

**We lead the power**  
**NPG TRANSELECTRICA SA**

**Annual Report 2023**



## ANNUAL REPORT

### NPG CO. "TRANSELECTRICA" SA

on the Company's individual financial statements prepared in accordance with OMFP no. 2844/2016 and prepared in accordance with Law no. 24/2017 on issuers of financial instruments and market operations and Annex 15 of Regulation no. 5/2018 issued by the Financial Supervisory Authority (ASF),  
for the financial year ending 31 December 2023

**Report date:** 27 March 2024

**Name of issuer:** NPG CO. TRANSELECTRICA SA, a company managed under a dual system

**Headquarters :** Bucharest, Str. Olteni nr. 2 - 4, sector 3, postal code 030786

**Telephone/fax number:** 021 303 5611/ 021 303 5610

**Unique ORC code:** 13328043

**Number in RC :** J40/8060/2000

**LEI code (Legal Entity Identifier)** 254900OLXOUQC90M036

**Establishment date of Company** 31.07.2000/ ORG 627

**Share capital:** 733,031,420 lei, subscribed and paid up

**Regulated market on which the securities issued are transacted :** Bucharest Stock Exchange

Symbol:	TEL
ISIN:	ROTSSELACNOR9
Type:	Shares
Segment:	Main
Category:	Premium
Status:	Tradeable

**Main characteristics of the securities issued:** 73,303,142 shares with a nominal value of 10 lei/share, dematerialised, registered, ordinary, indivisible, freely tradable shares since 29.08.2006 under the symbol TEL

**Total market value:** 2,206,424,574 lei (30.10 lei/share on 31.12.2023)

**Accounting standard applied:** International Financial Reporting Standards

**Auditing:** The stand-alone financial statements as at 31.12.2023 have been audited

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**REPORT OF THE  
MANAGEMENT  
STRUCTURES**

**2023**

## Message from the Supervisory Board

**Dear shareholders,**

**Dear investors,**

In 24 years of uninterrupted activity, Transelectrica is devotedly fulfilling its main mission to ensure and maintain the safety of the National Electricity System, thanks to the constant efforts of our experts.

Against the backdrop of the energy transition, Transelectrica is stepping up its commitment to building a sustainable future in the energy sector. The company is currently making strategic investments in energy infrastructure, which will contribute to the development of transmission capacities through the creation of new overhead power interconnection lines with neighbouring countries, as well as the integration of renewable energy sources. These initiatives reflect our commitment to achieving European sustainability goals to support the process of an efficient energy transition.

In its role as an electricity transmission and system operator, Transelectrica assumes a high level of responsibility, both at national and European level. In an environment marked by permanent challenges, our company carefully approaches the processes of adaptation and organisational development, aligning itself with contextual developments in the sphere of corporate policies.

We operate a complex business focused on high standards of efficiency, constantly assessed through specialised corporate governance tools. With a strong focus on accountability in decision-making, we concentrate on implementing coordinated measures whose ultimate goal is to generate a positive organisational impact. In this respect, our commitments include facilitating a well-functioning internal working environment and ensuring a stable and predictable market position for the Company.

The Supervisory Board upholds the integrity of the Company's administrative framework by promoting appropriate corporate governance principles. This effort is essential for Transelectrica, one of the most important regional energy players, to successfully fulfil its mission.

As the level of complexity of the business environment has changed its dynamics and the need for decision-making activity has accelerated, in 2023 we considered it essential to maintain an optimal level of communication with our shareholders and investors. Through transparent corporate governance policies and an open approach based on frequent consultation and dialogue, we have supported bilateral communication and built strong cooperative relationships.



We remain committed to continuing this proactive approach, supporting relationships of trust and consensus with all stakeholders. Our objective is to identify and implement the best solutions so as to ensure high standards of information and decision-making transparency for the shareholder and investor public, through effective mechanisms that optimise the entire communication process.

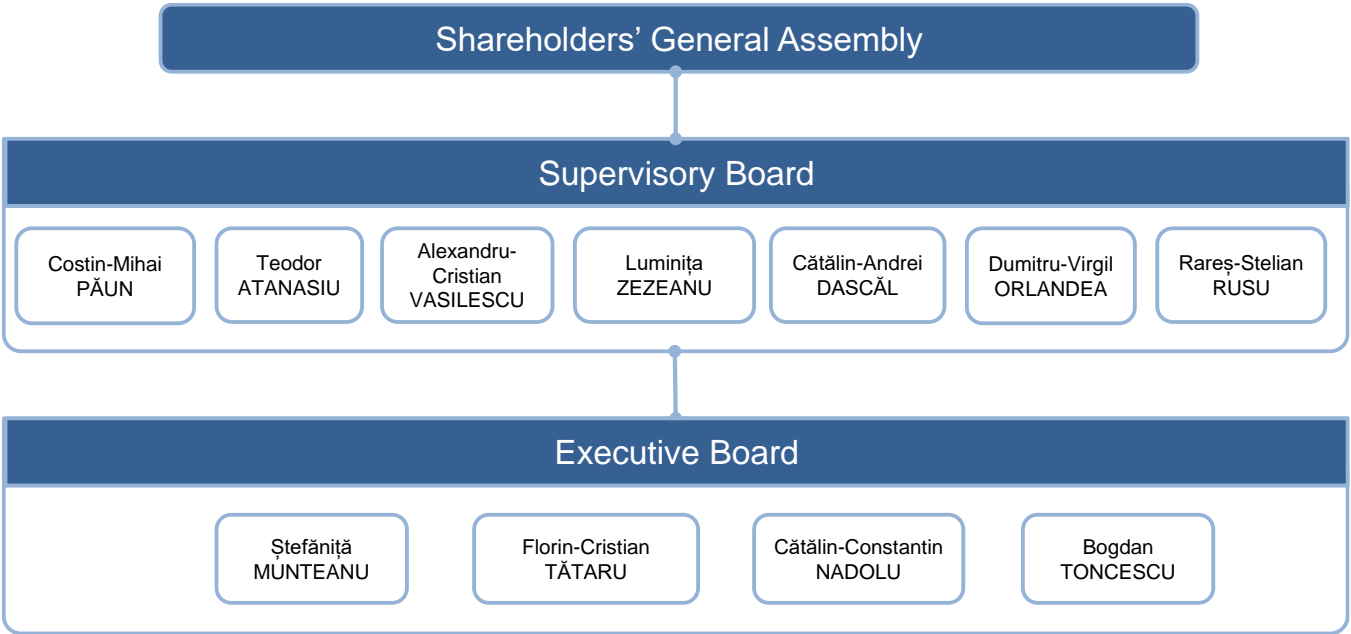
In the context of the continuing energy crisis, taking into account the variable impact generated by the factors that influence our activity, we are concerned in our supervisory activity to shape an effective and updated strategy in line with the existing dynamics. Through sustained efforts, we are committed to maintaining Transelectrica's position as one of the most stable energy players in the business environment.

### **Supervisory Board of NPG CO. Transelectrica SA**

Supervisory Board

the National Power Grid Company Transelectrica SA ("NPG CO. Transelectrica SA", "Transelectrica" or the "Company") is a joint stock company, which is organized and operates in accordance with the laws of Romania, being managed under a two-tier system, Figure 1: Organisational structure

pursuant to the resolution of the Extraordinary General Meeting of Shareholders of 18 July 2012, by a Directorate (consisting of 5 members) under the supervision of a Supervisory Board (consisting of 7 members).



At the date of this Report, the composition of the Supervisory Board with a term of office until 29.02.2028, according to OGMS no.1/28 February 2024, is as follows:

Cătălin-Andrei DASCĂL - Chairman of the Supervisory Board

As of 22 April 2022, Mr. Cătălin Andrei Dascăl was appointed member of the Supervisory Board of NPG CO. Transelectrica SA.

Mr Dascăl joined Transelectrica's non-executive management team with extensive legal experience.

Cătălin Andrei Dascăl's career includes managerial and executive positions in acquiring complex legal expertise in both public administration and private practice.

Among the positions he held, he was legal advisor at IPCMG - REFAL SPRL, executor and legal expert at the Authority for the Administration of State Assets.

Since 2006 to date, Mr. Dascăl is a lawyer and insolvency practitioner - Member of Insol Europe, founder and partner lawyer at "Dascăl Ciotea and Associates SPARL", founder and coordinating partner at "Dascăl Insolvency SPRL".

Also, from 2016 to date, he is President of the National Union of Insolvency Practitioners of Romania

(UNPIR) - Bucharest Branch, and from 2021 he is a member of the National Board of UNPIR and coordinator of working groups within this structure.

Cătălin Andrei Dascăl graduated from the Faculty of Law of Nicolae Titulescu University, Bucharest and holds a degree in legal studies from the Faculty of Law of the University of Bucharest. At the same time, he completed postgraduate studies in European Community Law (Faculty of Law, University of Bucharest) and Commercial Law (Academy of Economic Studies, Bucharest).

Teodor ATANASIU - Member of the Supervisory Board

Mr Teodor Atanasiu, as of 22 August 2022, has joined the Supervisory Board of NPG CO. Transelectrica SA, with a long experience in central public administration.

From 2017 to 2022, Mr. Teodor ATANASIU was a member of the Regulatory Board of the National Energy Regulatory Authority.

Mr. Teodor ATANASIU attended the Polytechnic Institute of Cluj Napoca and graduated from the Faculty of Mechanics.

Mr. ATANASIU also holds a diploma from the Open University Business School courses in Financial

Management, Competitiveness Management, Customer Relationship Management.

#### **Costin-Mihai PĂUN - Member of the Supervisory Board**

As of 22 April 2022, Mr Costin Mihai Păun has been appointed member of the Supervisory Board of NPG CO. Transelectrica SA, taking this position with over 30 years of experience in the European and national energy industry.

Throughout his career he has held several managerial and executive positions, working both nationally and internationally in the transmission, distribution and generation of electricity.

Mr. Păun joins Transelectrica's non-executive management team with an outstanding career in the energy sector.

Thus, Mr. PĂUN has significant experience in coordination work with European Transmission and System Operators (ENTSO-E and MED-TSO), Electricity Distribution Operators, National Regulatory Authorities, Agency for the Cooperation of Energy Regulators (ACER), European Institutions (European Commission, DG ENER, DG Conect, etc.) and International Financial Institutions (European Investment Bank, KfW, etc.).

Mr PĂUN has designed, led and implemented European and international projects funded by the European Commission and International Financial Institutions, carried out European consortia, studies and plans for the development of electricity networks, contributed to new solutions in innovation initiatives and scientific research, being responsible for systems operation, regulation, implementation of high voltage projects.

He is co-founder (2011), was Secretary General (2011-2016) and Vice-President (2016-2021) of the Professional Association - Romanian Energy Centre (CRE).

