity market.

Operational result-zero profit

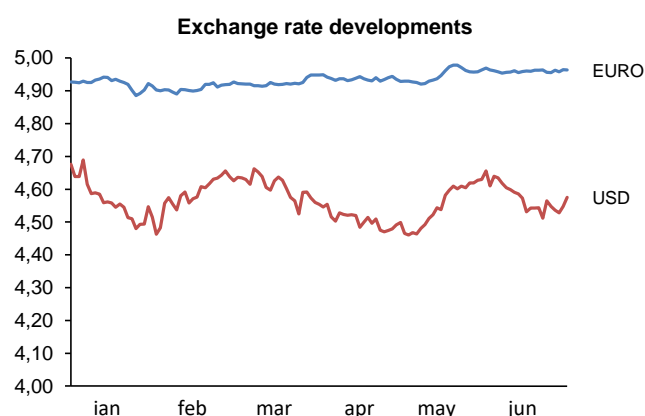
EBIT generated by **zero-profit activities** recorded a negative result of 41 million lei, down from a positive 21 million lei in H1 2022.

The regulatory framework specific to non-profit activities contains regularisation mechanisms that ensure that the excess or shortfall of revenue is offset against the level of expenses required to carry out the specific activities.

II. Financial Result

The net financial result for the period January-June 2023 is positive in the amount of 2 million lei, mainly influenced by the interest rates applied during the period under review but also by the evolution of the exchange rate (RON/EURO). The increased level of expenses/revenue from exchange rate differences was significantly influenced by the high volume of transactions related to the market coupling business segment.

The evolution of the RON/EUR and RON/USD exchange rate in 2023 is shown in the following graph:



III. Company's gross profit (EBT)

Total operational revenue

Total operating revenues in H1 2023 decreased by 16% compared to the same period of the previous year (2,200 million lei in H1 2023 compared to 2,604 million lei in H1 2022), in the context of the significant decrease in revenues from zero-profit activities, a decrease not offset by the increase in revenues from the interconnection capacities allocation and transmission revenues, as the amount of electricity delivered to consumers decreased.

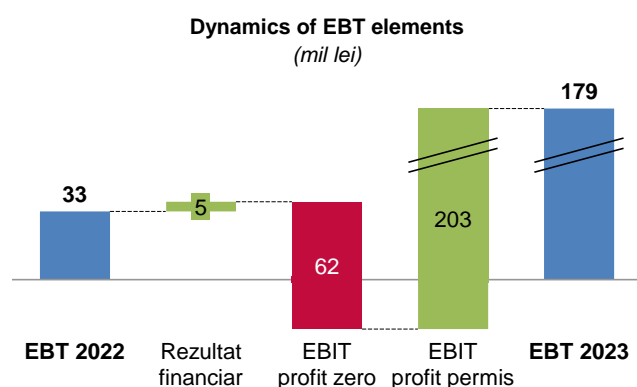
Total operational expenses

Total operational expenses (including depreciation) in H1 2023 decreased by 21% compared to the same

period last year, 2,023 million lei in H1 2023 compared to 2,568 million lei in H1 2022.

The gross result increased during the period under review, from 33 million lei in H1 2022 to 179 million lei in H1 2023.

The dynamics between the result recorded in H1 2023 compared to H1 2022, divided by the constituent components of the result, are shown in the following graph:



FINANCIAL POSITION

I. Non-current assets

Non-current assets recorded in H1 2023 compared to December 2022 a slight increase of 1% (+32 million lei), mainly due to the increase in the balance of tangible assets.

Assets of the usage rights for leased assets-buildings

Assets related to usage rights of leased assets - buildings represent the right to use the premises leased by the Company in the Platinum office building as defined by IFRS 16 - Leases.

As of 01.10.2020 the lease agreement valid for a period of 5 years came into force.

As of 30 June 2023, the accounting value of the usage right of the premises leased by the Company in the Platinum office building is in the amount of 17.89 million lei.

Intangible assets

The evolution of intangible assets was mainly influenced by:

- an outflow of intangible assets in progress through recognition in costs of 5.5 million lei,
- the fact that for H1 2023, the Company did not record any additional costs with the acquisition of electricity to cover its own technological consumption compared to the cost recognized in

IV. Net result

The net result at the end of the first half of 2023, amounting to 162 million lei, recorded an increase of 133.5 million lei compared to the same period of the previous year, the appreciation being mainly due to the profit allowed activity in conditions of cost reduction on the electricity market.

the tariff, instead, depreciation expense was recorded in the total amount of 47.84 million lei for the additional OTC previously recognized.

As of 30 September 2022, the Company shall apply the provisions of GEO no. 119/2022, whereby the additional costs for the acquisition of electricity made to cover its own technological consumption over and above the costs recognised in the regulated tariffs shall be capitalised on a quarterly basis.

Thus, capitalised costs are amortised over a period of 5 years from the date of capitalisation and are remunerated at 50% of the regulated rate of return approved by the National Energy Regulatory Authority applicable over the amortisation period of those costs and are recognised as a separate component.

II. Current assets

Current assets decreased by 43% as at 30 June 2023 (2,115 million lei) compared to the amount recorded as at 31 December 2022 (3,702 million lei), mainly due to the reduction in trade receivables and advances to suppliers.

Trade receivables decreased by 1,082 million lei (1,312 million lei at 30 June 2023 compared to 2,394 million lei at 31 December 2022). The most significant developments were:

- clients from operational activity which, due to the decrease in transactions resulting from energy

market coupling mechanisms, generated a lower balance of receivables from operational activity (882 million lei as at 30 June 2023 compared to 1,696 million lei as at 31 December 2022).

The main outstanding clients on the electricity market are MAVIR, IBEX, Ciga Energy SA, Hidroelectrica, Cinta Energy SA, RAAN, Electrica Furnizare SA, JAO, OPCOM, Enel Energie SA. Their share is 67.73% of total trade receivables.

- clients - balancing market which, due to the decrease in the volume of transactions in the balancing market in the first half of 2023, compared to the second half of 2022, also led to a decrease in the balance of clients in contracts concluded for this type of activity (324 million lei as of 30 June 2023 compared to 564 million lei as of 31 December 2022).
- clients - support scheme, which recorded a 22% decrease mainly due to a decrease in the amount invoiced for the collection of the monthly contribution.

As at 30 June 2023, the Company records receivables from the bonus support scheme for the promotion of high-efficiency cogeneration at approximately 8% compared to 5% as at 31 December 2022 of total trade receivables.

The company carries out the activities related to the bonus support scheme for the promotion of high-efficiency cogeneration, as administrator of the support scheme, in accordance with the provisions of RGD no. 1215/2009, "the main tasks being the monthly collection of the cogeneration contribution and the monthly payment of the bonuses".

As at 30 June 2023, the Company records receivables in the amount of 103 million lei, represented by invoices issued related to the bonus support scheme for the promotion of high efficiency cogeneration, of which mainly:

- overcompensation for the period 2011-2013 in the amount of 76.70 million lei, respectively from RAAN - 63.46 million lei and CET Govora SA - 13.23 million lei;
- Undue bonus for 2014 in the amount of 3.91 million lei, respectively from RAAN - 1.98 million lei, and CET Govora - 1.93 million lei;
- uncollected contribution for cogeneration from electricity consumer suppliers in the amount of 20.9 million lei, respectively from: Transenergo Com - 5.88 million lei, PetProd - 4.39 million lei, Romenergy Industry - 2.68 million lei, RAAN - 2.38 million lei UGM Energy - 1.50 million lei, etc.

Up to the date of this report, the Company has fully collected the receivables related to the overcompensation of the activity regarding the support

scheme for 2022 (amount of 34.13 million lei): CET Govora (13.7 million lei), and Electrocentrale Bucuresti (20.4 million lei), as well as the amount of 1.8 million lei from the undue bonus established by ANRE Decisions for 2022.

Other receivables as at 30 June 2023 in the amount of 140 million lei mainly include:

- sundry debtors (104 million lei), of which:
 - payment delay penalties calculated for defaulting clients in the amount of 83.2 million lei (of which 35.35 million lei are penalties related to the support scheme). The highest late payment penalties were recorded by clients: RAAN (16.90 million lei), Romelectro (13.42 million lei), CET Govora (9.61 million lei), Electrocentrale București (9.41 million lei), Eco Energy SRL (8.91 million lei), Petprod SRL (8.89 million lei) Total Electric Oltenia (3.29 million lei), OPCOM (2.95 million lei), Electromontaj SA (2.74 million lei), ICPE Electrocond (1 million lei).
 - compensation owed by suppliers for non-delivery of electricity in the amount of 11.9 million lei: Next Energy Partners (8.39 million lei), Enol Grup (2.54 million lei) and Arelco Power (0.99 million lei).
 - the receivable to be recovered from OPCOM representing the VAT related to the contribution in kind to the share capital of the subsidiary in the amount of 4.52 million lei.
- expenses recorded in advance in the amount of 10 million lei are mainly represented by international dues (3.5 million lei), ANRE annual contribution for 2023 (2.4 million lei), taxes and duties for 2023 (1.8 million lei), insurance policies (0.9 million lei) and others.
- other social claims in the amount of 1.39 million lei representing sick leave paid by the employer to employees, amounts to be recovered from the National Health Insurance House, according to the legislation in force.

Advances to suppliers paid as at 30 June 2023 are represented by suppliers debtors for the provision of services in the amount of 80 million lei have decreased significantly compared to December 2022 when they amounted to 697 million lei.

The balance mainly represents amounts from transactions related to the price coupling mechanism (*ICP - Interim Coupling Project, SIDC - Single Intraday Coupling, SDAC - Single Day-ahead Coupling*) amounting to 52.8 million lei - for ICP and SDAC and 25.4 million lei - for SIDC.

The start of the successful SDAC Single Day-ahead Coupling took place on 28 October 2021 and is the result of the cooperation between the Designated Electricity Market Operators (DEMO) and the Transmission System Operators (TSO) of Bulgaria and Romania, namely IBEX EAD, OPCOM SA, ESO EAD and Transelectrica.

The launch of Flow Based Market Coupling in the Core region on 08 June 2022 represented the transition from the Interim Coupling Project (ICP) coupling mechanism to Flow Based Market Coupling (FBMC), optimising the European electricity market for 13 countries: Austria, Belgium, Croatia, Czech Republic, France, Germany, Hungary, Luxembourg, Netherlands, Poland, Romania, Slovakia and Slovenia.

Within the FBMC project, Transelectrica has the role of both Shipper (Transfer Agent) and CCP - Central Counterparty. As CCP, the Company has the task of transferring the financial flows generated by the electricity flows, following the coupling process.

VAT to be recovered in the amount of 255.1 million lei relating to the statements for the period March - June 2023 and October 2020, of which 55 million lei have been collected up to the date of this report.

The largest impairment allowances existing in the balance at 30 June 2023, represent trade receivables and related penalties for CET Govora (25.1 million lei), Eco Energy SRL (24.7 million lei), Petprod SRL (23.5 million lei), Arelco Power (14.8 million lei), Total Electric Oltenia SA (14.2 million lei), Romenergy Industry (13.5 million lei), Romelectro SA (13.4 million lei), Elsaco Energy (9.3 million lei), RAAN (8.5 million lei), Next Energy Partners SRL (8.4 million lei).

III. Liabilities

Non-current liabilities in the amount of 682 million lei as of 30 June 2023 decreased by 1% compared to the amount of 687 million lei as of 31 December 2022.

Interest-bearing liabilities

As at 30 June 2023 the amount of non-current borrowings has decreased compared to 31 December 2022 mainly due to repayments under existing loan agreements. At the same time, the value of current loans decreased from the balance of 92 million lei in December 2022 to 25 million lei as at 30 June 2023. As at 30 June 2023, the credit line is not drawn.

At the same time, **current liabilities** decreased by 48%, from 3,593 million lei as at 31 December 2022 to 1,874 million lei as at 30 June 2023, mainly due to the decrease in trade and other liabilities.

The impact on the evolution of commercial debt has had:

- **suppliers on the energy market**, which decreased by 1,252 million lei and recorded a balance of 703 million lei in June 2023 compared to 1,956 million lei in December 2022.

This development was mainly influenced by:

- decrease in the balance of liabilities related to operational activities by 963 million lei, which was mainly determined by the payment in the first half of 2023 of the payment liabilities outstanding as at 31 December 2022, mainly resulting from the coupling of electricity markets.

The suppliers on the electricity market are mainly represented by OPCOM, IBEX, MAVIR, Hidroelectrica SA, Joint Allocation Office, S Complexul energetic Oltenia SA, CIGA Energy SA, Electrica Furnizare SA, CINTA Energy SA, OMV Petrom SA. On 30 June 2023, their share of total energy suppliers is about 95.80%.

- the decrease in the balance of "balancing market liabilities" by 281 million lei was due to the decrease in the volume of transactions recorded on the balancing market in the first half of 2023 compared to the second half of 2022.

- the decrease of the liabilities related to the support scheme to suppliers (producers) by only 8 million lei was due to the decrease of the monthly bonus for high efficiency cogeneration from June 2023 to December 2022.

- **suppliers of assets** decreased by 17 million lei due to payments falling due,
- **"Other liabilities"** decreased significantly by 415 million lei, from a balance of 1,235.9 million lei as at 31 December 2022 to 820 million lei as at 30 June 2023, due to the evolution of creditor clients.

The structure of "other liabilities" is as follows:

- *sundry creditors* in the amount of 412.9 million lei (increased by 23 million lei compared to 31 December 2022) are mainly represented by the net position of the support scheme for high efficiency cogeneration, liability position in the amount of 398 million lei and contracts for solution studies for connection to RET (12 million lei),
- *client creditors* as of 30 June 2023 in the amount of 282 million lei (decreased by 489 million lei compared to 31 December 2022) and represent amounts received in advance from OPCOM (9.47 million lei), MAVIR (173.73 million lei), IBEX (97.89 million lei) and JAO (0.02 million lei) in transactions related to

price coupling mechanisms, ICP (Interim Coupling Project), SIDC (Single Intraday Coupling), SDAC (Single Day-ahead Coupling) and FBMC (Flow Based Market Coupling).

- *the liability for assets related to the usage rights of leased assets - buildings*, according to IFRS 16 - Leases, is in the amount of 8.5 million lei (short-term liability).
- *other liabilities* in the amount of 54.6 million lei are mainly represented by guarantees of good payment of contracts on the electricity market concluded by Transelectrica in the amount of 35.2 million lei and VAT not due during the reporting period in the

amount of 19.2 million lei.

Provisions decreased slightly, - 4.2 million lei at 30 June 2023 (64 million lei) compared to 31 December 2022 (68 million lei).

IV. Shareholders' equity

The equity recorded an increase mainly due to the recording in the retained earnings of the net profit in the amount of 162 million lei, on 30 June 2023. Thus, the shareholders' equity as at 30 June 2023 was 4,039 million lei compared to 3,869 million lei as at 31 December 2022.

SHARE PERFORMANCE

Simbol:	TEL
ISIN:	ROTSSELACNOR9
Tip:	Actiuni
Segment:	Principal
Categorie:	Premium
Stare:	Tranzactionabila

The first half of 2023 started with a trading price of 22.10 lei/share, opening the way to the period's maximum price of 27.60 lei/share on 06.03.2023.