Mr. Păun was also a member of the Directorate of the Electricity Distribution System Operator "Electrica Distribuție Muntenia Nord" SA (2012-2016), Responsible for the preparation of the 10-year European Electricity Network Development Plan within ENTSO-E in Brussels (2010-2016), the Regional Investment Plans in 4/6 ENTSO-E Regions: North Sea, Baltic Sea, Continental South-West Europe, Continental Central-East Europe, Network Codes, Regulatory Advisor, Energy Policy, Electricity Networks at EURELECTRIC, Union of the Electricity Industry, Brussels (2002-2010), Member of the European Economic and Social Committee -

Transport, Energy, Infrastructure and Information Society Section (2003-2006) and Coordinator of Regulatory Training and Energy Strategy (1993-1998).

Mr. Costin Mihai PĂUN graduated from the Polytechnic University of Bucharest, Faculty of Energetics, with a degree in Electrical Engineering, a field in which he also holds a PhD degree from the Technical University of Timisoara.

He also consolidated his expertise in the field of management through the Master's degree program "Financial-Banking Management", acquiring the title of Master in Business Administration - Financial-Banking Management at the Romanian-American University of Bucharest.

#### **Alexandru-Cristian VASILESCU - Member of the Supervisory Board**

As of 22 April 2022, Mr Alexandru Vasilescu has been appointed member of the Supervisory Board of NPG CO. Transelectrica SA, taking up this position with expertise in public administration advisory and management.

Mr Alexandru Vasilescu is currently Secretary of State in the General Secretariat of the Government, a position he has held since February 2022.

Mr. Vasilescu joined Transelectrica's non-executive management team, having a professional portfolio shaped by the following experiences: Commercial Director of SC Orhideea SRL; Advisor in several institutions of the state administrative apparatus: Romanian Parliament - Chamber of Deputies, Department for SMEs, Business Environment and Tourism, Ministry for Information Society, General Secretariat of the Government. Mr Alexandru Vasilescu graduated from the Technical University of Constructions in Bucharest with a degree in construction engineering.

Following his undergraduate studies, he completed a master's program at the Technical University of Construction in Bucharest, obtaining a degree in Construction Project Management.

Mr Vasilescu is currently a PhD student at the Polytechnic University of Bucharest.

#### **Luminița ZEZEANU - Member of the Supervisory Board**

Ms. Luminița Zezeanu, joined the Supervisory Board of NPG CO. Transelectrica SA, as of 22 August 2022, as a member, with a solid expertise in the development and financing of projects from European funds, as well as experience in the field of public administration.

Over the years, Ms Luminița ZEZEANU has worked in various areas of public administration, focusing on regional development.

Between 2006 and 2014, he held the position of Director of the Project Authorisation Directorate, Managing Authority for the Operational Programme - Ministry of Regional Development and Public Administration.

He resumed this leadership position in 2015-2016, and in 2017 took up the position of Secretary of State in the Ministry of Regional Development, Public Administration and European Funds.

Ms. Luminița ZEZEANU continued her work in this field, and in 2017- 2019 she was Director General at the Management Authority for the Regional Operational Programme - Ministry of Regional Development and Public Administration.

From August 2022 until now, he is Director of the European Funds Department at SNTGN Transgaz.

Ms Luminița ZEZEANU graduated from the Faculty of Accounting and Management Informatics of the Bucharest Academy of Economic Studies and continued her postgraduate studies in the UK at London Metropolitan University, where she studied international trade.

#### **Dumitru-Virgil ORLANDEA - Member of the Supervisory Board**

Mr Virgil Dumitru Orlandea was appointed member of the Supervisory Board of the National Power Grid Company Transelectrica SA as of 1 March 2024 for a 4-year term of office in the non-executive management of the Company. Mr Orlandea has also held the position of member of the Supervisory Board from October 2021 to October 2023.

Since 2011, he has been active in the energy sector, holding relevant positions in the energy industry.

Between 2010 and 2012, Mr. Orlandea was a member of the Directorate and Supervisory Board of some important companies in the Romanian energy sector, such as Electrica SA, Electrica Serv SA, Hidroelectrica, Transelectrica and Oil Terminal. From 2013 to 2016, Mr. Orlandea worked for NPG CO. Transelectrica SA as Director of the Support Services Department. Subsequently, until 2021, he continued his activity within the Company from the position of coordinator of the project Centre of Excellence in Energy Sibiu, respectively the Centre for Research and Development of Technologies for Working under Voltage and Rapid Intervention in the National Energy System.

Mr Virgil Dumitru Orlandea graduated from the National Defence University "Carol I" Bucharest, College of Resource and Procurement Management, "Lucian Blaga" University of Sibiu, Faculty of Economic Sciences - Master in "Integration of Tourism and Services" and Faculty of Economic Sciences - Master in "Management and Marketing Strategies and Policies of the Firm", Police Academy "Alexandru I. Cuza" Bucharest - Master in "Human Resources Management in the Public Order Authorities System".

#### **Rareș-Stelian RUSU - Member of the Supervisory Board**

As of 1 March 2024, Mr. Rareș Stelian Rusu has joined the Supervisory Board of the National Power Grid Company Transelectrica SA, with a 4-year mandate in the non-executive management of the Company. Mr Rusu has extensive management experience gained through his career in both the private sector and public administration.

With an extensive expertise within the Company, Mr Rusu held the position of Director of the Cluj-Napoca Territorial Transmission Branch in 2009-2012, followed by that of Project Manager in 2012-2013. He was also an advisor to Transelectrica's Directorate, Manager of the Integrated Management Unit, Commercial-Acquisitions and Manager of the Cluj Territorial Transmission Unit in 2020-2021. From 2021 to 2022, he was non-executive director of OPCOM SA, a subsidiary of NPG CO. TRANSELECTRICA SA.

Mr. Rareș Stelian Rusu has over 25 years of experience in central and local public administration, both in the executive and non-executive areas of the Romanian Government, namely the Chamber of Deputies, as well as in the private sector, holding managerial positions as well as legal advisory positions.

As of 2021, Mr Rusu will serve as Vice President of the National Civil Servants Agency.

Rareș Stelian Rusu holds a bachelor's degree in political science from the Faculty of Political Science and Public Administration of the Babeș-Bolyai University of Cluj-Napoca and a bachelor's degree in law from the Faculty of Law of the Dimitrie Cantemir University of Cluj-Napoca. He also completed a Master's degree in Energy Engineering at the Faculty of Electrical Engineering of the Technical University of Cluj-Napoca.

## Advisory Committees of the Supervisory Board

### Audit Committee

The members of this committee are: Luminița ZEZEANU (chairman), Teodor ATANASIU, Rareș Stelian RUSU, Costin-Mihai PĂUN, Alexandru-Cristian VASILESCU

### Nomination and Remuneration Committee

The members of this committee are: Alexandru-Cristian VASILESCU (chairman), Cătălin-Andrei DASCĂL, Rareș Stelian RUSU, Dumitru Virgil ORLANDEA, Luminița ZEZEANU

### Committee on Investment and Energy Security

The members of this committee are Costin-Mihai PĂUN (chairman), Cătălin-Andrei DASCĂL, Luminița ZEZEANU, Teodor ATANASIU, Dumitru-Virgil ORLANDEA.

### Risk Management Committee

The members of this committee are Teodor ATANASIU (chairman), Alexandru-Cristian VASILESCU, Cătălin-Andrei DASCĂL, Rareș Stelian RUSU, Dumitru Virgil ORLANDEA.

## Changes in the Supervisory Board

In the period from 1 January 2023 to 21 February 2023, the composition of the Supervisory Board (hereinafter also referred to as "SB" or "Board") of Transelectrica was as follows: Dascăl Cătălin-Andrei, Atanasiu Teodor, Orlandea Virgil Dumitru, Păun Costin-Mihai, Sterp Vingărzan Gheorghe, Vasilescu Alexandru-Cristian, Zezeanu Luminița.

According to the OGMS Decision no.2 of 16 February 2023, the following persons were appointed as provisional members of the Supervisory Board for a term of office of 4 months, 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

**24 February 2023** - the members of the SC, in accordance with the provisions of Article 18 paragraph (4) of the Articles of Association of NPG CO. Transelectrica SA appointed Mr. Dascăl Cătălin-Andrei as Chairman of the Supervisory Board.

**28 February 2023** - in accordance with Article XX paragraph (4) of the Rules of Organization and Functioning of the Supervisory Board, the members of the SB appointed as Chairman of the Nomination and Remuneration Committee Mr. Vasilescu Alexandru-Cristian and as members Mr:

- Sterp-Vingărzan Gheorghe
- Păun Costin-Mihai

- Orlandea Dumitru-Virgil
- Dascăl Cătălin-Andrei

have appointed as Chair of the Audit Committee of the Supervisory Board Ms Zezeanu Luminița and as members Ms:

- Atanasiu Teodor
- Sterp Vingărzan Gheorghe
- Dascăl Cătălin-Andrei
- Păun Costin-Mihai

appointed as Chairman of the Energy Security Committee of the Supervisory Board Mr. Păun Costin-Mihai and as members Mr:

- Vasilescu Alexandru-Cristian
- Zezeanu Luminița
- Atanasiu Teodor
- Orlandea Dumitru Virgil

**19 June 2023** - by Resolution No. 6 of the Ordinary General Meeting of Shareholders of the Company, the following persons were appointed as provisional members of the Supervisory Board for a term of office of 4 months 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.

**20 June 2023** - the members of the SC, in accordance with Article 18 paragraph (4) of the Company's Articles



of Association, elected Mr. Dascăl Cătălin-Andrei as Chairman of the Supervisory Board.

At the same meeting, in accordance with Article XX paragraph (4) of the Rules of Organization and Functioning of the Supervisory Board, the members of the SB appointed as Chairman of the Nomination and Remuneration Committee Mr. Vasilescu Alexandru-Cristian, and as members Mr:

- Sterp Vingărzan Gheorghe
- Păun Costin-Mihai
- Orlandea Dumitru Virgil
- Dascăl Cătălin-Andrei

have appointed as chair of the Audit Committee of the Supervisory Board Ms Zezeanu Luminița and as members Ms:

- Atanasiu Teodor
- Sterp Vingărzan Gheorghe
- Dascăl Cătălin-Andrei
- Păun Costin-Mihai

appointed as Chairman of the Investment and Energy Security Committee of the Supervisory Board Mr. Păun Costin-Mihai and as members Mr:

- Vasilescu Alexandru-Cristian
- Zezeanu Luminița
- Atanasiu Teodor
- Orlandea Dumitru Virgil

**18 October 2023** - by Resolution No. 9 of the Ordinary General Meeting of Shareholders of the Company, the following persons were appointed as provisional members of the Supervisory Board for a term of office of 5 months starting from 22 October 2023 until 21 March 2024:

- Atanasiu Teodor,
- Dascăl Cătălin-Andrei,
- Păun Costin-Mihai,
- Vasilescu Alexandru-Cristian,
- Zezeanu Luminița,
- Mitu Anca,
- Borotea Adrian Remus.