At the end of the period the price of one TEL share was 25.20 lei, bringing a market capitalization of 1,847 million lei, recovering in value from the minimum price of 21.00 lei recorded on 16.01.2023

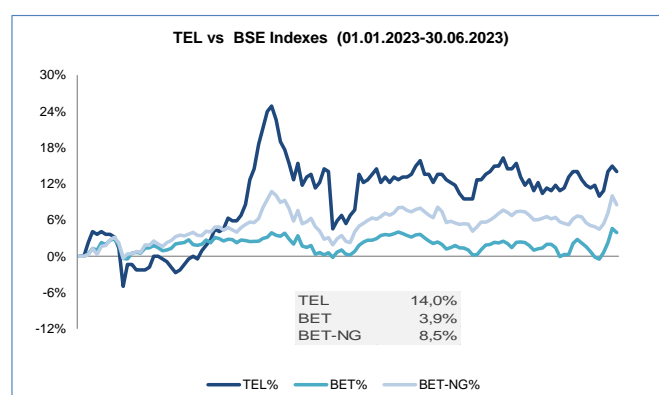
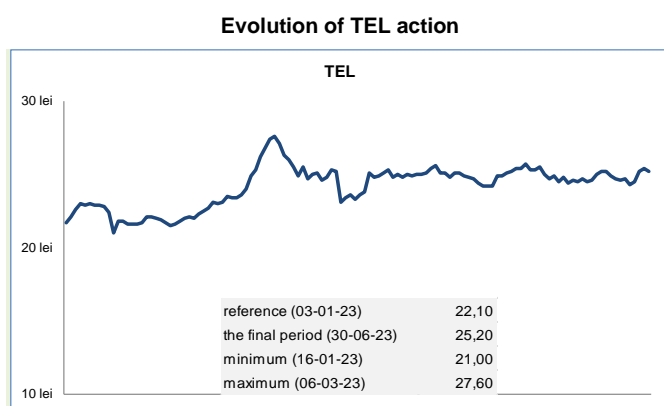
The company has the ability to adapt to the economic context, trading TEL shares in the first six months of 2023 on the Romanian stock market recorded 10,928 transactions with an average number of 89 transactions/day and 1,842,641 shares traded, with a total value of 44,229 thousand lei.

BET-XT-TRN. Of these the most representative for the Company are:

- BET index (Bucharest Exchange Trading - the benchmark index of the capital market reflecting the evolution of the 20 most liquid companies listed on the regulated market of the BVB),
- BET-NG index (Bucharest Exchange Trading Energy & Related Utilities - sector index reflecting the evolution of energy and related utilities companies listed on the BVB regulated market).

According to the latest periodic adjustment date recorded on 07.07.2023, TEL shares hold a weight of 1.13% in the BET index and 2.49% in the BET-NG index, weights adjusted due to the inclusion of Hidroelectrica in these indices.

The evolution of the TEL share in relation to the two indices is shown in the graph below:



Transelectrica shares are part of the structure of the following stock market indices: BET, BET-NG, BET-TR, BET-XT, BET-XT-TR, BET-BK, BETPlus, BET-TRN,

MAIN RISKS AND UNCERTAINTIES

A thorough knowledge of the threats allows them to be prioritised according to the likelihood of their occurrence, the extent of the impact on the objectives and the costs of measures to reduce the likelihood of their occurrence or to limit undesirable effects.

At the Company level, the risks related to the performance of its activities are periodically and systematically analysed and the *Register of Identified Risks*, *Risk Tracking Sheets*, *Risk Alert Forms (for new risks)* and the *Plan for the implementation of control measures* are drawn up annually, in order to limit the possible consequences of these risks, in accordance with legal provisions.

Items that may affect the Company's liquidity include:

➤ **interest rate fluctuation**

In order to limit the impact of interest rate fluctuations on the Company's liquidity, long-term loans were contracted with fixed interest rates and negotiated favourable interest rates.

National money market interest rates experienced a downward trend in the first half of the year amid excess liquidity in the banking system, coupled with lower demand for credit and tighter credit supply conditions.

➤ **exchange rate variation**

Currency risk expresses a probability of incurring losses on international commercial contracts or other economic relationships due to changes in the exchange rate of the currency between the conclusion of the contract and its maturity.

Another way to avoid such effects is to include a currency clause or a price revision clause in the contract. The application of various non-contractual measures may relieve the Company from the presence of negative effects.

In order to limit the impact of exchange rate fluctuations, the Company negotiates the best exchange rates through its specialised department.

In order to meet its foreign currency obligations, the Company has opened foreign currency accounts with commercial banks within the Romanian banking system.

The exposure to foreign exchange risk (mainly due to the EUR currency) is not significant, thus the Company does not use hedging instruments.

In the context of increasing relative attractiveness of domestic currency investments, Romanian leu has

shown a strengthening trend compared to the euro since mid-January 2023. At the same time, the national currency experienced periods of appreciation in the first half of the year as a result of developments on international financial markets.

➤ **the provisions of the grant agreements**

In the financing contracts, there are clauses on compliance with financial and non-financial indicators (covenants), and breach of these clauses may, subject to prior notification and reasonable time, result in early disbursement of the financing facilities. Some financing facilities also have penalty clauses in case of early repayment.

As of the date of this report, there have been no instances of non-compliance with the provisions of the Company's financing agreements.

➤ **risk of non-compliance with legal conditions**

The liquidity of the Company could be affected by penalties due to non-compliance reported during regular control activities by the competent bodies (ANAF, CCR, MFP, etc.). This risk did not materialise during the period under review.

➤ **the level of taxation**, including the introduction of new taxes and duties. In the first half of 2023, this risk did not materialise;

➤ **credit risk**: The company could incur a financial loss due to the inability or unwillingness of a contractual partner to meet its contractual obligations. This risk arises mainly from trade receivables, cash and cash equivalents. During the first half of 2023, there were no dysfunctions in the relationship with customers and invoices were received on time;

➤ **cash-flow risk** - this is the risk that Transelectrica will not be able to meet its payment liabilities when due. A prudent cash-flow risk management policy involves maintaining a sufficient level of cash, cash equivalents and financial availability through appropriately contracted credit facilities. The Company monitors the level of cash inflows expected from the collection of trade receivables as well as the level of cash outflows expected for the payment of trade and other payables.

The Company pays increased attention to effective treasury management, through efficient cash flow management and optimization of surplus liquidity to meet financial obligations as they fall due, as well as

the availability, if necessary, to draw on financing through appropriate credit facilities.

For situations requiring working capital financing, the Company draws on short-term loans in the form of revolving credit lines.

During the first half of 2023, thanks to the solutions found and the timely measures taken, the Company met its financial liabilities.

Other risks that may affect the Company's financial performance may include:

- **the risk of credit rating impairment due** to deterioration of financial indicators, macroeconomic and political climate and/or deterioration of financial performance of the Company.

This risk reflects a complex of factors, with a potential effect on increasing funding costs in the credit market, which may significantly affect the Company given the substantial amount of capital required to be attracted to finance the investment plan for the coming years.

As of 8 December 2022, Moody's Transelectrica's rating is Baa3, stable outlook.

The Company's rating is strongly dependent on Romania's sovereign rating.

The Fitch rating agency reconfirmed on 24 March 2023 Romania's government debt rating at BBB-/F3 for current and non-current foreign currency debt and revised the country outlook from negative to stable.

- **investment risk** as a result of financial difficulties at subsidiary level caused by both historical debt, competitive environment and their own management.

The company attaches due importance to analysing the risk environment and identifying possible risks early on by adopting a reactive management style whereby it implements preventive measures in advance to mitigate the occurrence of risks.

At the same time, the periodic review of risks as set out in the standards is a practice consistently used by the Company which consists of identifying and assessing risks at certain intervals and planning the necessary measures to manage them.

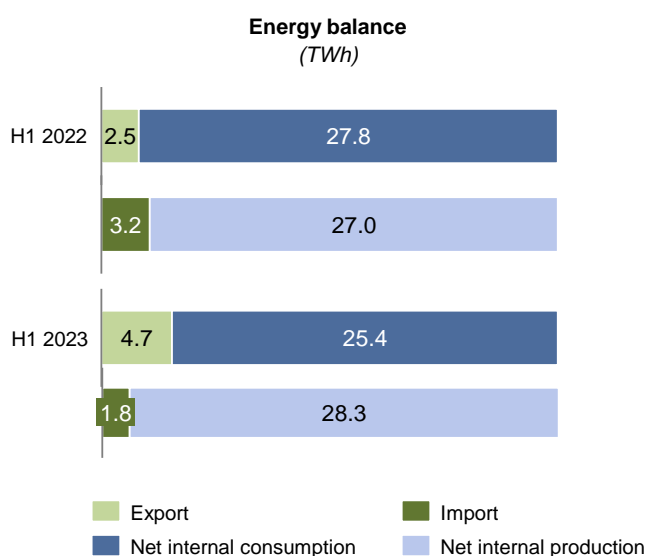


Operational data

ENERGY BALANCE WITHIN SEN

Analysing the evolution of the components of the energy balance, in the period January-June 2023 compared to the same period in 2022, there is a decrease of 8% in net domestic consumption¹ and an increase of 5% in net energy production.

Cross-border physical export trade is up 88% in H1 2023 compared to H1 2022, while cross-border import flows are down 44%.



In the first half of 2023, electricity consumption at the SEN level recorded monthly decreases ranging from 5.68% in February to 11.61% in January.

The decrease in consumption in the first quarter was largely influenced by average monthly temperatures, which recorded positive anomalies and were generally above climatological norms.

Another element that led to the reduction of national electricity consumption is the entry into force of Regulation (EU) 2022/1854 of 6 October 2022 on emergency action to address the high energy prices issue. Article 3(3) of the Regulation provides that Member States shall endeavour to implement measures to reduce total gross monthly electricity consumption by 10% compared to the average gross

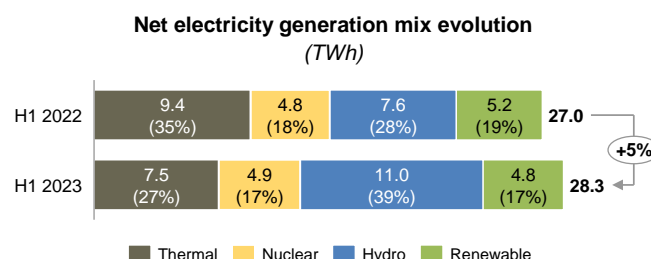
¹ the values do not include consumption related to own services in electricity generation plants; the net consumption value includes losses in transmission and distribution networks as well as pump consumption in pumped storage hydro stations

monthly electricity consumption in the corresponding months of the reference period².

The decline in consumption in the second quarter was largely influenced by the European context, characterised by a slowdown in economic activity³, with GDP growth forecast for Romania for spring 2023 at 3.2%, compared to 4.7% in the same period last year.

PRODUCTION MIX

In terms of generation mix, in the period January - June 2023 compared to the same period in 2022, there was an increase in the Hydro component by 44% and in the Nuclear component by 3%, respectively a decrease in the Thermal component by 20% and in the Renewable component by 7% (mainly based on the decrease in PV -56% and wind -44%).



An analysis of the weights of the components of the net generation mix for the period January - June 2023 shows that the largest share, 39%, is represented by the Hydro component, followed by the Thermo component 27%, and energy produced from renewable and nuclear sources have a similar share of about 17%.

NATIONAL GENERATION FLEET

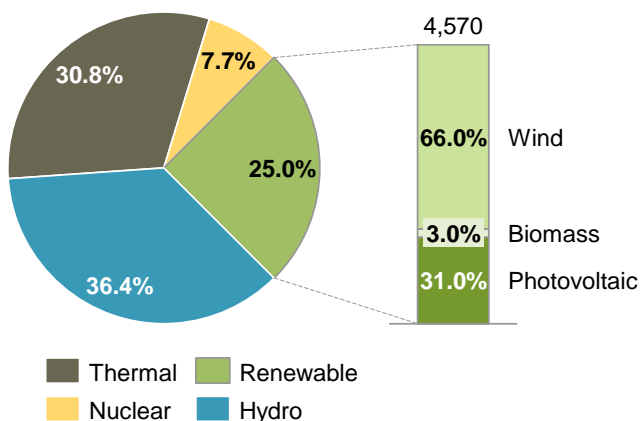
Installed capacity in thermal power plants decreased in H1 2023 by about 1%, from 5,708 MW installed on 30 June 2022 to 5,630 MW installed on 30 June 2023.

The installed capacity for the period January - June 2023 versus January - June 2022 is shown in the graphs below:

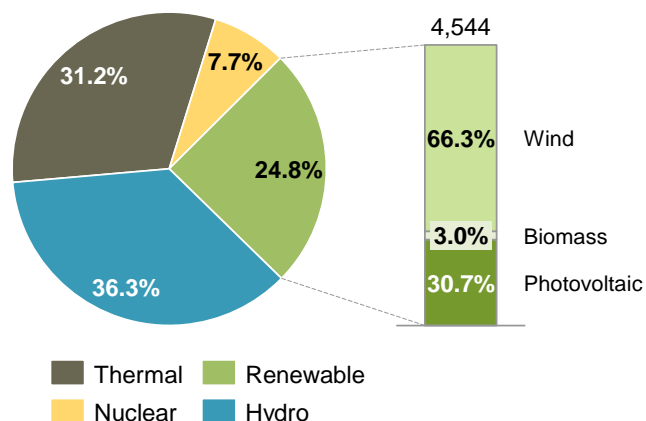
² Art. 4(1): Each Member State shall identify the peak hours corresponding in total to a minimum of 10% of the total number of hours in the period from 1 December 2022 to 31 March 2023.

³ https://economy-finance.ec.europa.eu/economic-forecast-and-surveys/economic-forecasts/spring-2023-economic-forecast-improved-outlook-amid-persistent-challenges_en

Installed power H1 2023 (18,255 MW. gross value)



Installed power S1 2022 (18,308 MW. gross value)



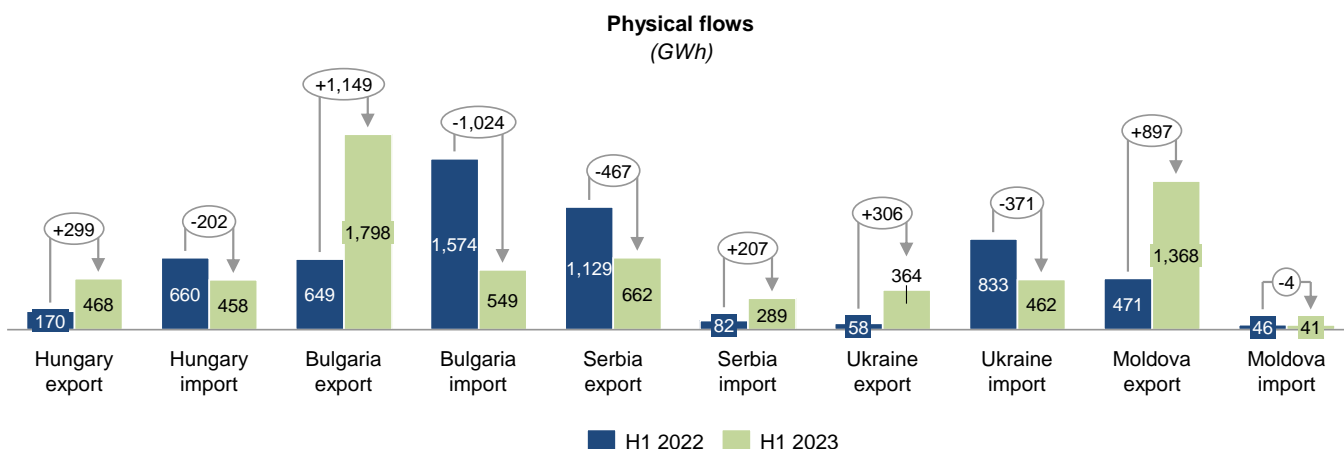
CROSS-BORDER FLOWS

The distribution of **physical** import/export flows on interconnection lines in the period January - June 2023 compared to January - June 2022 is as follows:

- exports decreased on the border with Serbia, and increased on the borders with Bulgaria, Hungary, Ukraine and Moldova, and
- imports increased on the border with Serbia and decreased on Bulgaria, Hungary, Ukraine and Moldova.

Specifically, compared to the period January - June 2022, physical export flows increased with Bulgaria (+1,149GWh), with Hungary (+299GWh), Ukraine (+306GWh) and with Moldova (+897GWh) and decreased on the border with Serbia (-41% -467GWh), while physical import flows on the interconnection lines with Serbia increased (+207GWh) and decreased with Bulgaria (-65% -1,024GWh), Hungary (-31% -202GWh) Ukraine (-45% -371GWh) and with Moldova (-10%, -4GWh)

The physical flows of both imports and exports at each border are shown below:



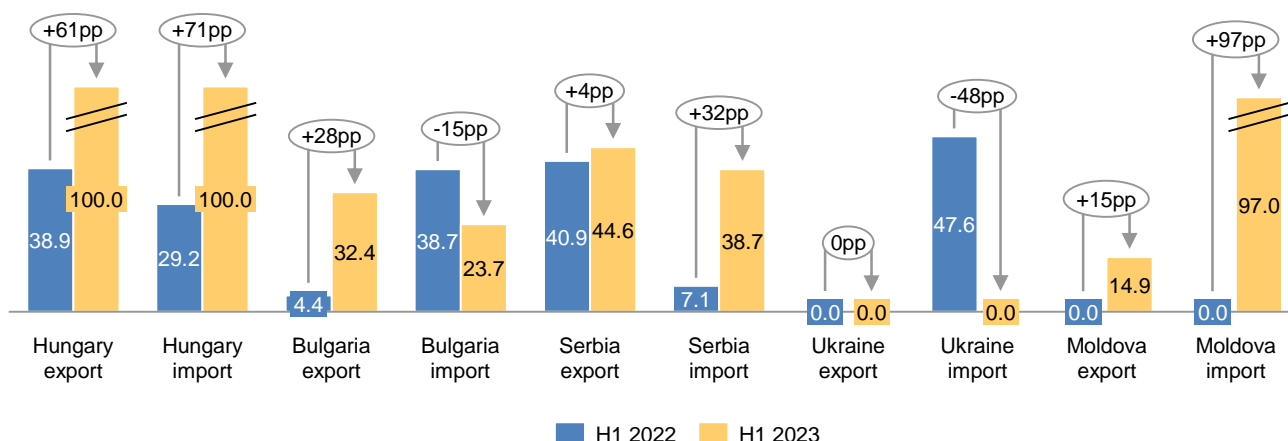
Compared to the first half of 2022, there has been an overall increase in export capacity usage, i.e. an increase in export trade and transit energy, against the background of higher hydroelectricity compared to last year at this time of year and lower domestic electricity consumption compared to the same period in 2022.

A significant impact in the increase of transit energy has been had by Government Emergency Ordinance No 119 of 1 September 2022, amending and supplementing Government Emergency Ordinance No 27/2022 on measures applicable to end customers in the electricity and natural gas market, as updated, and amending and supplementing certain regulatory acts in

the field of energy, which introduces a solidarity tax for companies that export electricity.

On the border with Hungary, the usage rate is 100%, both import and import, as short-term bids are default bids (capacity and energy are allocated simultaneously), and since January 2023, there has been a complete switch in long-term bids from the Physical Capacity Rights allocation mechanism to the Financial Capacity Rights allocation mechanism (capacity allocated in annual and monthly bids is no longer a physical right that can be used by the participant, but only a financial right of the participant).

Usage rate of total allocated capacity (%)



The usage degree of total capacity rights on a border and direction is the ratio, expressed as a percentage, of the energy corresponding to trade carried out (notified) in a month to the energy corresponding to total capacity rights.

Trade includes the amount of electricity imported and exported as a result of Transelectrica's participation as an operational member in the European Imbalance Netting Platform (IGCC) from 17 December 2021.

On the implications for the synchronous interconnection of the electricity transmission systems of the Republic of Moldova and Ukraine with the Continental European system through Romania, Hungary and Slovakia:

- from 16.03.2022 the emergency synchronization of the power systems of Ukraine and the Republic of Moldova with the power system of Continental Europe was achieved. This acceleration of the synchronization project, which started in 2017, was made possible as a result of previously conducted studies and the adaptation of measures to reduce risks in the operation of power systems;
- The synchronous interconnection of the electricity transmission systems of the Republic of Moldova and Ukraine with the European electricity system has led to a reduction of the own technological consumption in the Romanian electricity transmission network, mainly due to a more favourable distribution of flows on the interconnection power lines;
- The synchronous interconnection of the electricity transmission systems of the Republic of Moldova and Ukraine with the electricity system of Romania has contributed to the expansion of the electricity market, providing the opportunity for regional electricity trade between Romania, Ukraine and the Republic of Moldova in the current context of the single European electricity market;
- In the current geopolitical context, the synchronous interconnection of the electricity transmission

systems of the Republic of Moldova and Ukraine with the Continental European system will put pressure on the neighbouring power systems (Romania, Hungary and Slovakia) in terms of ensuring interconnected operation, i.e. regional adequacy, given the difficulties experienced by the Republic of Moldova and Ukraine in securing their electricity needs;

- on the border with Ukraine, capacity allocation auctions are currently suspended as of 16.01.2023, until coordinated allocation rules are agreed, and on the border with the Republic of Moldova, long-term capacity allocation auctions (annual and monthly) are currently suspended, with only daily bilateral coordinated capacity allocation being organised for 100% of total capacity (auctions organised by Romanian TSOs).

In the current context of the conflict between Russia and Ukraine, it can be mentioned that data on the functioning of the energy systems in Ukraine and the Republic of Moldova are not publicly available, as the energy system in Ukraine is the target of many attacks.

OWN TECHNOLOGICAL CONSUMPTION

Compared to January-June 2022, in the same period in 2023 the OTC in the RET increased by ca. 8% and the percentage OTC increased from 2.23% to 2.54%.

Due to its characteristics, the Own Technological Consumption (OTC) in the Electricity Transmission Network (RET) is strongly dependent on meteorological conditions, the structure of electricity generation and consumption at national level, the distribution of electricity flows in the internal transmission network and on the interconnection lines with neighbouring power systems, and its value is very little if at all controllable in an interconnected and coupled regional power market.

Factors that significantly influenced the OTC in the period January-June 2023, such as rainfall and the distribution of physical cross-border flows, are not under Transelectrica's control.

OTC FACTORS EVOLUTION

In January 2023 OTC increased compared to January 2022 by 3.5%, as a result of unfavourable physical import/export flows on interconnection lines on the borders with Ukraine, Hungary and Serbia leading to increased transport of energy away from sources and unfavourable weather conditions characterised by higher precipitation leading to increased corona losses.

The percentage of losses relative to energy entering the RET increased from 2.42% in 2022 to 2.62% in 2023. Energy entering the meter decreased by 4.2% in January 2023 (171.9 GWh) compared to the same period in 2022, due to a 41.9% (212.7 GWh) decrease in energy received from imports and a 0.9% (28.8 GWh) decrease in energy received from generators connected to the RET, as energy received from the RED increased by 21.9% (69.5 GWh).

In February 2023 OTC increased compared to February 2022 by 17.6% as a result of unfavourable physical import/export flows on the interconnection lines on the borders with Ukraine, Hungary and Serbia which led to increased transmission of energy away from sources, but also unfavourable weather conditions with higher rainfall amounts which increased corona losses. The percentage of losses to energy entering the RET increased from 2.04% in 2022 to 2.42% in 2023. Energy entering the grid decreased by 1% (36.0 GWh) in February 2023 compared to the same period in 2022, due to a 42.1% (230.7 GWh) decrease in energy received from imports, amid a 3.4% (92.7 GWh) increase in energy received from generators connected to the RET and a 46.7% (102 GWh) increase in energy received from the RED.

In March 2022 OTC decreased compared to March 2022 by 3.5%, mainly as a result of the decrease in energy entering the RET contour and the more advantageous distribution of generation in the territory, which led to a reduction in the transmission of energy away from sources.

The percentage of losses in relation to energy entering the RET increased from 2.36% in 2022 to 2.57% in 2023. Energy entering the grid decreased by 11.7% (432.3 GWh) in March 2023 compared to the same period in 2022, due to the decrease of energy received from generators directly connected to the RET by 0.9% (24.6 GWh), energy received from imports by 54.4% (441 GWh), while energy received from the RED increased by 12.9% (33.3 GWh).

Weather conditions were unfavourable, with higher rainfall leading to increased crown losses.

In April 2023 OTC increased compared to April 2022 by 0.7%, due to unfavourable physical import/export flows on interconnection lines on the borders with

Ukraine, Hungary and Serbia leading to increased transmission away from sources, and unfavourable weather conditions with higher rainfall in areas with higher transmission line density leading to increased corona losses.

The percentage of losses relative to energy entering the RET increased from 2.49% in 2022 to 2.63% in 2023. Energy entering the meter decreased by 4.7% in April 2023 (159.8 GWh) compared to the same period in 2022, due to a 68.7% (308.3 GWh) decrease in energy received from imports, as energy received from generators connected to the RET increased by 0.6% (15.9 GWh) and energy received from the RED increased by 39.6% (132.6 GWh).

In May 2023 OTC increased compared to May 2022 by 12.8% as a result of the more unfavourable generation structure mainly due to the non-operation of the OMV Petrom CECC and physical flows on the interconnection lines, which led to an increase in the transmission of energy away from sources. Weather conditions were also more unfavourable, characterised by somewhat higher amounts of rainfall in areas with higher density of transmission lines, leading to increased corona losses.

The percentage of losses relative to energy entering the RET increased from 1.9% in 2022 to 2.29% in 2023. Energy entering the grid decreased by 6.6% (217.9 GWh) in May 2023 compared to the same period in 2022, due to an 8.3% (221.8 GWh) decrease in energy received from generators connected to the RET and an 18.4% (63.2 GWh) decrease in energy received from imports, amid a 24.4% (67.1 GWh) increase in energy received from the RED.

In June 2023 OTC increased compared to June 2022 by 24.2%, as a result of the somewhat more unfavorable distribution of generation in the territory and physical flows on interconnection lines, which led to increased transmission of energy away from sources, but mainly as a result of unfavourable weather conditions, characterised by much higher rainfall, which led to a significant increase in corona losses.

The percentage of losses relative to energy entering the RET increased from 2.11% in 2022 to 2.69% in 2023. Energy entering the grid decreased by 2.7% (89.9 GWh) in June 2023 compared to the same period in 2022, due to a decrease of 6.3% (164.4 GWh) in energy received from generators directly connected to the RET, a decrease of 25.9% (138.6 GWh) in energy received from imports and an increase of 101.7% (213.1 GWh) in energy received from the RED.

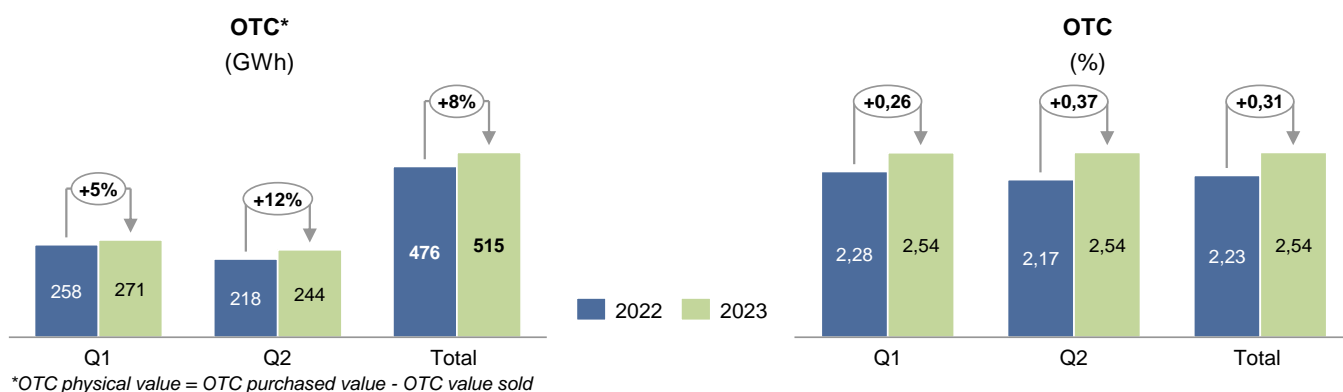
During the first quarter of 2023, OTC in the RET increased by 5.1% compared to the same period in

2022, mainly as a result of unfavourable physical flows on the interconnection lines on the borders with Ukraine, Hungary and Serbia and more unfavourable weather conditions with higher rainfall, which increased corona losses. Relative to energy entering the contour, losses increased from 2.28% to 2.54%.

During the second quarter of 2023, OTC in RET increased by 11.8% compared to the same period in 2022, mainly as a result of unfavourable physical flows

on interconnection lines and more unfavourable weather conditions characterised by higher rainfall amounts, which increased corona losses. Relative to the energy entering the contour the losses increased from 2.17% to 2.54%.

In summary, over the whole of H1 2023 OTC in RET increased by 8% compared to the same period in 2022, and as a proportion of energy input the losses increased from 2.23% to 2.54%.





RET development

NON-CURRENT ASSETS REGISTERED IN ACCOUNTING BOOKS

The total value of tangible assets on 30 June 2023 compared to 31 December 2022 was driven by the increase in the value of tangible assets in progress, concurrent with the recording of depreciation of tangible assets.

The value of fixed assets recorded in the accounts in the first half of 2023 is 532.4 million lei (215.7 million lei in the same period of 2022), an increase of 316.7 million lei.

The largest transfers from tangible assets in progress to tangible assets are mainly represented by the commissioning of investment objectives, the most significant of which are listed below:

- 400 kV d.c. Cernavodă-Stâlpu OHL and connection in Gura Ialomiței Station – 353.7 million lei;

- Upgrading of 400/220/110/20 kV Munteni Station – 47.5 million lei;
- Upgrading of 220/110/20 kV Arefu Station – 39.7 million lei;
- Refurbishment of 220/110/20 kV Ungheni Station – 31.8 million lei;
- Upgrading of 220/110 kV Dumbrava Station – 20.9 million lei;
- Extension of 400 kV Cernavodă Station - Phase I+II, Replacement of 2 compensation coils, Connection of new lines – 12.5 million lei;
- Extension of 400 kV Gura Ialomiței Station with two cells: OLH 400 kV Cernavodă 2 and 3 – 6.8 million lei;
- 220 kV double circuit Ostrovu Mare - RET (H.CA no. 17/2007) – 4.2 million lei.