**24 October 2023** - the members of the SC, in accordance with Article 18 paragraph (4) of the Company's Articles of Association, elected Mr. Dascăl Cătălin-Andrei as Chairman of the Supervisory Board.

At the same meeting, in accordance with Article XX paragraph (4) of the Rules of Organization and Functioning of the Supervisory Board, the members of the SB appointed as Chairman of the Nomination and Remuneration Committee Mr. Vasilescu Alexandru-Cristian, and as members Mr:

- Păun Costin-Mihai,
- Dascăl Cătălin-Andrei,
- Mitu Anca,
- Atanasiu Teodor.

have appointed as Chair of the Audit Committee of the Supervisory Board Ms Zezeanu Luminița and as members Ms:

- Atanasiu Teodor
- Dascăl Cătălin-Andrei
- Păun Costin-Mihai
- Mitu Anca.

appointed as Chairman of the Investment and Energy Security Committee of the Supervisory Board Mr. Păun Costin-Mihai, and as members Mr:

- Vasilescu Alexandru-Cristian,
- Zezeanu Luminița,
- Atanasiu Teodor,
- Mitu Anca.

have appointed as Chairman of the Risk Management Committee of the Supervisory Board Mr. Atanasiu Teodor and as members Mr. Atanasiu Teodor and Mr. Atanasiu Teodor:

- Vasilescu Alexandru-Cristian,
- Păun Costin-Mihai,
- Dascăl Cătălin-Andrei,
- Mitu Anca.

**30 October 2023** - the members of the Supervisory Board took note of the notification of Mr. Adrian Remus Borotea regarding the non-acceptance of the mandate of provisional member of the Supervisory Board.

In accordance with the provisions of Article 153<sup>^</sup>7 paragraph (1) of the Companies Act no. 31/1990, republished as amended and supplemented and Article 18 paragraph (6) of the Articles of Association, appointed as a provisional member of the Supervisory Board Ms. Simona-Geanina Pistu-Popa with a term of office until 21 March 2024, but not later than the date of appointment of a member of the Supervisory Board by the General Meeting of Shareholders.

**13 November 2023** - The Company informed shareholders and investors that, in accordance with its statutory and legal powers, the Supervisory Board decided in its meeting of 13 November 2023 to change the composition of the Nomination and Remuneration Committee, the Investment and Energy Security Committee and the Risk Management Committee.

Therefore, the advisory committees of the Supervisory Board are:



*Nomination and Remuneration Committee*

- Vasilescu Alexandru-Cristian - Chairman,
- Păun Costin-Mihai,
- Dascăl Cătălin-Andrei,
- Mitu Anca,
- Pistru-Popa Simona-Geanina.

*Audit Committee*

- Zezeanu Luminița - chairman,
- Atanasiu Teodor,
- DASCĂL Cătălin-Andrei,
- Păun Costin-Mihai,
- Mitu Anca.

*Committee on Investment and Energy Security*

- Păun Costin-Mihai - chairman,
- Vasilescu Alexandru-Cristian,
- Zezeanu Luminița,
- Atanasiu Teodor,
- Pistru-Popa Simona-Geanina.

*Risk Management Committee*

- Atanasiu Teodor - Chairman,
- Vasilescu Alexandru-Cristian,
- Pistru-Popa Simona-Geanina,
- Dascăl Cătălin-Andrei,
- Mitu Anca.

**On 28 February 2024**, the Ordinary General Meeting of Shareholders of the Company held on 28 February 2024 approved the appointment of the members of the Supervisory Board for a term of 4 years for:

- PĂUN Costin-Mihai,
- ATANASIU Teodor,
- VASILESCU Alexandru-Cristian,
- ZEZEANU Luminița,
- DASCĂL Cătălin-Andrei, .
- ORLANDEA Dumitru Virgil,
- RUSU Rareș Stelian,

The four-year term of office began on 1 March 2024 and ends on 29 February 2028. At the same time by HOGMS no.1/28.02.2024 approved the form of the mandate contract and the remuneration of the members of the Supervisory Board of the Company.

The term of office of the current Supervisory Board runs until 29 February 2028.

## **Supervisory Board Statement on stand-alone financial statements prepared in accordance with International Financial Reporting Standards**

The Supervisory Board is based on the principles of corporate governance, which require a responsible, professional and objective attitude of the Company towards its stakeholders. The Board reviews the Company's strategy and the premises of the environment in which it operates in order to plan its development and performance, ensuring a rigorous formulation of objectives.

The stand-alone financial statements for 2023 were presented to the Supervisory Board, with the Company's Management providing detailed information on the annual results. At the meeting to verify the 2023 financial statements, the Audit Committee presented to the Supervisory Board its view on the 2023 results and recommended to the Supervisory Board the verification of the stand-alone financial statements prepared in accordance with OMFP no. 2844/2016.

The stand-alone financial statements as at 31.12.2023 are audited and the opinion of the external auditor is unqualified, which means that all material information reflected in the main balance sheet items is relevant, reliable, comparable and pertinent.

At the same time, the Annual Report of the Directorate, prepared in accordance with the requirements of the capital market legislation, was verified by the members of the Supervisory Board. The information presented in the 2023 Annual Report gives a true and fair view of the Company's results for the financial year 2023.

The Audit Committee assists the Supervisory Board in fulfilling its oversight responsibilities for monitoring the financial reporting process, management reporting, the system of internal control, the audit process, the risk management system and the organisational process for monitoring compliance with laws, regulations and the code of conduct.

***Yours sincerely,***

***Supervisory Board represented by***

***Chairman of the Supervisory Board***

## Message from the Directorate

**Dear shareholders,**

**Dear investors,**

During 2023, we faced numerous challenges arising from the persistence of the energy crisis, which had a significant impact on business activity. In this regard, Transelectrica has taken a prudent view and paid constant attention to adjust, in different contexts, the economic-financial flow strategy so as to minimise the risks of exposure to instability or lack of predictability in our sphere of activity.

Through the role and responsibilities that Transelectrica fulfils as a publicly traded company listed on the Bucharest Stock Exchange, we aim to ensure that all the commitments we make to the investing public are fulfilled in the best possible way every time. We regularly set appropriate targets, based on precise market analyses, which generate a clear summary and facilitate our strategic action decision-making process so that our business environment operates in a safe and stable flow.

In this context, institutional transparency is a key principle in our approach to shareholder and investor relations, which is why we are committed to communicating effectively on all matters of interest. Through best practices and transparent communication policies we aim to continue to maintain proactive interaction and close collaboration with the investing public.

Transelectrica, the transmission and system operator in Romania, has a well-defined goal in its activity: to ensure an efficient and reliable energy infrastructure in line with European policies and the targets set for 2050. In this regard, we are committed to maintaining an accelerated pace of investment, focusing on obtaining new projects that can benefit from European funding, as was the case in 2023. In the midst of the energy transition, our efforts to align with these standards are constant, and innovation is a key element in major strategic projects that will integrate new technologies to operate the energy system with a reduced environmental impact.

As regards the development of the infrastructure necessary for the integration of green energy and the expansion of interconnections, one of the most important issues on the European agenda, in 2023 our company has taken important steps and, in collaboration with strategic partners, has laid the foundations for a major project, essential for the stability of the energy future of Romania and the entire region: the High Voltage Direct Current (HVDC) interconnector along the route of the Tuzla - Podișor gas pipeline and the Bulgaria-Romania-Hungary-Austria (BRUA) gas pipeline. The investment objective is extremely ambitious and represents a strategic initiative with significant implications for both our country and neighbouring countries, as it will facilitate the efficient capture of green energy generated in the east of Romania and its long-distance transmission, with minimal losses, to the west of Romania and other European Union countries. The implementation of the HVDC project will bring a degree of flexibility to critical areas of the National Energy System, facilitating the evacuation of power from emerging clean energy projects. This initiative will be a key strategic step towards ensuring the sustainability of Romania's energy sector. It will also continue the Romania-Georgia submarine cable as part of the Green Energy Corridor initiative, an ambitious project agreed by the governments of Azerbaijan, Georgia, Romania and Hungary.

Energy security and keeping the National Electricity System safe is an essential part of our mission that we are committed to ensuring as a priority every day, regardless of the conditions in the business environment. Also, in order to be able to support European energy and environmental policies and to confirm the fulfilment of the targets assumed by Romania at European level regarding the decarbonisation of the energy industry, by adopting an updated investment vision we will develop impact projects to create a sustainable future in this sector.

Ensuring energy security and maintaining the safety of the National Power System is a fundamental aspect of our mission and a constant priority, regardless of the dynamics of the business environment. At the same time, in order to support European energy and environmental policies and to confirm the achievement of Romania's European decarbonisation targets for the energy industry, our efforts are focused on strategic projects for the development of a sustainable energy infrastructure.

## **NPG CO. Transelectrica SA Directorate**

## Directorate

At the date of this report, the composition of Transelectrica's Directorate is as follows:

### **Ștefăniță MUNTEANU - Chairman of the Directorate**

As of 25 December 2021, Mr. Ștefăniță Munteanu is a member of the Directorate of the National Power Grid Company Transelectrica SA.

With a professional background in both the private and public sectors, Mr. Ștefăniță Munteanu has expertise in areas such as management, energy industry, marketing, sales and strategy.

Mr. Munteanu joined NPG CO. Transelectrica SA's executive management team from the position of indirect sales manager at SC Electrica Furnizare SA AFEE Buzău, a company where he previously served as Deputy Director (2019-2020) and management consultant.

In terms of experience gained in the public administration sector, Mr Munteanu served as Deputy Secretary General at the Ministry of Tourism from January to May 2017, Advisor to the Prime Minister from May 2017 to January 2018, as well as Advisor Secretary of State at the Ministry of Water and Forests (February 2018 - February 2019).

Mr. Ștefăniță Munteanu graduated from the Faculty of Marketing Management of the Romanian-American University in 2006, with a bachelor's degree in economics.

### **Florin Cristian TĂTARU, Member of the Directorate**

As of 25 December 2021, Mr. Florin Cristian Tătaru was appointed member of the Directorate of NPG CO. Transelectrica SA.

Previously, Mr. Tataru held this position in the executive management of the Company in 2017-2018.

With a wealth of experience in banking, finance and management, Mr Florin Cristian Tătaru has expertise in areas such as public and corporate finance, public policy, energy industry, European affairs and leadership.

Mr Tătaru joins the management team of NPG CO. Transelectrica SA with nearly 30 years of managerial experience in both the private and public sectors.

A graduate of the Faculty of International Economic Relations at the Bucharest Academy of Economic Studies (1990), Mr. Tataru has attended several master's programs, including "Health System Management", "Public Policy and European Integration", "Banking and Capital Markets", and

courses such as "Security and Good Governance" (2019), "Current National Security Issues" at the National Defense College. Currently, Mr. Tătaru is attending the MBA courses of the "Executive Business" program at the Business Academy.

### **Cătălin Constantin NADOLU, Member of the Directorate**

As of 25 June 2021, Mr. Nadolu is a member of the Directorate of the National Electricity Transmission Company.

Mr. Cătălin Nadolu's management expertise in the public sector is based on experience gained from several management positions held from 2005 to date.

Thus, Mr. Nadolu joins the management of NPG CO. Transelectrica SA from the position of General Manager of the Company for Maintenance Services of the Electric Transmission Network S.C. "SMART" SA. Previously, Mr. Nadolu held positions such as Executive Director of the County Directorate for Sport and Youth - Ministry of Youth and Sport, from 2005 to 2009, and Head of Department for the Independent Authority for the Administration of State Protocol Patrimony - R.A. - A.P.P.S, from 2009 to 2021.

Mr. Cătălin Nadolu attended the Faculty of Law of the Police Academy "Alexandru Ioan Cuza" in Bucharest and holds a degree in legal sciences. He has also strengthened his expertise in the field of management and public procurement by attending a number of specialist courses.

### **Bogdan TONCESCU, Board Member**

As of April 25, 2022, Mr. Toncescu is a member of the Directorate of the National Electricity Transmission Company.

With extensive experience in the Romanian government sector, Mr. Bogdan TONCESCU has been working at NPG CO. Transelectrica SA since 2014, as Director of Corporate Governance, Investor Relations and Representation. From this position, he coordinated the development of the corporate governance strategy at the Company level.

From 2008 to 2014, Mr. TONCESCU worked in the Romanian Government as an advisor in several ministries (Ministry of Foreign Affairs; Ministry of European Affairs; Department for European Affairs; Department for Infrastructure Projects and Foreign Investments; Ministry of Transport).

From February to August 2012, he was also an advisor in the Department of International Relations and European Policies of the Presidential Administration.

Since 2010, Mr. Bogdan TONCESCU is a member of the New York State Bar Association, United States of America (USA). Mr. TONCESCU began his career in the USA where he worked as a trainee at the Consulate General of Romania in New York and then at the Permanent Mission of Romania to the United

Nations (New York), and as a consultant at the World Bank (Washington).

A graduate of Binghamton University, State University of New York - Bachelor of Arts in Political Science, majoring in International Relations (January 2000 - June 2003), he graduated from Hofstra University School of Law in 2007. From January to March 2003, he completed a study abroad program in International Relations at the National University of Singapore.

### Changes in the Transelectrica Directorate

**01 January 2023** - On 01.01.2023 the composition of the Directorate was as follows: Gabriel ANDRONACHE, Ștefăniță MUNTEANU, Cătălin Constantin NADOLU, Bogdan TONCESCU, Florin Cristian TĂTARU.

**19 April 2023** - Supervisory Board of the Company, pursuant to art.64<sup>2</sup> paragraph (1) of GEO no.109/2011 on the corporate governance of public companies, as amended and supplemented, decided to extend the terms of office of the provisional members of the Directorate, Messrs Gabriel ANDRONACHE, Ștefăniță MUNTEANU, Cătălin Constantin NADOLU, Florin Cristian TĂTARU and Bogdan TONCESCU for a period of 2 months, starting on 25.04.2023 and until 24.06.2023, but not later than the end of the selection procedure in accordance with the provisions of O.U.G. 109/2011 on corporate governance of public companies, as amended and supplemented.

**24 April 2023** - The Supervisory Board took note of the resignation of Mr Gabriel Andronache from the mandate of provisional member of the Directorate of Transelectrica, the position of member of the Directorate held until 24 April 2023 by Mr Gabriel Andronache remaining vacant, the Directorate will continue its work with the members in office on that date.

At the same meeting, in accordance with the provisions of Article 23(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 or Chief Executive Officer of the Company.

**20 June 2023** - The Supervisory Board took note that on 24 June 2023 the terms of office of the provisional members of the Directorate will expire: Ștefăniță MUNTEANU, Cătălin Constantin NADOLU, Florin Cristian TĂTARU, Bogdan TONCESCU, and therefore, pursuant to Article 64<sup>2</sup> paragraph (1) of O.U.G. no.109/2011 on corporate governance of

public companies as amended, appointed as provisional members of the Directorate Messrs:

- Ștefăniță MUNTEANU,
- Cătălin Constantin NADOLU,
- Florin Cristian TĂTARU,
- Bogdan TONCESCU,

the term of office of the appointed members shall be 4 months starting from 25.06.2023 with the possibility of extension, for good cause, for another two months, but the term of office shall not exceed the date of completion of the selection procedure of the members of the Company's Directorate, under the terms of GEO 109/2011, if the procedure is completed within this period.

During the same meeting, the Supervisory Board elected Mr. Ștefăniță MUNTEANU as Chairman of the Directorate, alternatively called Chief Executive Officer of the Company.

**24 October 2023** - The Supervisory Board took note of the expiry on 24 October 2023 of the terms of office of the provisional members of the Directorate: Ștefăniță MUNTEANU, Cătălin Constantin NADOLU, Florin Cristian TĂTARU, Bogdan TONCESCU and appointed pursuant to Article III of Law no.187/2023 on the amendment and completion of Government Emergency Ordinance no.109/2011 on corporate governance, as members of the Directorate:

- Ștefăniță MUNTEANU,
- Cătălin Constantin NADOLU,
- Florin Cristian TĂTARU,
- Bogdan TONCESCU,

with a term of office of 5 (five) months starting on 25 October 2023, with the possibility of extension once for two more months for good cause, but the term of office shall not exceed the date of completion of the procedure for the selection of the members of the Company's Directorate, under the terms of O.U.G. 109/2011 on the corporate governance of public



companies, approved with amendments and additions by Law no.111/2016, with subsequent amendments and additions, as well as those brought by Law no.187/2023, if the procedure is completed within this period.

At the same meeting, in accordance with the provisions of Article 23 paragraph (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 Company.

*At the date of issuing this Report, Transelectrica is not aware of any agreements, arrangements or family ties between the members of the Directorate and other persons.*

*At the date of this report, Transelectrica is not aware of any dispute or administrative proceedings against the current members of the Directorate in relation to their activity in the Company or concerning the capacity of the person in question to perform their duties in the Company.*

*None of the members of the Directorate held shares in the share capital of the Company as at 31.12.2023.*

Declaration of responsible persons

To the best of our knowledge, the stand-alone financial statements as at and for the 12-month period ended 31 December 2023 have been prepared in accordance with the Order of the Minister of Public Finance No. 2844/2016, as subsequently amended and supplemented, approving the Accounting Regulations in accordance with International Financial Reporting Standards and give a true and fair view of the financial position and profit and loss account of NPG CO. Transelectrica SA.

The Annual Report of the Directorate contains fair and consistent information on the development and performance of the Company, as well as a description of the main risks and uncertainties specific to the business.

Directorate,

Stefăniță	Florin-Cristian	Cătălin-Constantin	Bogdan
MUNTEANU	TĂTARU	NADOLU	TONCESCU
Directorate President	Directorate Member	Directorate Member	Directorate Member

## Key figures

FINANCIAL

4.718	thousand lei	▼	-25%	Revenues
			y/y	
568	thousand lei	▼	-34%	EBITDA
			y/y	
214	thousand lei	▼	n/a	Net result
			y/y	
50,39	TWh	▼	-3%	Charged energy volume****
			y/y	
519	thousand lei	▲	65%	Liquidity
			y/y	

OPERATIONAL

2,37%	*	▲	0,17	pp	OTC
			y/y		
54,42		▲	3%		Net internal production
TWh			y/y		
-3,11		-	n/a		Export net**
TWh			y/y		
51,31		▼	-5%		Net internal consumption
TWh			y/y		
42,15		▼	-3%		Transported energy***
TWh			y/y		

INVESTMENTS

439	thousand lei	▼	-5%	Acquisition of tangible and intangible assets
			y/y	
558	thousand lei	▲	93%	Fixed assets recorded in the accounts (commissioning)
			y/y	

\*The weight of own technological consumption into electricity taken from the electricity transmission grid (transported energy)

\*\*balance of physical cross-border flows (export-import) cumulated across all borders

\*\*\*The amount transported is defined by the amount of energy physically transported in the transmission network

\*\*\*\*Priced quantity is defined as the quantity of electricity withdrawn from the public electricity networks (transmission and distribution networks) less electricity exports.

*Note: For ease of reading and understanding the results, some figures presented in graphs and/or tables use mil. lei as the unit of measurement and are rounded to that unit. This convention of presentation may, in some cases, result in minor differences between the total figures and the totals obtained by summing the component elements and the calculated percentages. Amounts are expressed in millions of lei unless otherwise indicated.*

## Important events

**Jan** ▶ Bilateral meeting between representatives of the Company and an official delegation from the Republic of Moldova on the analysis of the opportunity to expand OPCOM, a subsidiary of the Company, on the electricity market in the Republic of Moldova, thus agreeing on the next steps for OPCOM to become the electricity market operator in the Republic of Moldova.

**Feb** ▶ The Company has signed a Grant Agreement worth 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

**Mar** ▶ Completion of the refurbishment of the 220/110 kV Iaz Transformer Station, with an investment of about 62 million lei, from own funds. The 220/110 kV Iaz Electric Transformer Station is a connection node within the NES through the connected 220 kV lines, being an important objective for the functioning of the power system and for the electricity supply in the western part of the country.

**Apr** ▶ Mr Gabriel Andronache resigns from the mandate as provisional member of the Transelectrica Directorate and implicitly from the position of Chairman of the Directorate as from the end of 23 April 2023. It was decided to elect as Chairman of the Directorate - "CEO" of the Company as from 24 April 2023 Mr Ștefăniță Munteanu



**Jun** ▶ 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.

**Jul** ▶ 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 where the Memorandum of Understanding between the four countries for the Black Sea Submarine Cable Project was signed.



**Sep** ▶ The series of preparatory discussions on the High Voltage Direct Current (HVDC) Interconnector project on the BRUA gas main corridor and the future Tuzla-Podișor main line continued with a meeting of the teams of the companies involved, Taqa, Meridiam, Fluor, Transelectrica and E-Infra, with the participation of the Minister of Energy.

**Oct** ▶ For 3 days, 31 October - 2 November 2023, Transelectrica supported the work of the 7th edition of the International Conference Condition Monitoring, Diagnosis, and Maintenance (CMDM) 2023, organized by CNR - CIGRE, where current topics for the energy sector were debated.