TANGIBLE AND INTANGIBLE ASSETS

Acquisitions of tangible and intangible fixed assets in the period January-June 2023 amount to 186.4 million lei, an increase compared to the same period of 2022 when acquisitions amounted to 174.7 million lei.

At the same time, the balance of tangible assets in progress according to the financial position as at 30 June 2023, in the amount of 714 million lei, is represented by the projects in progress, the most significant being listed below:

- 400 kV d.c. Gutinaș - Smârdan – 174.1 million lei;
- Switching to 400 kV voltage of the Porțile de Fier - Reșița - Timișoara - Săcălaz - Arad axis - Phase I - 400 kV line s.c. Porțile de Fier - (Anina) - Reșița – 130.1 million lei;
- Connection to the TSO of CEE 300 MW Ivești, CEE 88 MW Fălcu 1 and CEE 18 MW Fălcu 2 through the new (400)/220/110 kV Banca Station – 46.9 million lei;
- Refurbishment of 400/110/20 kV Smârdan Station - 32.1 million lei;
- Switching to 400 kV voltage of the Porțile de Fier - Resita - Timisoara - Săcălaz - Arad axis - Phase I - 400/220/110 kV Resita Station - 31.9 million lei;
- Increasing the transmission capacity of the 220kV Ștejaru - Gheorgheni - Fântânele OHL - 30.5 million lei;

- Upgrading of 220/110/20 kV Baru Mare Station – 27.4 million lei;
- Connection of 400 kV Isaccea - Varna and 400 kV Isaccea - Dobrudja OHL to 400 kV South Medgidia Station Phase II - 400 kV OHL d.c. Connections to South Medgidia Station – 24.5 million lei;
- Upgrading of 220/110/20 kV Arefu Station – 20.4 million lei;
- Refurbishment of 220/110 kV Filești Station -20.3 million lei;
- Refurbishment of 110 kV Medgidia South Station – 13.8 million lei;
- Extension of 400 kV Gura Ialomiței Station with two cells: OHL 400 kV Cernavodă 2 and 3 – 12.5 million lei;
- Metering and data management system for electricity metering on the wholesale market – 9.5 million lei;
- 400 kV Stâlpu station - 9.4 million lei;
- 110 kV, 220 kV and 400 kV mobile cells - 9.3 million lei;
- Refurbishment of the 110 kV Timisoara Station and the transition to 400 kV voltage of the Porțile de Fier - Anina - Resita - Timisoara - Sacalaz - Arad axis, stage II: 400 kV Timisoara Station - 8.9 million lei.

ANNUAL INVESTMENT PROGRAMME

The breakdown of capital expenses on 30 June 2023 by the main chapters of the annual investment programme correlated with the main chapters of the Company's Development Plan is as follows:

The performance degree of the investment programme at 30 June 2023 is 41.6%.

No.	Categories of expenses	IPA 2023 Programme*	Performance (thousand lei)	
		(thousand lei)	H1 2023	H1 2022
	Grand total (A+B)	488.986	203.443	158.620
A	Company's own expenses	456.325	184.862	149.015
B	Investments financed from the connection fee	32.661	18.581	9.605

*IPA 2023 revision A5

The Company's investment plan for the next 10 years includes a comprehensive investment programme aimed at strengthening energy security, digitisation and the implementation of the SMART GRID concept, which will increase the capacity to integrate renewable energy into the system on the one hand and increase interconnection capacity on the other.

EUROPEAN FUNDS

Collaboration between Transelectrica and Polytechnic University of Bucharest

Investing in the training of young people is a core objective for the Company.

Although the collaboration between the company and the Polytechnic University of Bucharest dates back a long time, on **21 March 2023**, a **Framework Agreement - "Collaboration Agreement"** was officially signed between the two entities with an exponential role in the national electro-energy field.

It is envisaged as a general legal basis setting out essential aspects/conditions for possible future arrangements and is based on the mutual interest of the two contracting parties to deepen their cooperation in the field of training and further training of young engineers in line with the requirements of today's energy market, thus contributing in the long term to the development of human resources within the company.

As regards RET's capacity to integrate new renewable generation units, the wind and solar potential of the Dobrogea (south-east of the country) and Banat (south-west of the country) regions should be mentioned. These regions, already congested, do not allow the integration of new capacities, but taking into account the investments currently underway as well as those planned for these two regions alone, by 2027, there will be around 5,000 additional MW available.

CONTRACTUAL ASPECTS

The most important investment contracts signed in H1 2023 are:

- Maintenance services in the field of telecommunications, information technology, process IT and cyber security at Transelectrica level – 139.2 million lei
- Increasing the operational reliability of the Arges-Vâlcea network area, building the 400 kV Arefu station and installing a 400 MVA, 400/220 kV HV - 71.9 million lei;
- OHL 220 kV double circuit Ostrovu Mare - RET - Stage 1 – 41.4 million lei;
- Specialized services for guarding, monitoring, intervention and intervention in exceptional situations at the facilities of STT Pitesti - 10.4 million lei.

The main lines of collaboration between NPG CO. Transelectrica S.A. and UPB are:

- **Train future energy professionals** by developing programmes and disciplines tailored to the needs of SEN / RET, organising training and skills development courses and identifying young talent;
- **Research and innovation** in UPB doctoral schools, fairs, conferences, workshops, TEL- UPB exchanges of experience as well as advanced research in the field of electrical network and complex studies and tests in UPB laboratories;
- **Support student performance** by:
 - continuation of the Transelectrica Scholarship Project, a programme aimed at students in their third and fourth years;
 - Organizing internships in Transelectrica for UPB graduates: the company supports the training of future energy engineers, offering year after year

the opportunity to students from the relevant faculties to intern in the Company;

- **Investing in digitisation.** The start of digitization was given by the conclusion of a Collaboration Protocol No. C994/20.12.2019 between Transelectrica and UPB, which aims to set up and equip a SCADA TEL laboratory in the Faculty of Energetics for testing and validating digital technologies associated with energy systems.



At the same time, Transelectrica participated in the selection process initiated by the Politehnica University of Bucharest for the establishment and operationalization of a Consortium for the creation of a complete professional route for technical education, where, together with UPB, a funding application was submitted for the implementation of the "**Campus Dual Politehnica București**" project.

After the submission in March 2023 of the funding application for the project "Campus Dual POLITEHNICA Bucharest", within the framework of the Call PNRR/2022/ C15 / MEDU /I6/Pilot programme for the development of regional consortia for dual education, on 11.05.2023 following the eligibility assessment, the project was declared admitted.

On 21.06.2023 the initial list with the results of the qualitative evaluation of the submitted projects was published, the project "Campus Dual Politehnica București" being evaluated with 91.20 points and ranking first.

In this regard, the project is to be financed from the NRRP and contracting is expected to be carried out between 13-31.07.2023.

Upgrading Fund

At the end of 2022, the process of contracting the non-reimbursable financing from the Modernisation Fund in the amount of 424,404,843 euros was completed with the signing of the financing contracts with the Ministry of Energy on 10.10.2022.

The funding of €424 million represents 30% of the total funding obtained by Romania through the Modernisation Fund and 14% of the total funding obtained by the 8 Central and Eastern European Member States (Romania, Czech Republic, Slovakia, Croatia, Lithuania, Hungary, Poland, Estonia) with approved projects.

In the second semester of 2023, applications for reimbursement and requests for pre-financing will be submitted according to the submission schedules for each project.

Project "400 kV d.c. Gutinaș Smârdan LEA"

Between January and June 2023, for the project " 400 kV d.c. Gutinaș Smârdan OHL", financed by the Large-Scale Infrastructure Operational Programme 2014-2020, Priority Axis 8 - *Intelligent and sustainable electricity and gas transmission systems, Specific Objective 8.1 - Increasing the capacity of the National Energy System to take up energy produced from renewable resources*, **three requests for reimbursement were submitted**, with a total amount reimbursed by the Managing Authority - POIM - of 45,809,283.93 lei.

REPowerEU Plan

At the same time, as regards the **RePowerEU Plan**, clarifications have been sent for the project sheets related to the projects submitted by Transelectrica for financing through *RePowerEU - Investment I6 - digitization, efficiency and modernization of the national power transmission network (allocation 71,488,000 euros)*, within the deadline requested by the Ministry of European Investment and Projects as follows:

- *Investment 6.a - Installation of photovoltaic power plants (PPS) and electricity storage facilities to supply internal services installed in NPG CO. Transelectrica S.A. stations (allocation 32.170.000 euro);*
- *Investment 6.b - Upgrading of SMART SA - NPG CO. Transelectrica S.A. subsidiary (allocation 29,940,000 euro);*
- *Investment 6.c - Optimisation of the communication network and creation of a data centre -Teletrans SA, subsidiary of NPG CO. Transelectrica S.A. (allocation 9.378.000 euro).*

The REPowerEU plan sets out a series of measures aimed at rapidly reducing Russia's dependence on fossil fuels and accelerating the green transition, while increasing the resilience of the EU's energy system.

At the same time, in March 2023, representatives from the company were invited by the Ministry of Investment and European Projects to the public session presenting the RePowerEU plan, following the launch of the public

consultation process for the submission of reform and investment proposals for the new REPowerEU chapter by stakeholders.

Also, in June 2023, the REPowerEU Chapter was submitted to the European Commission by the Ministry of European Investment and Projects, currently the REPowerEU Chapter is under evaluation by the European Commission.

TwinEU and SmarTWin

Also in March 2023 through participation in the ***Consortia formed for the development of TwinEU and SmarTWin projects, applications for funding through the European Research Programme - Horizon Europe*** were submitted.

The consortium formed for the development of the TwinEU project - brings together over 70 partners from different locations in Europe, including transport and system operators, technology companies, universities and research institutes, European associations, solution developers, while ***the consortium formed for the development of the SmarTWin project*** - brings together over 40 partners from different locations in Europe, including transport and system operators, technology companies, universities and research institutes, European associations, solution developers.

SmarTWin aims to develop a smart energy infrastructure using Digital Twin technology, to achieve improved integration of renewables and active consumer participation in the energy transition. This is fully in line with the directions introduced by the European Commission in the "EU Action Plan on the Digitalisation of the Energy System" to increase efficiency and grid intelligence.

Applications for funding were submitted under the HORIZON-CL5-2023-D3-01-10 call "Supporting the

development of a digital twin to improve management, operations, and resilience of the EU Electricity System in support to REPowerEU".

The expected benefits for the Company in terms of participation in the above-mentioned Consortia consist of training and familiarizing staff with the technical solutions for developing the transmission network using smart technologies and the benefits they can bring to the system, given the need to find solutions for integrating energy from renewable sources at the rates set in the National Integrated Energy and Climate Change Plan (PNIESC) for 2030 and to meet the obligations imposed by ANRE.

European Sustainable Energy Week (EUSEW)

On 19-23 June, the European Sustainable Energy Week (EUSEW) took place in Brussels, Belgium, where a delegation of the Company participated.

This year's EUSEW week was entitled "*Accelerating the transition to clean energy - towards lower bills and more advanced skills*", where Transelectrica applied to participate in the event with a booth and was subsequently accepted.

The Company's participation in the event aimed, from the point of view of the Company's image, to increase its visibility and notoriety at the level of European bodies.

The "**INNOVATIONS LEAD THE POWER**" stand held by the Company at the Energy Fair consisted in the presentation of the pilot project "*Retrofitting of the 220/110/20kV Alba Iulia Station into a digital station concept*", **including the DigiTEL digital laboratory**.

Members of the delegation also participated in thematic conferences of interest to the Company organised during the event and interacted with other participants at the Energy Fair.

COMPANY FINANCIAL INVESTMENTS

At European level, the energy sector is undergoing a transformation process, with a focus on the transition from a predominantly national model of energy sector evolution and development, to a model of integrated and coordinated development at European level, ensuring a unified development at continental level but also allowing for adaptation to national specifications while pursuing the legitimate interests of European states.

In this context the Company is affiliated to the following entities:

- **TSCNET**
- **JAO**

TSCNET (TSCNET Services GmbH)

It was established to serve the Transmission System Operators (TSOs) in the eastern-central-western European region (CORE region) for the coordinated implementation of the European network codes. Membership is achieved by participation in the shareholding of TSCNET through a share acquisition transaction in the company.

By Resolution No. 9 of the AGEA of 05 June 2018, the Company's affiliation to the CORE Region Security Coordination Centre, TSCNET, was approved by participating in the share capital with a contribution of EUR 470,500 (1 share - EUR 2,500).

JAO (Joint Allocation Office)

As of 2019, auctions for long-term capacity allocation are coordinated by the JAO, which has been designated as the Single Allocation Platform (SAP) Operator.

Transelectrica has been invited by JAO to become part of its shareholding.

By Resolution no.10 of the EGMS of 20 August 2018, the Company was approved to join the Joint Allocation Office (JAO) shareholding with a cash subscription in the amount of €259,325 and 50 shares were allocated to it.



Significant events

JANUARY - JUNE 2023

- **Contract concluded with Opcom subsidiary**

According to the information included in the Current Report dated 10 January 2023, the Company has concluded a contract with the subsidiary OPCOM for the acquisition of electricity to cover its own technological consumption (OTC) needs for the year 2023, through the Centralized Electricity Acquisition Mechanism (MACEE) provided for in the Annex to GEO no. 153/2022.

- **Resolution No. 1 of the Extraordinary General Meeting of Shareholders of 26 January 2023**

The GMS held on 26 January 2023, approved the amendment, with effect from 1 March 2023, of Annex No. 1 to the Memorandum of Association, by replacing the terms *Units, Unit and Unit* with the terms *Branch, Branch and Branch respectively*, with a mandate to the Directorate to extend the effective date of the amendment by no more than 30 days and a mandate to the Chairman of the meeting to sign the updated Memorandum of Association.

According to the communication dated February 20, 2023, the Directorate of the Company on the basis of EGMSD No. 1/2023 approves the extension of the effective date of the amendments to the Articles of Incorporation as March 30, 2023.

- **Bilateral meeting with Moldovan Government officials on energy interconnection cooperation projects**

Company representatives received on Thursday, January 26, 2023, the official delegation from the Republic of Moldova, led by Andrei Spînu, Deputy Prime Minister and Minister of Infrastructure and Regional Development, on a visit to strengthen cooperation in the energy sector.

During the meeting, the opportunity to expand OPCOM (Romanian Electricity and Natural Gas Market Operator), a subsidiary of the Company, on the electricity market of the Republic of Moldova was discussed, and the next steps for OPCOM to become the electricity market operator in the Republic of Moldova were agreed.

Mr. Gabriel Andronache, Chairman of Transelectrica's Directorate, Mr. Bogdan Toncescu, member of the

Directorate, and Mr. Victor Ionescu, General Manager of OPCOM, took part in the discussions.

- **Transelectrica sets the basis for the development of its own Security Operations Centre with a total US investment of \$2.7 million**

According to the Company's press release dated February 3, 2023, Transelectrica has signed a Grant Agreement for approximately \$1.1 million with the United States Government, represented by the United States Trade and Development Agency (USTDA), for the establishment of a Company Security Operations Center.

The project, which Transelectrica will implement with the support of American partners, involves a feasibility study and a pilot project to test and validate hardware and software solutions for adopting an effective model for improving cyber security.

The preliminary steps for obtaining the USTDA funding were made in 2021 by the American company Pythia (as service provider) together with the American company Fortinet (provider of security software products and licenses), who prepared, together with Transelectrica SA (as Beneficiary), the documentation supporting the decision to award the grant in the amount of about \$1.1 million.

Fortinet, as a subcontractor, will also contribute around \$1.6 million to the entire project, which is the cost of using the security systems that the American company will provide for the pilot project for one year. This brings the total investment to around \$2.7 million.

- **Resolution No. 2 and 3 of the Ordinary General Meeting of Shareholders of 16 February 2023**

The GMS held on 16 February 2023 approved the appointment as provisional members of the Supervisory Board of :

- ATANASIU Teodor,
- DASCĂL Cătălin-Andrei,
- ORLANDEA Dumitru Virgil,
- PĂUN Costin-Mihai,
- STERP VINGĂRZAN Gheorghe,
- VASILESCU Alexandru-Cristian,
- ZEZEANU Luminița.

with a four-month term of office beginning on 22 February 2023 and ending on 21 June 2023, approved

the fixed allowance for members and the form of the contract of office.

It also approved the filing of a claim against the former members of the Directorate for the recovery of damages in the amount of 237,044 lei, representing salary compensation/legal expenses.

• Disputes

According to the press releases issued by Transelectrica, there are arbitration claims filed by former members of the Supervisory Board and the Directorate at the Arbitration Centre in Vienna representing claims for compensation provided for in the mandate contracts concluded in 2020, for the period 2020-2024.

• Acceptance of provisional members' mandates and establishment of the composition of advisory committees within the Supervisory Board 2023

Provisional members of the Supervisory Board appointed by OGMSD No. 2 dated 16 February 2023, respectively:

- ATANASIU Teodor,
- DASCĂL Cătălin - Andrei,
- ORLANDEA Dumitru Virgil,
- PĂUN Costin-Mihai,
- STERP VINGĂRZAN Gheorghe,
- VASILESCU Alexandru-Cristian and
- ZEZEANU Luminița

have signed, before a notary public, the declaration of acceptance of mandates, thus the mandates of all provisional members of the Supervisory Board appointed on 16 February 2023 are effective.

Also, in accordance with its statutory and legal powers, the Supervisory Board meeting on 28.02.2023 appointed the members of the advisory committees as follows

Nomination and Remuneration Committee:

- Alexandru-Cristian VASILESCU - President
- Gheorghe STERP VINGĂRZAN
- Costin-Mihai PĂUN
- Dumitru Virgil ORLANDEA
- Cătălin-Andrei DASCĂL

Audit Committee:

- Luminița ZEZEANU- president
- Teodor ATANASIU
- Gheorghe STERP VINGĂRZAN
- Cătălin-Andrei DASCĂL
- Costin-Mihai PĂUN

Energy Security Committee:

- Costin-Mihai PĂUN - President
- Alexandru-Cristian VASILESCU
- Luminița ZEZEANU
- Teodor ATANASIU
- Dumitru Virgil ORLANDEA.

• Resolution No. 4 of the Ordinary General Meeting of Shareholders of 28 February 2023

The GMS held on 28 February 2023 approved:

- The Company's Revenue and Expenses Budget for 2023 and estimates for 2024 and 2025 as well as
- establishment of the Investment Programme for the financial year 2023 and estimates for the years 2024 and 2025

• Strategic partnership in research and innovation

On 21 March 2023 the company and the Polytechnic University of Bucharest (UPB) signed a strategic partnership in the field of research and innovation.

Aiming at the realisation of a 5-year vision, the partnership aims to increase the quality of education and training to facilitate the transition of students and graduates to the labour market, but also to implement research, development or innovation projects to ensure technology transfer and greater social impact.

The company also continues its partnership in the energy sector with the Polytechnic University of Timisoara, participating with representatives of the University on 31 March 2023 in an event dedicated to identifying new opportunities for collaboration between industry and academia.

• Completion of refurbishment of 220/110 kV Iaz Electric Transformer Station

On 30 March 2023, in the presence of the Deputy Secretary General of the Government, Mr. Lucian Rusu, as well as local authorities, representatives of the Company inaugurated the completion of the refurbishment of the 220/110 kV Iaz Transformer Station (Caras-Severin County), with an investment of approximately 62 million lei, from its own funds.

The 220/110 kV Iaz Electric Transformer Station is a connection node within the SEN through the connected 220 kV lines, being an important objective for the operation of the power system and for the electricity supply in the western part of the country.

• Regulatory tariffs applicable from 01 April 2023

On 30.03.2023, the ANRE Order no. 28/29.03.2023 was published in the Official Gazette no.266 on the modification of the average tariff for the transmission

service, of the components of the transmission tariff for the introduction of electricity into the grid (TG) and of the tariff for the extraction of electricity from the grid (TL), applied by the Company.

Thus, the regulated tariffs for the electricity transmission service, applicable as from 1 April 2023, are:

Service	Tariff applicable from 01 April 2022	Tariff applicable from 01 April 2023	Main component	Additional cost component of OTC	Variation ▲ (3)-(2)
	lei/MWh	lei/MWh	%	lei/MWh	%
The average tariff for the transmission service, of which	28.10	31.20	28.61	2.59	+11.0%
Transmission Tariff - feed-in component - (T _G)	2.53	4.04	3.35	0.69	+59.68%
Transmission Tariff - off-grid component - (T _L)	25.57	27.44	25.50	1.94	+7.31%

Extension of the terms of office of the provisional members of the Directorate

The Supervisory Board decided in its meeting of 19 April 2023, in relation to the expiry on 24.04.2023 of the terms of office of the provisional members of the Directorate, to extend the terms of office of the following provisional members of the Directorate for a period of 2 months starting on 25.04.2023: Gabriel ANDRONACHE, Ștefăniță MUNTEANU, Cătălin Constantin NADOLU, Florin Cristian TĂTARU and Bogdan TONCESCU and to elect Mr Gabriel ANDRONACHE as Chairman of the Directorate.

• Changes in the composition of the Board

At its meeting of 24 April 2023, in accordance with its statutory and legal powers, the Supervisory Board of the Company,

- took note of the resignation of Mr. Gabriel ANDRONACHE as provisional member of the Company's Directorate and, therefore, as Chairman of the Directorate as from the end of April 23, 2023.
- decided to elect as Chairman of the Directorate, alternatively called Chief Executive Officer of the National Power Transmission Company "Transelectrica" SA, as of 24 April 2023, Mr. Ștefăniță MUNTEANU, in accordance with the provisions of Article 23 para. (1) of the Constitution of the National Power Transmission Company "Transelectrica"-SA.

• Resolution No. 5 of the Ordinary General Meeting of Shareholders of 27 April 2023

The GMS held on 27 April 2023 approved the initiation of the selection procedure for the members of the Supervisory Board of the Company, the separate and consolidated financial statements of the Company for the financial year 2022, the discharge of the members of the Directorate and the members of the Supervisory Board for the financial year 2022, the remuneration

policy for the members of the executive and non-executive management of the Company.

With regard to items 7 and 8 on the agenda, the General Meeting of Shareholders did not approve the distribution of the accounting profit remaining after deduction of income tax as of 31.12.2022 and the distribution of dividends from the profit as of 31.12.2022, with a gross dividend of 0.71 lei/share.

• Proposal on the distribution of dividends for the financial year 2022

On April 28, 2023 the Company, taking note of the OGMSD No. 5 dated April 27, 2023, by which the shareholders voted against the distribution of dividends proposed by the Company from the profit recorded as of 31.12.2022, in conjunction with the Ministry of Finance Address No. 1011756/19.04.2023 forwarded to the General Secretariat of the Government, registered in the Company on 26.04.2023, returning unapproved the Draft Memorandum on the proposal to distribute a dividend in the amount of 50% of the distributable profit for the financial year 2022, issued a press release informing shareholders and investors that the Company maintains its position in the sense of applying a "distribution rate" of 50% calculated on the distributable profit for the financial year 2022.

In order to be able to fulfil its mission of ensuring the operation of the SEN in conditions of maximum security and stability, meeting quality standards, thus creating the infrastructure of the national electricity market and guaranteeing, at the same time, regulated access to the electricity transmission network, in conditions of transparency, non-discrimination and fairness for all market participants, the Romanian transmission and system operator, with a key role in the Romanian electricity market, needs predictability in the estimation, allocation and distribution of all types of resources.

In support of the justification of a "distribution rate" of 50% calculated on the distributable profit for the financial year 2022, the Company has made

representations and submitted detailed arguments to all shareholders, which mainly refer to:

-Presentation in detail of the Company's Major Strategic Investment Projects for the period 2023-2025;

-The cash flow forecasts for the period 2023-2025, based on the cash available in the Company's accounts as at 31.12.2022.

• **Majority shareholder request to complete the agenda of the GMS called for 19/20 June 2023**

On May 31, 2023, the Company informed the investing public that the majority shareholder, the Romanian State through the General Secretariat of the Government, has requested to add the following items to the agenda of the Ordinary General Meeting of Shareholders scheduled for 19/20.06.2023:

- Appointment of the provisional members of the Supervisory Board of the Company, as of 22 June 2023;
- Establishing the term of office of the provisional members of the Supervisory Board of Transelectrica S.A. for a period of four months, starting on 22 June 2023 and ending on 21 October 2023".

The proposals of the Secretariat General of the Government for appointment as provisional members of the Supervisory Board were as follows: ATANASIU Teodor, DASCĂL Cătălin-Andrei, ORLANDEA Dumitru Virgil, PĂUN Costin-Mihai, STERP VINGĂRZAN Gheorghe, VASILESCU Alexandru-Cristian, ZEZEANU Luminița.

• **Regulated tariff applicable from 01 June 2023**

On 29 May 2023, the Company informed the investing public about the publication in the Official Gazette no. 464/26.05.2023 of ANRE Order no. 67/25.05.2023 approving the tariff for the system service, charged by the Company.

Therefore, the regulated tariff for the system service, applicable as from 1 June 2023, is:

Service	Tariff applicable from 01 January 2023	Tariff* applicable from 01 June 2023
	lei/MWh	lei/MWh
Tariff for system service:	7.73	6.64

* The change in the tariff value was determined by the application of the mechanism for correcting significant deviations from the forecast on which the approval of the tariff was based, which entered into force on 1 January 2023, in accordance with the provisions of the

regulatory framework issued by the National Energy Regulatory Authority.

Note: The tariff does not include value added tax (VAT)

• **SGG Invitation for consultations with Transelectrica shareholders to finalise the letter of expectations**

On 16 June 2023, the General Secretariat of the Government (SGG), in its capacity as public supervisory authority for "Transelectrica" S.A., issued an invitation to participate on 27.06.2023, at 10.00 a.m., in the consultations organised at its headquarters in Bucharest, with a view to drawing up the final form of the Letter of Expectations, a mandatory document in the selection procedure for the members of the Supervisory Board of NPG CO. "Transelectrica" S.A.

• **Resolution No. 6 of the Ordinary General Meeting of Shareholders of 19 June 2023**

The GMS held on 19 June 2023 approved the appointment as provisional members of the Supervisory Board of :

- ATANASIU Teodor,
- DASCĂL Cătălin-Andrei,
- ORLANDEA Dumitru Virgil,
- PĂUN Costin-Mihai,
- STERP VINGĂRZAN Gheorghe,
- VASILESCU Alexandru-Cristian,
- ZEZEANU Luminița.

with a four-month term of office beginning on 22 June 2023 and ending on 21 October 2023, approved the fixed allowance for members and the form of the contract of office.

• **Resolution No. 7 of the Ordinary General Meeting of Shareholders of 19 June 2023**

The GMS held on 19 June 2023 approved:

- the distribution of the accounting profit remaining after deduction of income tax as of 31.12.2022 in the amount of 514,572,741 lei,
- distribution of dividends with a gross dividend of 0.71 lei/share,
- setting 6 July 2023 as the "ex date", the calendar date from which the shares of the Company subject to OGMSD are traded without the rights deriving from the said decision,
- setting 27 July 2023 as the "payment date" for dividends distributed out of the profit recorded on 31.12.2022.

- **Appointment of the Directorate, appointment of the Chairman and advisory committees of the Supervisory Board**

In accordance with its statutory and legal powers, the Supervisory Board decided at the meeting of 20 June 2023 as follows:

- with reference to the expiry on 24 June 2023 of the terms of office of the provisional members of the Directorate of Mr Ștefăniță MUNTEANU, Mr Cătălin Constantin NADOLU, Mr Florin Cristian TĂTARU and Mr Bogdan TONCESCU, pursuant to Article 642(2) of the Treaty establishing the European Community. (1) of GEO no. 109/2011 on the corporate governance of public companies as amended, the appointment as provisional members of the Directorate of Messrs:
 - Ștefăniță MUNTEANU,
 - Cătălin Constantin NADOLU,
 - Florin Cristian TĂTARU
 - Bogdan TONCESCU

with a term of office for a period of 4 months starting on 25 June 2023 with the possibility of extension, for good cause, for a further two months, but the term of office shall not exceed the date of completion of the procedure for the selection of the members of the Directorate under the terms of GEO no. 109/2011, if the procedure is completed within this period.

At the same time, in accordance with Article 23 para. (1) of the Company's Articles of Association, the Supervisory Board elected Mr. Ștefăniță MUNTEANU as Chairman of the Directorate, alternatively called Chief Executive Officer of the National Power Transmission Company "Transelectrica" S.A..

- the appointment of the members of the advisory committees of the Supervisory Board as follows

Nomination and Remuneration Committee:

- VASILESCU Alexandru-Cristian - President
- STERP VINGĂRZAN Gheorghe
- PĂUN Costin-Mihai
- ORLANDEA Dumitru Virgil
- DASCĂL Cătălin-Andrei.

Audit Committee:

- ZEZEANU Luminița- president
- ATANASIU Teodor
- STERP VINGĂRZAN Gheorghe
- DASCĂL Cătălin-Andrei
- PĂUN Costin-Mihai.

Investment and Energy Security Committee:

- PĂUN Costin-Mihai - president
- VASILESCU Alexandru-Cristian

- ZEZEANU Luminița
- TANASIU Teodor
- ORLANDEA Dumitru Virgil

Election of Mr Cătălin Andrei DASCĂL as Chairman of the Supervisory Board.

- **Procedure for the payment of dividends distributed under OGMSD No 7/2023**

Pursuant to Resolution No. 7 of the Ordinary General Meeting of Shareholders of 19 June 2023, "Transelectrica" S.A. (TEL) notified the shareholders on 26 June 2023 of the procedure for the payment of dividends distributed from the profit as at 31.12.2022.

The gross dividend amount for the financial year 2022 is 0.71 lei gross/share and the payment of dividends will be made, starting from 27 July 2023 (payment date), to shareholders registered on 07 July 2023 in the TEL Shareholders Register (ex-date 06 July 2023), through the Central Depository SA (DC) and the payment agent BRD - Group Société Générale (BRD).