**Nov** ▶ The company has obtained EUR 56.2 million through the REPowerEU component of the NRDP, approved by the Council of the European Union, to finance three key investment projects for the efficiency and modernisation of the electricity transmission network, two of which are for the subsidiaries SMART SA and Teletrans SA

**Dec** ▶ Moody's reaffirms the Company's long-term rating of Baa3 with a stable outlook. The credit quality ("Baa3"- "Investment-grade") is supported by the Company's low risk profile as the only operator providing electricity transmission service in Romania, consistent implementation of key principles within a credit-supportive regulatory regime, a robust financial profile, low debt and solid financial performance.





# Management Report



# 1. Business model

## 1.1. Positioning in the electricity market

Transelectrica was established as a Romanian legal entity by GD no. 627/13 July 2000 on the reorganisation of the National Electricity Company CONEL SA, published in the Official Gazette of Romania no. 357/31.07.2000. This decision was issued in accordance with GD No 138/2000 on the restructuring programme in the energy sector, whereby the electricity transmission and dispatching activity was completely separated from that of production, distribution and supply of electricity.

At the time of establishment, the Company had a share capital of 495,982,200 lei, fully paid up on the date of establishment and divided into 49,598,220 registered shares with a value of 10 lei.

In accordance with the Law on Electricity and Natural Gas No 123/2012, as amended, the activity of electricity transmission is a public service of national interest. Electricity transmission is carried out by transmission and system operators, legal entities certified by the competent authority under the terms of the law. The Electricity Transmission Grid (RET), existing on the Romanian territory, is the public property of the Romanian State as regards the assets

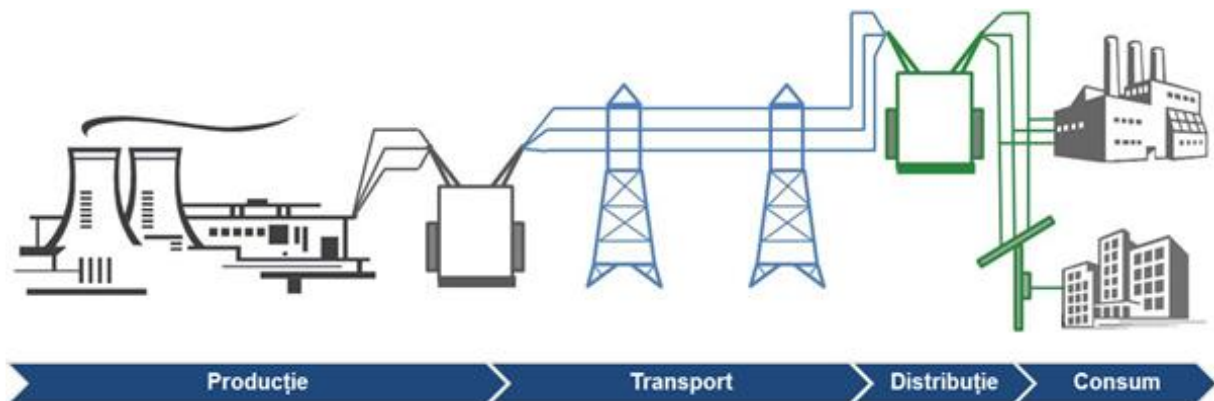
transferred to Transelectrica and constitute return assets, according to the nature of the transfer and the legal provisions.

In its capacity as transmission and system operator, Transelectrica operates under Licence No 161/2000 for the provision of electricity transmission service, for the provision of system service and for the administration of the balancing market.

The concession for RET and the land on which it is located was granted for a period of 49 years by concession contract no. 1/29.06.2004, concluded between the Ministry of Economy as the granting authority and NPG CO. Transelectrica SA as the concessionaire.

In the value chain of electricity activities, Transelectrica occupies the central position of transmission and system operator, natural monopoly activities, located between generators and suppliers respectively, which are the main players in competitive electricity markets. Electricity transmission activity is not the only natural monopoly in the electricity value chain, distribution as a network activity is also a natural monopoly.

Figure 2 The electricity value chain



Transelectrica's mission is to ensure the public electricity transmission service while maintaining the operational reliability of the national energy system, under non-discriminatory conditions of access for all users, to actively participate through the development of the electricity transmission network infrastructure in the sustainable development of the national energy system and to support and facilitate the operation and integration of energy markets.

Transelectrica's key role is that of transmission and system operator (TSO) plus the roles of balancing

market administrator, metering and aggregation operator, capacity allocation operator on interconnection lines.

The core activities are related to infrastructures of strategic importance to the electricity sector comprising multiple elements of critical infrastructure. Thus, transmission services are supported by the electricity transmission network and dispatching activities, including balancing, are supported by dispatching and metering infrastructure.



The regulation of Transelectrica's activities is carried out through primary legislation (the national framework being Law no.123/2012 with subsequent amendments and additions, and the European framework being the EU Regulation 943/2019 of the European Parliament and of the Council of 5 June 2019 on the energy market) and secondary legislation issued by ANRE - materialized in licenses, establishment authorizations, tariff methodologies (such as revenue cap on transmission and cost plus on system operation), tariffs, framework contracts, procedures and others.

The profitability of the business is given by the return on the regulated asset base which depends on the regulated rate of return and the regulated asset base ("RAB").

The business model corresponds to the standard profile of an STO, a model designed at European level through European energy strategy and legislation, applied in all EU countries and transposed as such into the national legal framework.

TSO companies are subject to a European-wide certification process as transmission system operators. The certification procedure can be

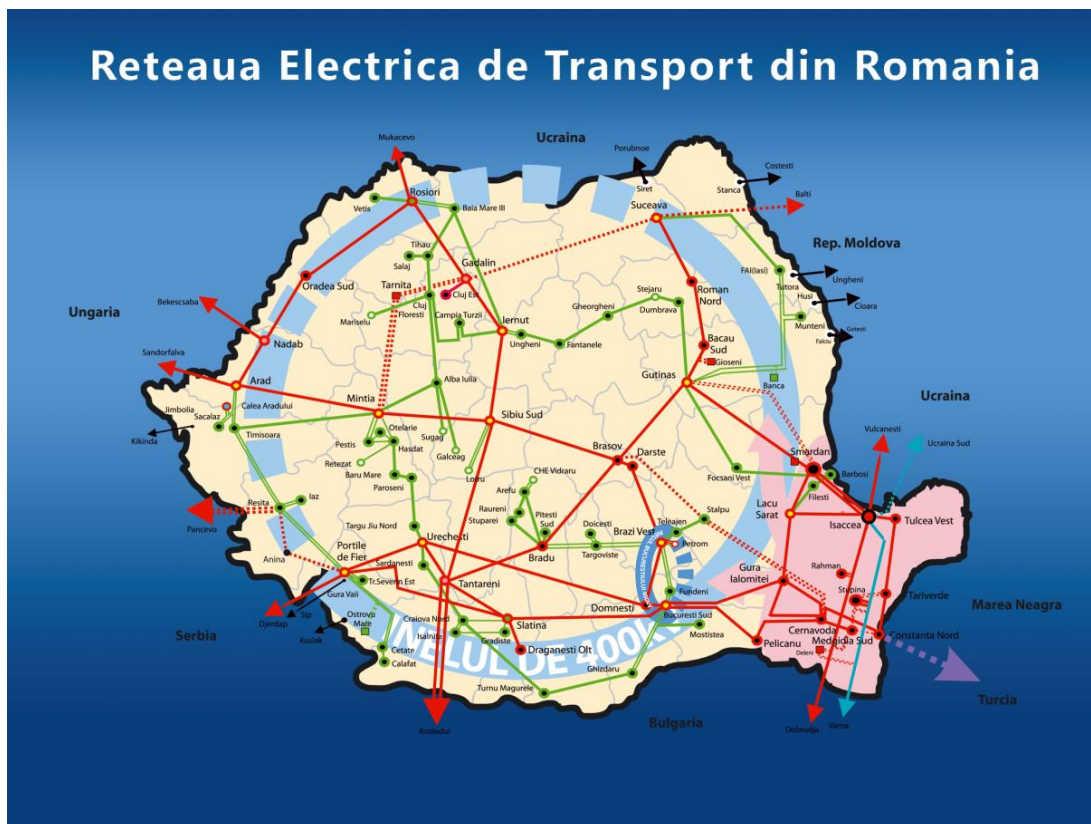
implemented mainly according to three possible models: *ownership unbundling* (OU), independent *system operator* (ISO) and independent *transmission operator* (ITO).

Currently, under ANRE Order 164/07.12.2015, Transelectrica is finally certified as a transmission and system operator of the national electricity system and operates under the ownership unbundling model.

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

According to the conditions of certification as a transmission and system operator according to the ownership unbundling model, the Company's shareholders representing at least 5% of the Company's share capital will exercise the rights arising from the ownership of the Company's shares in compliance with the provisions of Law no. 123/2012 regarding the non-exercise, directly or indirectly, of control or a right over an economic operator carrying out any of the generation or supply activities.

Figure 3: Electricity Transmission Network

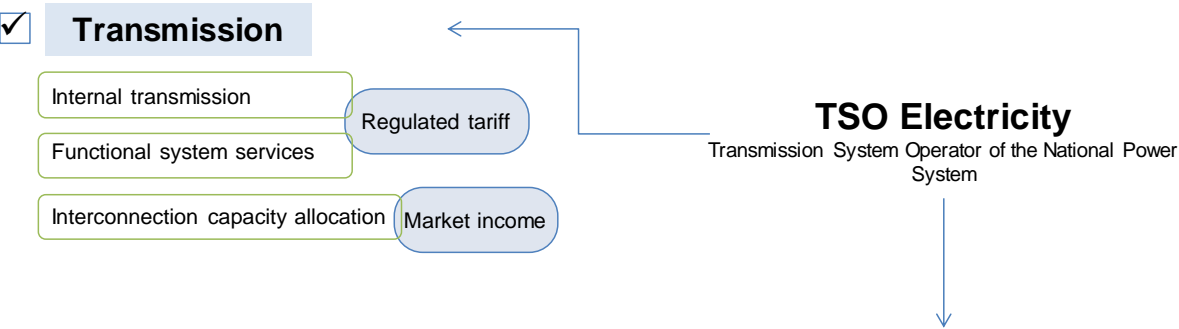


1.2.Portfolio of activities and pricing model

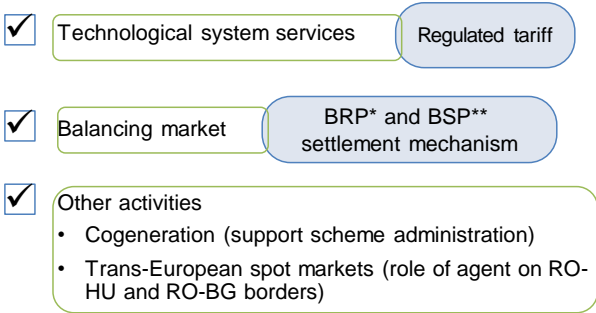
Transelectrica's portfolio includes profit-making activities (transmission services allowed) and non profit-making activities (technological system service, balancing activity, support schemes), all of which are subject to ANRE regulations.

Figure 4: Portfolio of activities

Profit-allowed activities



Zero-profit activities



\*\*Balancing Responsible Parties and \*\*\*Balancing Service Providers

According to the Methodology for setting tariffs for the electricity transmission service, the costs necessary for the purchase of electricity related to RET's own technological consumption are taken into account in the calculation of the regulated transmission service revenue.

The activities shown in the above chart in the "zero profit" category are projected on a profit-neutral basis for the Company as per the applicable regulatory framework.

Revenues from technological system services are estimated through the related tariff in order to fully cover the costs associated with the activities. Similarly, the cash flows related to the administration of the

support scheme for the promotion of high-efficiency cogeneration are based on a contribution set by ANRE estimated to cover the full costs associated with the administration of the support scheme.

In the event of the reporting of non-zero annual results, positive or negative, from the technological system services activity, caused by differences between the forecast values included in the calculation of tariffs and the actual values, the neutrality of this activity with respect to the company's profit is restored over a multi-year time horizon by incorporating appropriate adjustments in the tariffs.

## Activities ANRE License

### TRANSMISSION



- Activity regulated by ANRE;
- The tariff is reviewed and updated annually;
- The tariff for the transmission activity is established on default settings for multiannual periods (usually 5 years) using a revenue cap incentive model;
- The revenue-cap model allows the recovery of operating costs, investment costs and the obtaining of a financial return intended to adequately remunerate the financiers, in correspondence with the general risk of the regulated activities carried out by Transelectrica;
- Certain cost components, included in the tariff calculation, are capped at levels predetermined by ANRE (according to operational efficiency requirements), the superior efficiencies obtained by Transelectrica being partially retained by the Company through an additional profit sharing mechanism with the transmission service users.

**Regulated tariff**  
costs + regulated profit

### SYSTEM OPERATION (system services)

#### Functional\*



- Activity regulated by ANRE;
- NPS dispatching operations to maintain the level of operational safety of the system (maintaining the system in a stable production-consumption balance, maintaining systemic parameters within predetermined margins to ensure the safe and stable operation of NPS, operational programming of consumption coverage) using infrastructure of NPS's operational technical management represented by the EMS-SCADA system and the telecommunication, remote control, protection and control systems.

#### Technological



- Activity regulated by ANRE;
- Operations for planning and procuring the power reserves necessary for the permanent assurance of the production-consumption balance, for the NPS operational safety, from qualified energy units (production groups, consumers, storage facilities);
- The tariff related to the technological system services is established annually in advance by ANRE on the basis of a zero-profit model ("pass-through") designed for the full recovery of the costs necessary to procure system reserves with the possibility of retaining a part of any savings when purchasing power reserves in a competitive system.

**Regulated tariff**  
costs

### BALANCING MARKET (settlement)



- Market management activity that balances production and consumption in real time;
- Control energy procurement operations from balancing service providers - qualified energy units (production groups, consumers, storage facilities) and full recovery of balancing costs from the balancing responsible parties;
- Cost recovery is done on a zero-profit basis.

**BRP\*\* and BSP\*\*\*  
settlement mechanism**  
costs

\* As of January 1, 2021, the operating system tariff - the functional services component, has been included in the transmission tariff

\*\* Balancing Responsible Parties and \*\*\*Balancing Service Providers

## Other activities

### Other profit-allowed activities

#### Interconnection management

- Allocating available capacities for cross-border transfer of electricity on interconnection lines with the electricity systems of neighbouring countries;
- The allocation mechanism is based on an automatic default system based on price spread between markets (in case of market coupling) or an explicit competitive system based on the price offered by energy market participants for the available cross-border transmission capacity, applicable in situations where the demand for capacity exceeds the available level offered to the market.

### Other zero-profit activities

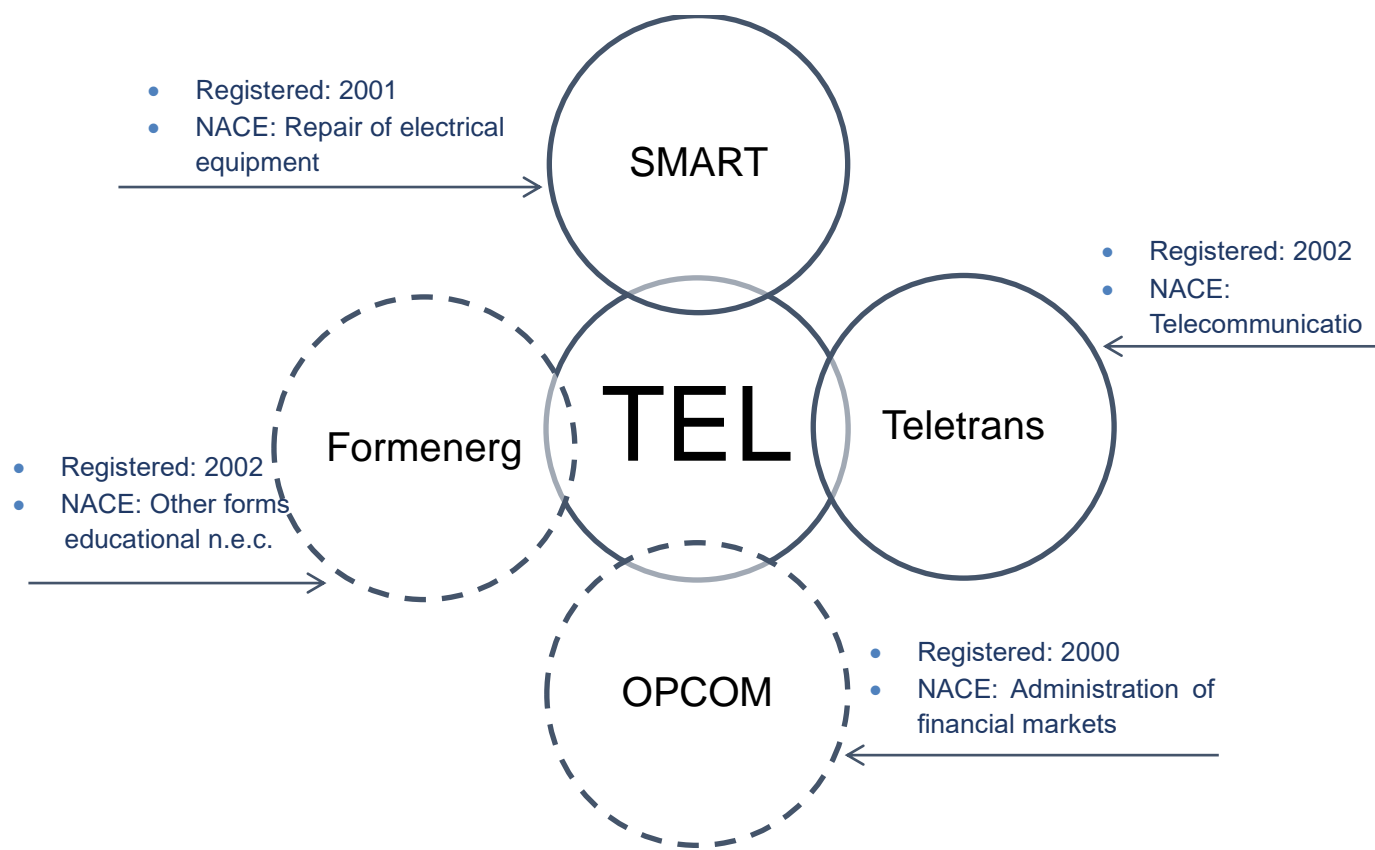
#### Cogeneration

- Support scheme administration activity to promote high efficiency cogeneration. The aim of this support scheme is to promote high-efficiency cogeneration electricity generation systems with the advantage of low-emission energy production;
- The role of Transelectrica in the support scheme is to collect the contribution from the suppliers of electricity consumers and to pay the bonus to the qualified cogeneration producers of electricity and thermal power;
- Cost recovery is done on a zero-profit basis.

#### Transfer agent - Romania-Hungary and Romania-Bulgaria relationship within the European electricity market

- Netting-settlement activity (role of transfer agent) on the European electricity market on the trading period one day before delivery (day-ahead) as well as on the domestic market. Transelectrica performs a financial clearing function on the border with Hungary and Bulgaria, playing an important role in the energy settlement chain on the trans-European spot markets.

2. Group Structure



At the date of this report Transelectrica has six subsidiaries, Romanian legal entities, organized as joint-stock companies, of which it is the sole shareholder in the following: Formenerg, Teletrans, Smart, Icemenerg Service (subsidiary which at the date of this report is deregistered with the ONRC), Icemenerg SA (Institutul de Cercetări e Modernizări Energetice ICEMENERG SA - subsidiary which at the date of this report is deregistered with the ONRC).

Among the Company's subsidiaries, the Smart and Teletrans subsidiaries are included in the Group's financial consolidation perimeter.

They have not been taken into account in the preparation of the consolidated financial statements:

- subsidiary Formenerg as according to the applicable accounting legislation, the impact of its activity is considered immaterial for consolidation purposes,
- the subsidiary OPCOM as the management is carried out according to the regulations set by ANRE and Transelectrica does not exercise effective direct control over its decision-making mechanisms.

SMART



The subsidiary Societatea Comercială pentru Servicii de Mentenanță a Rețelei Electrice de Transport "SMART" SA was established in 2001, by GD no.710/19.07.2001 through the reorganization of some activities within Transelectrica.

The main activities of the subsidiary are the overhaul and repair of primary apparatus and equipment in electrical networks (so that RET installations operate safely at the level of performance required by the licence), the repair of incidents in electrical installations, the provision of energy services, energy services for the energy system and micro-production of electrical equipment. The company has 8 branches without legal personality.

The mission for which SMART SA was established was and still is to ensure preventive maintenance, special works and corrective maintenance of the Transmission Grid (RET), based on Transelectrica's primary objective: to ensure the safe and stable transmission of electricity in the national transmission grid.



The branch offers professional services at a high level of performance, i.e. maintenance, repairs, expertise, consultancy for:

- Low, medium, high and extra high voltage switchgear and equipment - up to and including 750kV,
- Equipment and circuits for protection, automation, measurement, command - control,
- Transformers and autotransformers of all powers and voltages,
- Overhead and cable power lines of all voltage levels.

The subscribed and paid-up share capital as at 31.12.2023 is 38,529 thousand lei, Transelectrica being the sole shareholder. The results of the SMART subsidiary are consolidated with the financial results of the Company.