- **Upgrading of the 220/110/20 kV Ungheni Transformer Station**

On 29 June 2023 Transelectrica inaugurated the refurbishment of the 220/110/20 kv Ungheni Transformer Station with a total investment of more than 10 million euros from its own funds, the works being carried out by Siemens Energy SRL - Emsens Prod SRL.

The inauguration ceremony took place in the presence of the Chairman of the Directorate, Mr. Ștefăniță Munteanu, Mr. Virgil Orlandea, member of the Supervisory Board, ANRE Vice President Gabriel Andronache and other local officials.

LATER EVENTS

- **OGMSD notice 18(21) August 2023**

The Directorate of the Company convened the Ordinary General Meeting of Shareholders on 18(21) August 2023 having on the agenda information on the acquisition of products, services and works, commitments involving significant obligations of the Company with a value exceeding 5,000,000 euro, as well as loans and guarantees for loans with a value below 50,000,000 euro.

- **Letter of expectations**

The company informed that on 25 July 2023, the majority shareholder, the Romanian State through the General Secretariat of the Government, in its capacity as public supervisory authority, sent *the Letter of Expectations necessary for the selection and evaluation*

of the members of the Supervisory Board and the Directorate of the National Power Transmission Company Transelectrica S.A. for the period 2023-2027.

- **Ministerial meeting on the Agreement between Romania, Azerbaijan, Georgia and Hungary for the Strategic Partnership in the field of green energy development and transport.**

Mr. Ștefăniță Munteanu, Chairman of Transelectrica's Directorate, took part on 25 July 2023 in the 4th Ministerial Meeting on the Agreement between Romania, Azerbaijan, Georgia and Hungary for the Strategic Partnership in the field of green energy development and transmission.

During the meeting the Memorandum of Agreement between the four countries for the Black Sea Submarine Cable Project was signed.

Under the Memorandum, Transelectrica was appointed by the Government to represent Romania in a joint venture created by the four partner countries to carry out this project.

The submarine cable in the Black Sea is a large energy infrastructure investment of great strategic importance for both Romania and the countries involved, which will transport green energy to Europe over a distance of 1200 kilometres between the European Black Sea area and the Caspian Sea area.

- **Request, majority shareholder, to complete the agenda of the GMS, convened for 18 (21) August 2023**

The company has informed investors that the majority shareholder, the Romanian State, through the General Secretariat of the Government, has requested to add the following item to the agenda of the Ordinary General Meeting of Shareholders scheduled for 18/21.08.2023:

- Completion of point 1 of Decision no. 5 of the GMS of NPG CO. Transelectrica S.A. of 27 April 2023 by inserting the provisions of para. (3), (4) and (5) of art. 29 of O.U.G. no. 109/2011 on the corporate governance of public companies, with subsequent amendments and additions, thus, after the addition, the paragraph will have the following content: *"Triggering the selection procedure for the members of the supervisory board of NPG CO. Transelectrica S.A., with the application of the provisions of art. 29 para. (3), (4) and (5) of O.U.G. no. 109/2011 on the corporate governance of public companies, as subsequently amended and supplemented".*



Other aspects

SHAREHOLDER STRUCTURE

The shareholding structure of the Company as of 30.06.2023 is as follows:

Shareholder name	No. of shares	Share in total
The Romanian State through the SGG	43,020,309	58,7%
PAVĂL Holding	4,753,567	6,5%
NN Private Managed Pension Fund	4,007,688	5,5%
Other shareholders - legal entities	16,045,987	21,9%
Other shareholders - individuals	5,475,591	7,5%
Total	73,303,142	100%

TARIFFS

In accordance with the provisions of Government Emergency Ordinance no.27/2022 on measures applicable to final customers in the electricity and natural gas market for the period from 1 April 2022 to 31 March 2023, as well as for amending and supplementing certain regulatory acts in the field of energy, the transmission tariff applied in 2022 from 1

Transport tariff (transport service + system functional service) applied in the first quarter

Tariff	u.m	Tariff applied 1 Jan - 31 Mar 2022	Tariff applied 1 Apr 2022 - 31 Mar 2023	Difference (%)
1	2	3	4	5=4/3
Average tariff for electricity transmission service	lei/MWh	23.96	28.10	17.28%
Transmission Tariff - the feed-in component	lei/MWh	1.49	2.53	69.8%
Transmission Tariff - the electricity extracted from the grid component	lei/MWh	22.47	25.57	13.8%

In accordance with the provisions of Article 14, paragraph (1) of GEO no. 27/2022, on 1 April 2022 ANRE included in the transmission tariff the amount of additional expenses for the acquisition of electricity necessary to cover its own technological consumption in 2021 which were generated by the significant increase in prices on the wholesale electricity market and which were not initially provided for in the tariff.

The application of these provisions has brought forward the time of adjustment of the costs of own technological consumption from 2021⁴ compared to the standard

⁴ For the year 2021, compared to the value of 288.76 lei/MWh of the average electricity price for OTC coverage taken into account ex-ante

COMPOSITION OF THE BOARD

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

Ștefăniță MUNTEANU	Directorate Chairman
Cătălin-Constantin NADOLU	Directorate Member
Bogdan TONCESCU	Directorate Member
Florin-Cristian TĂTARU	Directorate Member

April 2022 remained unchanged until 31 March 2023. Normally, on the basis of tariff rules issued by ANRE, the transmission tariff is revised annually on 1 January. By applying the provisions of GEO no. 27/2022, exceptionally in the first quarter of 2023 the transmission tariff set on 1 April 2022 was applied.

timetable for the application of corrections provided for in the ANRE tariff rules, according to which annual corrections are applied with a delay of two years.

In view of the above, the above table shows the average tariff for the electricity transmission service, with its two components for the introduction of electricity into the grid (TG) and for the extraction of electricity from the grid (TL) approved by ANRE Order no.33/23.03.2022 and applied from 1 April 2022 to 31 March 2023.

when calculating the tariff, the actual value of the average electricity price for OTC coverage recognized by ANRE was 455.28 lei/MWh.

Transport tariff applied in the second quarter (in force at the date of this report):

ANRE Order no.28/29.03.2023 approved the average tariff for the transmission service and the components of the transmission tariff for feeding electricity into the grid (TG) and for extracting electricity from the grid (TL), charged by NPG CO.Transelectrica SA, applicable from 1 April 2023:

	Tariff from 01 April 2022 (lei/MWh), according to ANRE Order no. 33/2022, of which:	Tariff from 01 April 2023 (lei/MWh), according to ANRE Order no. 28/2023, of which:			Difference (%)
		Main component (lei/MWh)	Component related to additional costs with OTC (lei/MWh)	Applicable tariff	
(1)	(2)	(3)	(4)	(5)=(3)+(4)	(6)=(5)/(2)
Average tariff for electricity transmission service	28.10	28.61	2.59	31.20	11.03%
Transmission Tariff - the feed-in component	2.53	3.35	0.69	4.04	59.68%
Transmission Tariff - the component of electricity extracted from the grid	25.57	25.50	1.94	27.44	7.31%

The main factor for the increase in the average electricity transmission tariff applicable from 1 April 2023 is the additional cost component of the OTC.

This component recovers part of the additional OTC costs incurred in 2022 compared to the amount foreseen in the approved tariff for that year, according to the capitalisation mechanism established in GEO 119/2022.

This mechanism ensures that the difference between the actual OTC cost and the amount included in the tariff of the OTC cost in that year is recovered through the transmission tariff in instalments over five years.

For the year 2022, this difference is 338.5 million lei.

In 2023 the tariff will recover a first tranche of this difference of approx. 99 million lei (the amount includes the regulated return and the effect of inflation, which is added to the basic amount of 67.7 million lei).

Events occurring after the reporting period concerning the tariff for the transport service:

In accordance with the provisions of Article 105 of the *Methodology for setting tariffs for the electricity transmission service*, approved by ANRE Order no.171/2019, with subsequent amendments and additions, Transelectrica submitted to ANRE on 1 July 2023, the proposed values for regulated tariffs for electricity transmission activity for the tariff year 2024, as shown in the table below:

Electricity transmission	u.m.	Proposed tariff from 1 January 2024	Main component - proposed from 01 January 2024	Additional cost component with OTC - proposed from 01 January 2024	Tariff in force	Main component - in force	Additional cost component with OTC - in force	Difference (%)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)=(3)/(6)
Average tariff	Lei/MWh	33.49	31.81	1.69	31.20	28.61	2.59	7.34%
TG(network injection component)	Lei/MWh	3.76	3.35	0.41	4.04	3.35	0.69	-6.93%
TL(network extraction component)	Lei/MWh	29.60	28.33	1.27	27.44	25.50	1.94	7.87%

At this stage, some of the calculations underlying the proposed values in the above table are estimates. They may therefore be reviewed and revised, if necessary, at a later stage closer to the deadline for approving the tariffs.

! Important:

At this stage, the calculation of the proposed tariff did not include a correction for the revenue from the allocation of interconnection capacities, a possibility provided for in the *European Regulation 1854/2022* on

emergency intervention to mitigate the effects of extremely high electricity prices.

The tariff for system service (formerly system technology services), applied from January to May 2023, is shown in the table below:

Tariff	u.m	Applied tariff 1 Jan - 31 Dec 2022	Applied tariff 1 Jan - 31 May 2023	Difference (%)
System service	lei/MWh	9.32	7.73	-17.06%

The main elements leading to the reduction of the tariff applied in the period January - May 2023 compared to the tariff period 2022 are:

- application by ANRE of the (partial) negative correction for the first half of 2022;
- non-recognition by ANRE of the full quantities of the secondary regulation reserve requested by NPG CO. Transelectrica SA for 2023.

The tariff for the system service (formerly system technology services), effective from 1 June 2023, is shown in the table below:

Tariff	u.m	Applied tariff 1 Jan - 31 May 2023	Applied tariff 1 Jun - 31 Dec 2023	Difference (%)
System service	lei/MWh	7.73	6.64	-14.10%

The negative adjustment of the tariff as of 1 June 2023 was made on the basis of the fulfilment of the provisions of art.22 and art.23 of the *Methodology for establishing the tariff for the acquisition of system services*, approved by ANRE Order no.116/2022. The aforementioned articles provide as follows:

- *Art.22 In order to avoid the subsequent recording of a significant level of corrections due to changes in acquisition prices and/or quantities of acquired system services referred to in Article 2, the TSO is required to calculate, for the first quarter and for the first semester of a tariff period t-1 respectively, the difference between realized and forecasted revenues and costs, plus the amount of corrections not made for the previous period(s), and to submit the calculation to ANRE on 1 May and 1 August of year t-1 respectively;*

- *Art.23 If the TSO finds that the value determined in accordance with the provisions of Article 22 shows a variation of more than 5% of the forecast revenue for the same period, it is has the obligation to submit to ANRE the request for revision of the tariff for the acquisition of system services, which will include the value determined in accordance with the provisions of Article 22, valid until the end of the tariff period.*

Thus, following the interim verification at the end of the first quarter of 2023 of the situation of costs and revenues related to the system services activity, ANRE has adjusted accordingly the amount of the tariff starting from 1 June 2023.

Events after the reporting period relating to the tariff for the system service:

Also based on the provisions of the above articles, on 1 August 2023, NPG CO. Transelectrica SA has the obligation to submit to ANRE the interim verification for the first half of 2023 of significant deviations from the forecast values of the costs and revenues situation.

This analysis found that there was a very small deviation from the approved forecast of the financial result for this period (difference between revenue and expenses) in the first half of 2023, resulting in a calculated (hypothetical) applied tariff value from 1 September 2023 which is very close to the actual applied tariff value from 1 June 2023.

Accordingly, Transelectrica's proposal is that the tariff should be maintained at the value approved and in force on 1 June 2023.

DISPUTES

The most important litigations impacting the Company are presented below:

Note: For ease of reading and understanding, all amounts in this chapter are expressed in lei/eur.

• ROMENERGY INDUSTRY

File 2088/107/2016 pertained to "Bankruptcy & request to be admitted in the creditors' list.

Transelectrica has filed a request for registration in the creditor's list with the amount of 16 million lei. The claim was admitted and entered in the Preliminary Table.

The final report prepared by the liquidator New Insolvency SPRL was approved, the bankruptcy procedure of the debtor was closed, the debtor company was deleted from RECOM according to the Decision 293/12.12.2022. Procedure for the settlement of appeals against the decision of closure.

On 06.04.2023, the appeal against Ruling No. 293/F/2022 of the Alba Court in case No. 2088/107/2016 was rejected. Final. Judgment no. 134/06.04.2023.

• RAAN

File 9089/101/2013/a140 pertained to contestation against the additional Receivables Table and against debtor RAAN.

Comments: Following the partial entry of the total amount requested by Transelectrica in the amount of 89,360,986.06 lei and the address no. 4162/03.10.2016, by which the judicial liquidator communicates that only the amount of 11,264,777.30 lei has been entered in the additional table in the category of claims resulting from the continuation of the debtor's activity, and the amount of 78,096,208.76 lei has been rejected, an objection to the additional table of claims has been filed within the legal term.

At the hearing on 14.02.2019, it was ordered that case no. 9089/101/2013/a152 be joined to case no. 9089/101/2013/a140 (concerning claims – payment demand).

Decision 163/20.06.2019: It admits the exception of decline. It partly admits the main matter as well as the connected contestation. It compels the defendant to pay 16,950,117.14 Lei to the claimant; receivable occurred during the procedure and decided registering this amount in the creditors' table constituted against debtor RAAN. It denies the other connected requests.

Transelectrica appealed within the legal term. The appeal was dismissed as groundless. Transelectrica filed review request for contradictory rulings, registered under file 1711/54/2019 and will be heard by the High

Court of Cassation and Justice. The objections of untimeliness and inadmissibility were raised. The solution of the Court of First Instance: the objection of lateness of the request for review is upheld. The next hearing term set is 06.10.2022..

At the term of 06.10.2022, a term was granted for the continuation of the proceedings, i.e. for the valuation of the assets, the collection of the claims and the completion of the other liquidation operations, and the next terms were set for 09.02.2023, 15.06.2023, rescheduled for **05.10.2023**.

There are also other cases between RAAN and Transelectrica at various stages of the proceedings. RAAN's actions against NPG Transelectrica SA arising from contract No C137/08.04.2011.

File no. 3694/3/2016 - Claims 15.698.721,88 lei. Hearing date 08.11.2021: the case has been deferred until the final settlement of Cases No. 26024/3/2015 and No. 28458/3/2017. Decision of 09.05.2022: Rejects the request for the case to be resumed as groundless. With appeal for the duration of the suspension.

Case no. 24206/3/2015 - Transelectrica requested the court to declare that the amount of RON 16,896,664 was compensated by law. An appeal was filed, which was dismissed as groundless by the ICCJ on 9 December 2021.

Case No 26024/3/2015 - Casefile: order the defendant to pay the sum of RON 10 048 628,86. ICCJ decision of 01.03.2022: Admit the appeal filed by RAAN and refer the case back to the CAB. Final. Decision of the CAB: Appeal allowed. Reverses the ruling under appeal in its entirety in the sense that: admits the application as formulated. Orders the defendant to pay the applicant the sum of 10,048,628.86 lei. With a right of appeal within 30 days of notification. Ruling 1933/12.12.2022

Case No 28458/3/2017 - Casefile: order the defendant to pay a total of RON 2 106 843. At the hearing on 03.03.2022: Dismisses as groundless the appeal brought by the respondent-claimant Transelectrica against civil decision no. 825/12.05.2021 delivered by the Bucharest Court of Appeal, in contradiction with the respondent-claimant RAAN. Final.

File No 28460/3/2017 - Casefile: order the defendant to pay a total of RON 12,346,063. CAB solution 27.09.2021: suspend the appeal proceedings until the final settlement of the cases No. 28458/3/2017, No.

26024/3/2015. Decision of 23.05.2022: Rejects as groundless the request to reopen the case. The appeal is suspended.

- **CET Govora**

Case no. 2428/2/2014 - by the appeal which is the subject of the request, the claimant CET Govora requested the annulment of the Decision of the President of ANRE no. 738/28.03.2014, and by the Precizare filed on 29.10.2014 requested that, if the appeal is upheld, the sums of money withheld by the administrator of the support scheme, NPG Transelectrica SA, in the execution of the overcompensation decision, for the recovery of the amount of 53,742,755 lei, be ordered to be refunded.

By the Notes of the hearing registered in the file on 13.10.2021 and on 04.01.2022, respectively, the Plaintiff CET Govora SA requests the admission of the request for clarification of the action filed for the term of 29.10.2014, indicating that the amount extinguished by offsetting the mutual claims between CET Govora SA and NPG Transelectrica SA is 40,507,668.67 lei.

Transelectrica was brought into the case, as a forced intervener, by the Court's Decision of 18.10.2021.

By the request for ancillary intervention in the interest of CET Govora SA, the County of Valcea - County Council of Valcea requests the admission of the action brought by CET Govora and the annulment of the Decision of the President of ANRE no. 738/28.03.2014, considering that it is unjustified, being an unlawful act. Decision of 16.05.2022: Dismiss the request as amended as groundless. Dismisses the request for ancillary relief in favour of the claimant as groundless.

- **MUNICIPALITY OF REȘIȚA**

Case no. **2494/115/2018****, registered at the Court of Caras Severin.

File: By the request, the claimant, Municipiul Reșița, requests that the defendant Transelectrica SA be ordered to pay the following amounts: RON 2 129 765,86, representing the rent for the area of land temporarily occupied from the forestry fund for 2015; RON 2 129 765,86, representing the rent for the land for 2016; RON 2 129 765,86, representing the rent for the land for 2018; statutory penalty interest from the due date until actual payment.

The Court of First Instance (CS): suspends the proceedings on the request brought by the claimant, the Municipality of Reșița, through the Mayor, against the defendant Transelectrica, concerning claims under Article 413(1)(1) of the Civil Procedure Code. With an appeal to the superior court while the proceedings are suspended. Document: Order - Suspension 22.03.2021.

The case has been adjourned until the final resolution of case no. 3154/115/2018* of the Court of Caras Severin. Trial date: 02.03.2023.

At the hearing on 02.03.2023, the proceedings were suspended on the application brought by the plaintiff Municipality of Reșița against the defendant Transelectrica, concerning claims. With a right of appeal for the duration of the stay of proceedings.

- **ANAF**

File No 8993/299/2018 in which the Company challenged the enforcement of the enforceable title No 13540/22.08.2017, which is based on Tax Decision No F-MC 439/30.06.2017 issued by ANAF - General Directorate for the Administration of Large Taxpayers

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

Case No 1802/2/2018 - At the hearing on 20.10.2020 - in brief judgment: the requests were upheld in part.

Annulled in part Decision No 122/13.03.2018 on the resolution of the appeal against Tax Decision No F-MC 439/30.06.2017 issued by ANAF - General Directorate for Dispute Resolution and on 12.07.2017 by ANAF - General Directorate for the Administration of Large Taxpayers, as well as the Tax Inspection Report No F-MC 222 concluded on 30.06.2017, which was the basis for the issuance of the tax decision, to the effect that:

- ✓ cancels the obligation to pay income tax in the amount of 18,522,280 lei, VAT in the amount of 5,694,636 lei and the related tax accessories in the amount of 48,436,653 lei, tax liabilities established for the 349 special tax invoices found to be missing from the claimant's management.
- ✓ removes the non-deductible character in the calculation of the taxable profit of the amount of 27,001,727 lei, representing the technological system services invoiced by the energy suppliers, considered non-deductible following the tax inspection and the obligation to pay the main and accessory tax claims related to this amount.
- ✓ removes the non-deductibility of the amount of 343,629.91 lei representing 'weed removal services' from the calculation of taxable profit and the

obligation to pay the main and accessory tax claims in relation to this amount.

- ✓ removes the non-deductible character for the calculation of taxable profit of the amount of 230,685.491 lei, representing the expenses for promotional and protocol products and the obligation to pay the main and accessory tax claims related to this amount.
- ✓ removes the non-deductible nature of the VAT in the amount of 46,417.1 lei, relating to the amount of 343,629.91 lei, representing 'weed removal services' and the obligation to pay the principal and accessory tax claims in relation to this amount.
- ✓ removes the non-deductible nature of the VAT in the amount of 37,693.88 lei relating to the amount of 230,685.49 lei, representing expenditure on promotional and protocol products and the obligation to pay the principal and accessory tax claims in relation to that amount.
- ✓ removes the mention regarding the obligation of the Sibiu Transmission Branch of NPG Transelectrica S.A. to record the amount of 576,846.80 lei as taxable income no later than 30.06.2010, the date on which the audited unit was accepted as a creditor with this amount, the mention regarding the character of taxable income for the calculation of profit of the amount of 576,846.80 in accordance with the provisions of Article 19 para. 1 of Law no. 571/2003 on the Fiscal Code with subsequent amendments and additions, in conjunction with point 23 letter d of GD 44/2004 containing the Methodological Norms for the application of Law no. 571/2003, the chapter on income tax, respectively Chapter VII on the function of accounts of Order no. 3055 of 29 October 2009 approving the Accounting Regulations in accordance with European directives and the obligation to pay the main and accessory tax claims in relation to this amount.
- ✓ removes from the minutes the finding made in respect of "the determination of deductible value added tax lower than that recorded by the claimant, thus resulting in a difference in the amount of 13,141 lei" (Annex No 15) and the obligation to pay the principal and accessory tax claims in respect of that amount.
- ✓ eliminates the obligation to pay penalties for late payment which have a penalty legal status, calculated for a period of more than 6 months from the date of commencement of the tax inspection, in respect of the principal tax liabilities which have been upheld by the court by the present judgment, as determined by Tax Decision No.F-MC 439/30.06.2017, issued on 12.07.2017, by ANAF -

DGAMC, Tax Decision No. F-MC 439/30.06.2017, issued by ANAF - DGAMC and by Decision No. 122/13.03.2018, on the settlement of the appeal filed against Tax Decision No. F-MC 439/30.06.2017, issued by ANAF - Directorate General for Dispute Resolution.

The other provisions of Decision No 122/13.03.2018 on the settlement of the appeal against Tax Decision No F-MC 439/30.06.2017 are maintained. The remainder of the claims are rejected as groundless.

Dismisses as groundless the request for costs in the form of a stamp duty. Orders the defendants, jointly and severally, to pay the claimant's costs in the sum of 4 000 lei, representing the fee for the expert's report in the accounting and tax field, in proportion to the admissibility of the request.

Transelectrica and ANAF filed an appeal in March 2022. **Decision of 24.05.2022:** Dismissed as groundless the request for clarification and supplementing of the operative part. Admit the request for rectification of the material error in that the amounts of money by way of principal and accessory tax liabilities in respect of the 349 tax invoices, as set out in the contested tax decision, are to be mentioned as correct. Orders that the material error be corrected by removing the incorrect name of the claimant from the contested judgment.

The parties appealed. ICCJ trial date: **13.12.2023**.

• **CONAID COMPANY SRL**

The subject matter of the file no. 36755/3/2018 is the finding of unjustified refusal to conclude an Addendum of connection contract RET C154/2012 and claims in the amount of 17,216,093.43 lei, the damage incurred and 100,000 euro, the countervalue of the estimated unrealized benefit.

After the trial dates of 28.09.2022, 07.12.2022, 22.02.2023, 03.05.2023 when the case was adjourned, the new trial date is **13.09.2023**.

• **OPCOM**

Case No 22567/3/2019 - Subject-matter of the case: action at common law.

Order the defendant OPCOM SA to pay the amount of 4,517,460 lei, related to the invoice series TEL 16 AAA no. 19533/29.07.2016, representing the VAT countervalue, related to the contribution made by NPG Transelectrica SA to the share capital of OPCOM SA, issued on the basis of the Loan Agreement no. 7181RO/2003, commitment to finance the investment project "Electricity Market Project".

Order the defendant OPCOM SA to pay the amount of 1.293.778,27 lei related to the invoices TEL 19 T00 no.17/28.01.2019 and TEL 19 T00 no. 131/10.07.2019 representing the legal penalty interest, calculated for the non-payment on time of the invoice series TEL 16 AAA no. 19533/29.07.2016.

Suspends the case until the final resolution of the case 31001/3/2017, concerning the action for annulment of the Opcom AGM decision (to which Transelectrica is not a party and in which on 01.02.2021 the appeals filed were dismissed, the decision being final).

The TMB's decision Admit the plea of limitation. Dismiss the action as time-barred. With right of appeal within 30 days of communication, to be filed with the Bucharest Court, Civil Section VI. Pronounced by making the decision available to the parties through the court registry. Document: Decision 3021/03.12.2021. To date the judgment in this case has not been drafted. After the drafting and communication of the Civil Judgment No. 3021/ 03.12.2021, the Company will be able to file an appeal against this judgment. Transelectrica has filed an appeal.

Decision of the CAB according to Decision No 532/12.10.2022: Dismiss the appeal as groundless. Orders the appellant to pay the respondent the sum of 11,325.21 lei by way of costs. With appeal within 30 days of communication. Transelectrica has appealed against Civil Decision no.1532/12.10.2022 pronounced by the CAB, the case being submitted to the ICCJ in the filter procedure with trial date **19.09.2023**.

Case no. **24242/3/2021** - Bucharest Tribunal, Civil Division VI - Re: The claimant OPCOM requests a declaration of nullity of the deed - contribution in kind.

After several adjournments, at the deadline of 27.06.2023, on the basis of the decision of the General Assembly of Judges of the Bucharest Tribunal no. 4/20.06.2023, the case was adjourned and the next trial date was set for **10.10.2023**.

- **GRAND VOLTAGE**

Case No 7976/3/2021, registered before the Bucharest Court of First Instance, concerns the request for summons, by which the claimant Grand Voltage requests that the defendant NPG Transelectrica SA be ordered to pay compensation for the damage caused to the undersigned in the amount of EUR 6,125.822,13 lei as a result of the culpable non-fulfilment of the obligations related to the Works Contract no. C 111/23.05.2018 concerning the "Connection of the 100kV Isaccea -Varna LEA and the 400 kV Isaccea-Dobrujda LEA in the 400 kV Medgidia Sud Station

Stage II-LEA 400kV d.c. Connections Medgidia Sud Station".

Decision of 25.07.2022 in accordance with Decision 1812: dismiss the action as groundless. With right of appeal within 10 days of notification. The request for appeal shall be submitted to the Bucharest Court - Section VI, under penalty of nullity. The ruling is not drafted.

- **COURT OF AUDITORS**

The subject matter of the case file No 1658/2/2014 is 'Annulment of control acts' - Order No 7/20.02.2014 issued by the Court of Auditors.

At the hearing of 13.06.2018, the action of the claimant-Transelectrica SA is partially admitted. Annuls in part the decision no. 7/20.02.2014, the decision no. 37/9.12.2013 and the inspection report no. 35521/6.11.2012 issued by the defendant in relation to the measures ordered by the decision referred to above in paragraph. 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 at 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 at points I.1, I.6, I.8 and I.11. II.13 in the sense of removing the phrase "including those found for invoices issued by SC FLOREA ADMINSTRARE IMOBILIARĂ SRL". Dismisses the remainder of the claimant's action as groundless. Approves the electro-energetic technical expertise report drawn up by expert Toaxen Vasile.

Orders the defendant to pay to the claimant the sum of 121,375 lei in costs (in part expert's fees and stamp duty). With right of appeal within 15 days of notification. Document: decision 2771/13.06.2018. Transelectrica filed the appeal on 14.06.2019.

At the public sitting of 21.10.2020, dismisses the appeals brought by the claimant and the defendant against judgment No 2771 of 13 June 2018 of the Administrative and Fiscal Jurisdiction Chamber of the Supreme Administrative Court (CAB) - Eighth Section - as groundless. Definitive.

- **Appeal against Decision CCR No 8/27.06.2017**

Following an audit carried out in 2017, the Court of Auditors ordered certain measures to be implemented by the Company as a result of some deficiencies found during this audit. The Company filed several appeals against the measures ordered by the Court of Accounts of Romania (CoA) by Decision no. 8/27.06.2017, requesting their annulment, as well as the Decision no. 77/03.08.2017, registered at the Company's registry under no. 29117/08.08.2017, respectively the Control Report no.19211/26.05.2017. The appeals have been pending before the Bucharest Court of Appeal, among

which **the file no.6581/2/2017** concerning the annulment of the findings under point 6 as well as the measure ordered under point II.9, at the hearing of 31.03.2023: According to the minutes of 29.03.2023, the case no. 6581/2/2017 was docketed within the 12th Panel of the VIIIth Section of Administrative and Fiscal Litigation, under no. **6581/2/2017*** Summary of the decision: In order to allow the parties to submit written conclusions and to deliberate, postpones the ruling to the following dates 31.03.2023, 13.04.2023, 28.04.2023, 12.05.2023.

On the hearing date of 26.05.2023, the plaintiff's lawsuit was partially admitted. The Decision no. 77/03.08.2017 was partially annulled regarding the rejection of point 6 from the Appeal no. 26140/17.07.2017, Decision no. 8/27.06.2017 regarding the findings at point 6, and the measure ordered at point 11.9, as well as Control Report no. 19211/26.05.2017 regarding the findings at point 3.2. Orders the defendant to pay the plaintiff's legal costs in the total amount of 10,450 lei, representing the court stamp duty and the court expert's fee. With an appeal within 15 days of service. Ruling 920/2023 26.05.2023

The remaining cases have been definitively settled, with the Bucharest Court of Appeal dismissing the request for annulment and the High Court of Cassation and Justice dismissing the appeals (**case no.6574/2/2017** concerning the annulment of the findings under point 5.2 and the measure ordered

under point II.8, **file no.6576/2/2017** on the annulment of the findings under points 7.1, 7.2 and 8 as well as the measure ordered under point II.10, which became new file no. **2985/1/2021**, in which on 24.11.2022 the ICCJ declared the appeal lodged by the Company null and void, final, **file no.6577/2/2017** on the annulment of the findings under point 13 and the measure ordered under point II.13, now **file no.1614/1/2020**, **file no.6578/2/2017**, on the annulment of the findings under point 9 and the measure ordered under point II.11, **file no.6580/2/2017** on the annulment of the findings in paragraph 10 and the measure ordered in paragraph II.12, **case No 6582/2/2017** on the annulment of the findings in paragraph 11 and the measure ordered in paragraph I.5 and **case No 6583/2/2017** on the annulment of the findings in paragraph 5.1 and the measure ordered in paragraphs II.7 and II.8).