SMART shares are 100% owned by Transelectrica.

## TELETRANS



The subsidiary TELETRANS SA was established by the AGM Resolution no. 13/04.12.2002 of Transelectrica, based on the Law no. 31/1990 and the Orders of the Ministry of Industry and Commerce no. 3098 and no. 3101 dated 23.10.2002 and is the provider of specific telecommunications and information technology services for the operational and management of Transelectrica, having as its main activity the provision of specific telecommunications services. At the same time, the Subsidiary has the possibility to market specific services on the liberalised communications market in Romania.

The subsidiary has a high level of expertise in areas of profound uniqueness in systems and process management in the energy industry.

On the basis of the Articles of Association and the applicable regulations, Teletrans holds the ANCOM certificate of provider of electronic communications networks or services since 2002 (O.U.G. no. 679/2002), which entitles it to provide the following electronic communications services:

- Public electronic communications networks (from 11.11.2004);
- Electronic communications services to the public: (i) Leased line services and (ii) Electronic communications services other than telephony and leased lines (from 01.07.2003);
- Private electronic communications networks and services (from 15.01.2003).

- TELETRANS personnel also have certifications relevant to the operation and administration of IT&C systems dedicated to critical infrastructures.

TELETRANS uses a fibre optic network built in reliable OPGW technology with access points in 110 localities as well as cross-border links with Hungary, Bulgaria and Serbia and provides EMS/SCADA system integration services for renewable energy producers and new control systems in upgraded stations.

The services provided by Teletrans were mainly IT/Tc services to Transelectrica, maintenance services of the local metering system at the Company's power stations and telecommunication services through the sale of surplus capacity existing in the fibre optic communication infrastructure.

The subscribed and paid-up share capital as at 31.12.2023 is 6,874 thousand lei, Transelectrica being the sole shareholder. The results of the subsidiary Teletrans are consolidated with the financial results of the Company.

TELETRANS shares are 100% owned by Transelectrica.

## FORMENERG



FORMENERG SA was established following the Decision number 33/19.11.2001 of the General Meeting of Shareholders - "Transelectrica" S.A., by outsourcing the activity of the Branch for Training and Development of Energy Sector Personnel. FORMENERG started its activity on 21 March 2002.

The FORMENERG subsidiary is a company whose main activity is the initial and continuous professional training, in all fields of activity, of personnel working in the energy sector in all sectors of the national economy and other beneficiaries, as well as hotel services, rental services and event organisation services.

FORMENERG SA is based on an old training centre in Romania, with extensive experience in the field of vocational training, currently offering a wide range of courses, both in technical fields (construction, energy, installations, etc.) and of general interest (project management, sales, trainer, etc.) with a portfolio of over 200 courses. Courses authorised and approved by institutions such as ANRE or the Ministry of Labour and Social Solidarity are taught by professional and experienced lecturers and trainers.

The Branch is also an authorised training provider by the National Authority for Qualifications (ANC).

FORMENERG competences are structured along the following main lines:

- training/training services,
- hotel accommodation services,
- rental services (building, classrooms).

The share capital on 31.12.2023 is 1,948 thousand lei, fully paid up, represented by 194,842 shares with a nominal value of 10 lei each.

FORMENERG shares are 100% owned by Transelectrica.

### ICEMENERG - SERVICE

The company ICEMENERG SERVICE - SA was focused on the design, production and distribution of measuring, control and management devices for the energy system, having ISO 9001 and IQ NET certification by SRAC ROMANIA, ANRE certified.

On 09.06.2017, the Bucharest Court, Civil Section VII, ordered the entry into bankruptcy by simplified procedure of the debtor Company Subsidiary ICEMENERG SERVICE - SA, appointing Solvendi SPRL as provisional liquidator.

On 27.04.2021, by address no.18759, the Special Administrator of ICEMENERG Service SA informed that on 23.04.2021, following the auction held, the assets of ICEMENERG Service SA, both movable and immovable, were sold en bloc, the buyer being Portland Trust Developments Five SRL.

In the case no.18051/3/2017, according to the Insolvency Proceedings Bulletin no.9152/26.05.2022, the Bucharest Court - Civil Section VII by civil sentence no.2429 approved the final report of the judicial liquidator, and on the basis of art.175 paragraph 2 of Law no.85/2014 on insolvency prevention and insolvency proceedings, closed the insolvency proceedings against the debtor Company Filiala "Icemenerg-Service" SA by deregistering it from the Bucharest Trade Register.

### OPCOM



OPCOM SA was set up on the basis of GD no. 627/2000 on the reorganisation of the National Electricity Company SA, as a subsidiary whose sole shareholder was Transelectrica.

In accordance with the provisions of the primary and secondary legislation in force, the Operator of the Electricity and Natural Gas Market "OPCOM" S.A. performs the role of administrator of the electricity market, providing an organized, viable and efficient framework for the conduct of commercial transactions

in the wholesale electricity market and carries out activities of administration of the centralized markets in the natural gas sector, under conditions of consistency, fairness, objectivity, independence, fairness, transparency and non-discrimination. The main activities carried out by OPCOM under the provisions of the primary and secondary legislation in force:

- The organisation and administration of centralised electricity markets;
- Acting as organiser and administrator of the green certificates market;
- To perform the activity of centralised market management in the gas sector;
- Exercise the role of Single Buyer in the framework of the Centralised Electricity Purchasing Mechanism.
- For the delivery period prior to October 2023, the determination of payment obligations/collection charges for transactions made by Balancing Market Participants and for TSOs, the calculation of final single prices, final shortfall prices and final surplus prices as well as the determination of the Balancing Parties' quantitative and value imbalances, as the delegated operator for carrying out balancing energy settlement, and the Balancing Parties' imbalances;
- Supervision of the functioning of administered markets;
- Collection and publication of market statistics as required by the Energy Law;
- Registered Reporting Mechanism (RRM);
- Administration and development of IT platforms serving energy markets;
- Active participant in the European energy market.

OPCOM is in collaboration with the Bucharest Stock Exchange to identify projects through which the two entities will propose the trading of derivative products for the management of energy price risk and the clearing and settlement through a national Clearing House (Central Counterparty in Romania-CCP.RO). In 2021, OPCOM and CCP.RO negotiated the Contract on the framework for clearing and settlement of transactions concluded on the Centralised Market for Bilateral Electricity Contracts - Continuous Trading (PCCB-NC) administered by OPCOM. This project is necessary for the energy market and the capital market, contributing to increase liquidity and to the smoothing of payments by increasing the safety of transactions and decreasing the expenses related to cleared transactions, thus following the European best practices in the field of capital markets together with the energy markets.



At the same time, OPCOM has been qualified by ACER as a Registered Reporting Mechanism for reporting bids and trades established by wholesale energy market participants in Romania.

In view of its scope of activity and responsibilities, OPCOM is a member of the International Association of Power Exchanges (APEX), the Association of European Energy Exchanges (EUROPEX) and other national committees and associations.

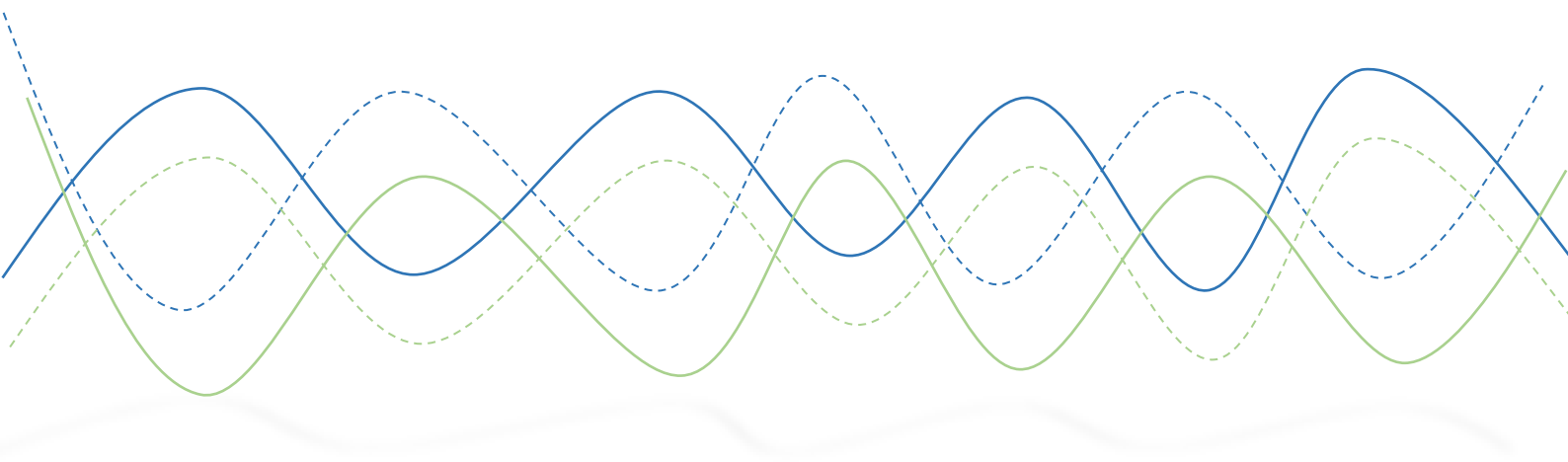
At the same time, as part of the region's Flow-Based Coupling Project, on June 8, 2022, the 16 Transmission and System Operators (TSOs) in the Core Capacity Calculation Region (Core CCR), together with 10 Designated Electricity Market Operators (DEMOs), initiated day-ahead flow-based market coupling. Also, as part of the Core FB MC project, the market coupling between Croatia and Hungary & Slovenia and Hungary has been implemented, contributing to a more complete and better functioning European market coupling.

OPCOM is directly involved in all European efforts dedicated to the creation of a single electricity price, being fully integrated and engaged in a series of European and regional cooperations corresponding to its profile, being strongly anchored in the European efforts dedicated to this objective.

Transelectrica does not exercise effective direct control over the decision-making mechanisms of OPCOM, whose management is conducted in accordance with the regulations established by ANRE.