- The object of the file **No 2153/2/2021** is the annulment of the administrative act issued as a result of the control carried out by the JRC in January-July 2020, which ordered 10 measures to be implemented by the Company contained in Decision No 15/2020.

At the hearing on 10.12.2021, the CAB rejects the Company's request for summons.

At the same time, the Company is also involved in disputes with former members of the Directorate and Supervisory Boards regarding the mandate contracts concluded between the Company and them. The Company has made provision for these disputes.



Annexes

Annex 1: Separate statement of financial position

[RON mn]	H1 2023	2022	Δ	Δ (%)
	1	2	3=1-2	4=1/2
ASSETS				
Non-current assets				
Tangible assets	4,073	4,002	72	2%
Assets of the usage rights for leased assets - buildings	18	22	(4)	(18%)
Intangible assets	303	338	(35)	(10%)
Financial assets	86	86	-	-
Total non-current assets	4,480	4,447	32	1%
Current assets				
Inventories	52	42	10	24%
Trade and other receivables	1,578	3,340	(1,763)	(53%)
Cash and cash equivalents	484	315	169	54%
Income tax to be recovered	1	4	(3)	(77%)
Total current assets	2,115	3,702	(1,586)	(43%)
Total assets	6,595	8,149	(1,554)	(19%)
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' Equity				
Share capital, of which:	733	733	-	-
<i>Subscribed share capital</i>	733	733	-	-
Share premium	50	50	-	-
Legal reserves	147	147	-	-
Revaluation reserves	671	703	(33)	(5%)
Other reserves	100	39	61	155%
Retained earnings	2,339	2,196	142	6%
Total shareholders' equity	4,039	3,869	170	4%
Non-current liabilities				
Long term deferred revenues	456	439	17	4%
Long term borrowings	44	56	(12)	(21%)
Other loans and assimilated debts - Non-current building lease liabilities	11	15	(4)	(28%)
Deferred tax liability	101	107	(6)	(6%)
Employee benefits liabilities	71	71	-	-
Total non-current liabilities	682	687	(5)	(1%)
Current liabilities				
Trade and other liabilities	1,706	3,372	(1,666)	(49%)
Other loans and assimilated debts - Current building lease liabilities	9	8	0,1	1%
Other tax and social security liabilities	12	13	(1)	(4%)
Short-term borrowings	25	92	(68)	(73%)
Provisions	64	68	(4)	(6%)
Short-term deferred revenues	59	39	19	49%
Total current liabilities	1,874	3,593	(1,719)	(48%)
Total liabilities	2,556	4,281	(1,724)	(40%)
Total shareholders' equity and liabilities	6,595	8,149	(1,554)	(19%)

Annex 2: Separate profit and loss account

[RON mn]									
Indicator	2021	H1 2022	2022	H1 2023	Budgeted H1 2023	Achieved H1 2023 vs H1 2022	Achieved H1 2023 vs H1 2022 (%)	Achieved vs Budgeted H1 2023	Achieved vs Budgeted 2023 (%)
0	1	2	3	4	5	6=4-2	7=4/2	8=4-5	9=4/5
Operating revenues									
Transmission revenues	1,252	833	1,885	959	936	127	15%	23	2%
System services revenues	624	252	534	193	206	(59)	(23%)	(13)	(7%)
Balancing market revenues	1,823	1,495	3,479	1,018	2,955	(477)	(32%)	(1,937)	(66%)
Other revenues	57	25	389	30	142	5	21%	(111)	(79%)
Total operating revenues	3,756	2,604	6,286	2,200	4,239	(404)	(16%)	(2,039)	(48%)
Operating expenses									
System operating expenses	576	466	902	307	421	(159)	(34%)	(114)	(27%)
Balancing market expenses	1,810	1,495	3,480	1,017	2,955	(478)	(32%)	(1,938)	(66%)
System services expenses	610	231	467	231	268	-	-	(38)	(14%)
Depreciation and Amortisation	274	128	272	167	169	39	30%	(2)	(1%)
Personnel expenses	244	132	306	158	175	26	20%	(17)	(10%)
Repairs and maintenance expenses	97	41	108	44	59	3	7%	(15)	(26%)
Materials and consumables	10	6	13	4	6	(2)	(40%)	(3)	(44%)
Other operating expenses	123	69	145	95	111	25	37%	(16)	(14%)
Total operating expenses	3,745	2,568	5,692	2,023	4,165	(546)	(21%)	(2,143)	(51%)
Operating profit	11	36	594	177	74	141	n/a	103	n/a
Financial income	6	7	65	26	40	20	n/a	(13)	(34%)
Financial expenses	15	9	72	24	41	15	n/a	(17)	(41%)
Net finance result	(9)	(3)	(7)	2	(1)	5	n/a	3	n/a
Profit before income tax	2	33	587	179	72	146	n/a	107	n/a
Income tax	1	5	73	18	9	13	n/a	8	88%
Net profit	0.45	28	515	162	63	134	n/a	99	n/a

Annex 3: Separate statement of treasury flows

[RON mn]	H1 2022	H1 2023	Δ
Cash flows from operational activities			
Profit of the period	28.06	161.59	(133.5)
Income tax expense	5.12	17.67	(12.5)
Operating expenses regarding depreciation of fixed assets (including additional OTC)	128.12	167.08	(39.0)
Expenses with adjustments for trade receivables impairment	1.00	0.95	0.1
Revenues from reversal of adjustments for trade receivables impairment	(0.79)	(0.94)	0.1
Net expenses/income with adjustments for various debtors impairment	9.95	(0.09)	10.0
Net expenditures with adjustments for inventories impairment	0.10	(0.83)	0.9
Net profit/ loss on sale of tangible assets	0.05	(0.96)	1.0
Net expenditures on adjustments of value regarding tangible assets	-	(1.63)	1.6
Net Expenses/Income regarding provisions for risks and expenses	(13.28)	(4.17)	(9.1)
Interest expense, interest revenue and unrealised exchange rate gains	2.85	(1.28)	4.1
Cash flows before changes to working capital	161.20	337.39	(176.2)
Changes in:			
Clients and assimilated accounts - energy and other activities	77.43	1,494.49	(1,417.1)
Clients – balancing	(29.81)	239.86	(269.7)
Clients – cogeneration	23.83	28.47	(4.6)
Inventories	(1.00)	(9.43)	8.4
Trade and other liabilities - energy and other activities	(184.58)	(1,439.65)	1,255.1
Liabilities - balancing	40.37	(281.96)	322.3
Liabilities - cogeneration	(167.26)	(8.47)	(158.8)
Other taxes and social insurance liabilities	(3.54)	(0.51)	(3.0)
Deferred revenues	1.87	41.59	(39.7)
Cash flows from operational activities	(81.50)	401.80	(483.3)
Interests paid	(4.49)	(1.85)	(2.6)
Income tax paid	-	(20.96)	21.0
Net cash generated from operational activities	(85.98)	378.99	(465.0)
Cash flows from the investment activity			
Acquisition of tangible and intangible assets	(174.67)	(186.35)	11.7
Participation titles held in SELENE CC Societe Anonyme	-	0.24	(0.2)
Proceeds from EC non-reimbursable financing	2.00	55.75	(53.8)
Proceeds from sale of tangible assets	0.00	1.77	(1.8)
Received Interests	0.48	2.41	(1.9)
Dividends cashed	1.53	1.20	0.3
Other financial assets	-	-	-
Net cash used in the investment activity	(170.65)	(124.97)	(45.7)
Cash flows used in financing activities			
Repayments of non-current borrowings	(11.93)	(11.90)	(0.03)
Use of working capital credit line	132.31	-	132.3
Building lease payments	(5.30)	(5.28)	(0.0)
Reimbursement of the credit line for cogeneration	-	(67.62)	67.6
Dividends paid	(0.06)	(0.01)	(0.0)
Net cash used in financing activities	115.03	(84.80)	199.8
Net increase/decrease in cash and cash equivalents	(141.60)	169.21	(310.8)
Cash and cash equivalents as at January 1st	252.23	315.15	(62.9)
Cash and cash equivalents at the end of the period	110.63	484.36	(373.7)

Annex 4: Economic-financial indicators of the reporting period

Indicators	Formula	H1 2023	2022
Current liquidity ratio (x)	$\frac{\text{Current assets}}{\text{Current liabilities}}$	1.13	1.03
Indebtness indicators (x):			
(1) Indebtedness indicator	$\frac{\text{Debt capital}}{\text{Shareholder's equity}} \times 100$	2.2%	4.4%
(2) Indebtedness indicator	$\frac{\text{Debt capital}}{\text{Committed capital}} \times 100$	2.1%	4.3%
Clients' turnover (zile)	$\frac{\text{Average client balance}^* \times \text{no.days}}{\text{Turnover}}$	68.4	57.9
Non-current assets turnover (x)	$\frac{\text{Turnover}}{\text{Non-current assets}}$	0.48	1.33

* Within the debt level indicators, the borrowed capital includes short-term loans, long-term loans and other short-term and long-term assimilated loans/debts related to building leasing according to IFRS16.

**When calculating the average balance, customers who contribute to the turnover (energy, balancing, other customers, invoice customers) were taken into account. Values corresponding to customers: uncertain, from the market coupling mechanism, cogeneration scheme and overcompensation, were not included in the average balance.

Annex 5: Articles of association amended between January and June 2023

- Amendment as from 1 March 2023 of Annex No. 1 to the Articles of association by replacing the terms *Units*, *Unit* and *the Unit* by the terms *Branches*, *Branch* and *the Branch* respectively.

These changes were approved in the Resolution No. 1 of the EGMS dated 26 January 2023, registered at the National Trade Registry Office.

Annex 6: Appointment/ recalling deeds issued in January-June 2023

Supervisory Board

- According to the OGMS Decision no.2/16.02.2023, the appointment of the following members of the Supervisory Board of the Company was approved for a four-month term of office, starting on 22 February 2023 and ending on 21 June 2023: Atanasiu Teodor, Dascăl Cătălin-Andrei, Orlandea Dumitru-Virgil, Păun Costin-Mihai, Sterp Vingărzan Gheorghe, Vasilescu Alexandru-Cristian, Zezeanu Luminița.
- According to the OGMS Decision no.6/19 June 2023, the appointment of the following members of the Supervisory Board of the Company was approved for a four-month term of office, starting on 22 June 2023 and ending on 21 October 2023: Atanasiu Teodor, Dascăl Cătălin-Andrei, Orlandea Dumitru-Virgil, Păun Costin-Mihai, Sterp Vingărzan Gheorghe, Vasilescu Alexandru-Cristian, Zezeanu Luminița.

Annex 7 REPORT (according to EGMSD No 4/29.04.2015) on contracts signed in the first semester of 2023 for the acquisition of goods, services and works, the value of which exceeds 500,000 Euro/acquisition (for the acquisition of goods and works) and 100,000 Euro/acquisition (for services) respectively

No.	Contract Number	Object of the Contract	Duration Months	Value		Contract Type	Legal Basis	Acquisition Procedure
				Mii Lei	Thousands Euro			
0	1	2	3	4	5	6	7	8
1	BC 13/2023	Specialized security, monitoring and intervention services for STT Bucharest objectives	36	16,574.42	0.00	Services	Law 99/2016 + GD 394/2016	Open tender
2	PT 27/5871/2023	Specialized security, monitoring and intervention services in extraordinary situations at STT Pitesti facilities	36	10,371.31	0.00	Services	Law 99/2016 + GD 394/2016	Open tender
3	C 507/2023	Upgrading to reduce the effects of galloping on the 400kV Bucharest South - Gura Ialomiței line	12	2,633.17	0.00	Works	Law 99/2016 + GD 394/2016	Open tender
4	C 531/2023	Technical support services associated with oracle licences	36	1,892.84	0.00	Services	Law 99/2016 + GD 394/2016	Open tender
5	C 584/2023	Disinfection services through dry fogging, insect extermination, and pest control at the headquarters and territorial transport stations belonging to NPG CO. Transelectrica SA - lot 8 - STT Timisoara	36	1,058.78	0.00	Services	Law 99/2016 + GD 394/2016	Open tender
6	TC 09C10/2023	Maintenance services for OHL crossing lanes passing through areas with tree vegetation (STT Constanta)	36	992.20	0.00	Services	Law 99/2016 + GD 394/2016	Open tender
7	C 398/2023	Services to assess the influence of electricity transmission network installations on air quality by monitoring emissions of air pollutants	36	645.31	0.00	Services	Law 99/2016 + GD 394/2016	Simplified procedure
8	C 587/2023	Disinfection services through dry fogging, insect extermination, and pest control at the headquarters and territorial transport stations belonging to NPG CO. Transelectrica SA - lot 3 - STT Constanta	36	590.96	0.00	Services	Law 99/2016 + GD 394/2016	Open tender
9	C 586/2023	Disinfection services through dry fogging, insect extermination, and pest control at the headquarters and territorial transport stations belonging to NPG CO. Eransselectrica SA - lot 2 - STT Bacău	36	575.38	0.00	Services	Law 99/2016 + GD 394/2016	Open tender
10	C 585/2023	Disinfection services through dry fogging, insect extermination, and pest control at the headquarters and territorial transport stations belonging to NPG CO. Transelectrica SA - lot 7 - STT Sibiu	36	507.73	0.00	Services	Law 99/2016 + GD 394/2016	Open tender

Annex 6 - Glossary of terms

"ANRE"	National Regulatory Authority in the Electricity domain
"BAR"	Regulated asset base
"BVB"	Bucharest Stock Exchange. the operator of the regulated market on which the Shares are traded
"CAB"	Bucharest Court of Appeal
"EEC"	European Economic Community
"Company". "NPG CO. ". "TEL"	National Power Transmission Company Transelectrica SA
"CPT"	One's own Technological Consumption (grid losses)
"CS"	Supervisory Board
"DEN"	National Energy Dispatcher
"EBIT"	Operating profit before interest and income tax
"EBITDA"	Operating profit before interest, income tax and amortisement
"EBT"	Operating profit before income tax
"ENTSOE"	European Network of Transmission and System Operators for Electricity
"HG"	Government Decision
"IFRS"	International Financial Reporting Standards
"LEA"	Overhead power lines
"Leu" or "Lei" or "RON"	Official currency of Romania
"MFP"	Ministry of Public Finance
"MO"	Official Gazette of Romania
"OG"	Government Ordinance
"OPCOM"	Operator of the Romanian Electricity Market OPCOM SA
"OUG"	Government Emergency Ordinance
"PZU"	Day-ahead Market
"RET"	Electricity Transmission Grid. national and strategic interest electricity grid with nominal line voltage higher than 110 kV
"SEN"	National Power System
"RS"	Secondary adjustment
"RTL"	Slow tertiary adjustment
"SMART"	Commercial Company for the Maintenance Services of the Electric Transmission Grid SMART SA
"SS"	System service
"TEL"	Stock market indicator for Transelectrica
"TSR"	Total shareholder return
"EU"	European Union
"u.m."	Unit of measurement
"USD" or "US dollars"	US dollar. official currency of the United States of America
"WACC"	Weighted Average Cost of Capital