The subscribed and paid-up share capital of OPCOM as at 31.12.2023 is 31,366 thousand lei, Transelectrica being the majority shareholder at that date. The shareholder structure is as follows:

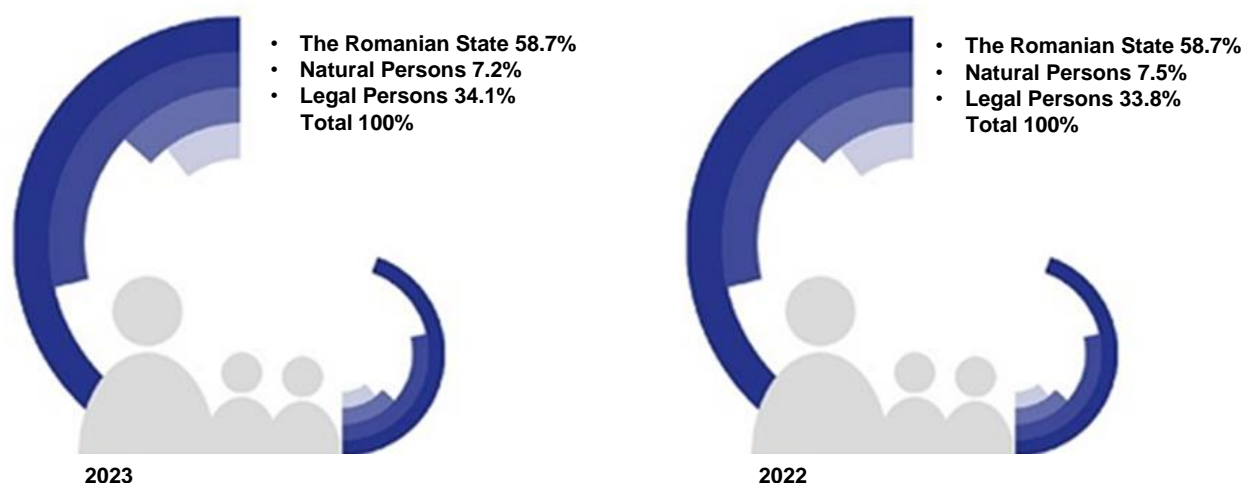
- NPG CO. Transelectrica SA - 97.84% - NPG CO.
- The Romanian State through the General Secretariat of the Government - 2.16%.



### 3. Transelectrica on the capital market

#### 3.1. Shareholding structure

Figure 5: Evolution of the ownership structure 2023-2022



The Company guarantees the right of shareholders to fair treatment and to be fully and fairly informed of the Company's situation.

All shares issued confer equal rights on the holders and any change in the rights conferred shall be subject to the approval of the holders directly affected at a special meeting of the holders.

The main shareholder and holder of 43,020,309 of the total shares is the Romanian State represented by the General Secretariat of the Government representing a percentage of 58.688%, the remaining shares, namely 30,282,833 represent free float shares.

As at 31 December 2023 the two significant minority shareholders are :

- Pavăl Holding SRL which holds **6.485%** of the Company's share capital.
- NN Group N.V. which became a significant minority shareholder as of 11 April 2019 and holds a **5.467%** stake.

Table 1: Free Float Shares

Free Float Shares	31.12.2023	%
<b>Non-residents, of which</b>	<b>626,241</b>	<b>2.70%</b>
Individuals	88,992	0.29%
Legal entities	537,249	1.77%
<b>Residents, of which</b>	<b>29,656,592</b>	<b>97.93%</b>
Individuals	5,201,163	17.18%
Legal entities	24,455,429	80.76%
<b>Total shares</b>	<b>30,282,833</b>	<b>100%</b>

#### 3.2. Share price evolution

The Romanian equity market is included in the Emerging Markets Indexes as of 21 September 2020, according to the FTSE Russell global index provider's classification. The actual promotion to Emerging Market status allows the Romanian capital market and economy to absorb new funds and sends a strong signal to private and state-owned companies that they can grow significantly through the exchange.

Since 5 January 2015, Transelectrica is listed in the Premium category of the regulated market administered by the BVB.

The Company's shares are part of the BET index - an index that reflects the evolution of the 20 most traded companies on the Regulated Market of the Bucharest Stock Exchange, excluding financial investment companies (SIFs) and are traded on the regulated market, administered by the Bucharest Stock Exchange in category I, under the symbol TEL.

The BVB indices reflect the price evolution of the most traded listed companies or the evolution of certain representative sectors, such as the financial sector or the energy sector. In terms of calculation methodology, all BVB indices are free float capitalisation weighted price indices, with maximum limits for the weights of the component companies. With the exception of the BET-TR, BET-TRN, BET-XT-TR and BET-XT-TRN indices which are adjusted for dividends, the other indices only reflect the evolution of market prices.

Transelectrica turned 17 years old on 29 August 2023 from the date of listing on the Bucharest Stock

Exchange under the programme "A Strong Market - Capital Market Development", being the first company with majority state capital listed.

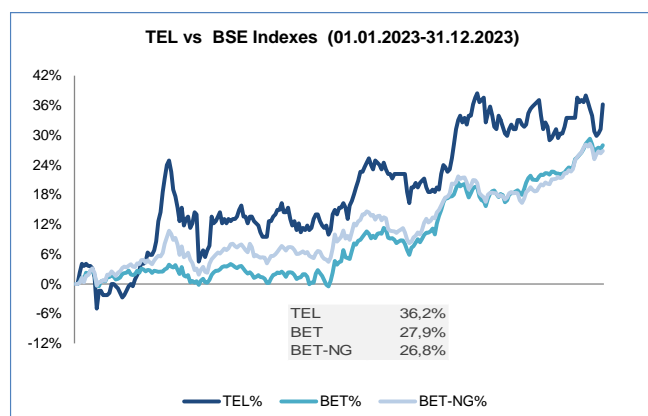
The year 2023 started with a trading price of 22.10 lei/share, opening the way to the maximum price of the period of 30.60 lei/share recorded on 03.10.2023, a historical maximum over the last 6 years.

The final price of the period brought TEL shares an increase of 36.20%, a higher return than the BET (27.95%), BET-NG (26.81%) indices and the Company a market capitalization of 2,206 million lei

Trading of TEL shares during 2023 on the Romanian capital market recorded 22,873 transactions with an average number of 92 transactions/day and 3,560,982 shares traded, with a total value of 92,409 thousand lei.

Transelectrica shares are part of the following stock market indices: BET, BET-NG, BET-TR, BET-XT, BET-XT-TR, BET-BK, BETPlus, BET-TRN, BET-XT-TRN, ROTX. Of these the most representative for the Company are:

Figure 6: TEL vs BVB 2023 indices



➤ BET index (Bucharest Exchange Trading - the benchmark index of the capital market reflecting the performance 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 08.12.2023, TEL shares have a weighting of 1.39% in the BET index and 2.57% in the BET-NG index.

Internationally, TEL shares have been promoted since August 2023 in the MSCI Frontier and MSCI Romania indices.

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

Figure 7: TEL share price evolution 2023

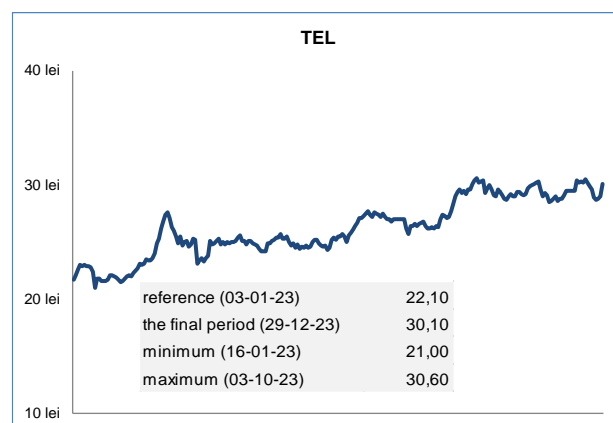


Table 2: Stock market information 2023 -2021

Indicator	2023	2022	2021
<b>Number of shares</b>	73,303,142	73,303,142	73,303,142
<b>Market capitalization (million lei)</b>	2,206	1,591	1,649
<b>Market capitalisation (€ million)</b>	444	322	333
<b>Maximum price (lei/share)</b>	30.6	23.5	29.3
<b>Minimum price (lei/share)</b>	21.0	16.9	20.7
<b>Price at the beginning of the year (lei/share)</b>	21.7	22.5	25.6
<b>Price at the end of the year (lei/share)</b>	30.1	21.7	22.5
<b>Earnings per share (lei/share)</b>	2.91	7.02	0.01
<b>FOR</b>	10.33	3.09	-
<b>P/BV</b>	0.43	0.41	0.49
<b>Dividend per share from the result of the period (lei)</b>	-	0.71	-
<b>Dividend per share from retained earnings (lei)</b>	0.28	-	-
<b>Dividend return %</b>	0.93	3.27	-
<b>Free Float %</b>	41.31	41.31	41.31

The dividend yield proposed for approval at the General Meeting of Shareholders was calculated using the last share price on 31 December of the year. Share identification data: ISIN ROTSELACNOR9; Bloomberg TEL RO, Reuters ROTEL.BX

### 3.3. Dividend

The dividend policy is the Company's option to distribute dividends and/or reinvest net profits.

In the first case, it remunerates equity capital and in the second case it generates funds for self-financing economic growth.

Allocating a large share of net profit as a dividend restricts the company's self-financing possibilities, leading to increased indebtedness. On the other hand, a company with a dividend policy characterised by a high dividend payout ratio enjoys an appreciation of its shares in the market, which has the effect of increasing the possibilities of financing through new share issues.

The dividend distribution rate is set annually by the majority shareholder, who approves at the AGM the method of profit distribution and the amount of dividends granted.

The accounting profit for the year 2023 remaining after deducting the profit tax and distributed among the destinations provided in OG no. 64/2001 regarding the distribution of profit to national companies, national companies and commercial companies with full or majority state capital, as well as to autonomous governments, approved with amendments by Law no. 769/2001, with subsequent amendments and additions, is 0.

But in accordance with the provisions of the legislation in force, only the shareholders of NPG Transelectrica SA have the prerogative to adopt a resolution of the AGM with the object of redistributing in the form of dividends an amount of money from other

reserves/results carried forward provided that it falls within the accounting balance these accounts. Only at the time of the adoption of a decision of the General Meeting regarding the distribution in the form of dividends of any amount, the Company will become the holder of a definite, liquid and enforceable payment obligation.

In this sense, the Company performed the financial analysis taking into account the value of the reserves in its own capital, the cash availability at the Company's disposal, the provision of funding sources with priority for the commitments contracted in previous years (further objectives) and for the new investment objectives approved in PAI 2024, the restricted cash (amounts in transit in Transelectrica's accounts as administrator of the cogeneration scheme) and the current costs for ensuring the operation of the SEN in conditions of maximum safety.

Following the financial analysis carried out, it turned out that the amount that can be distributed to shareholders from other reserves/the non-taxable carried forward result when the destination is changed, is 20,524,879.76 lei, which represents a gross dividend of 0.28 lei/share for all the shareholders.

When determining the value of the gross dividends due to the shareholders, the number of shares existing on the date of the preparation of the financial statements of the year 2023 will be taken into account, respectively 73,303,412 shares, and the gross dividend per share will be determined considering two decimal places.

### 3.4. Rating

On November 29, 2023, Moody's Investors Service credit rating agency published its updated credit opinion assessing the Company's current and future ability to meet its payment obligations to creditors, assigning a Baa3 stable rating (reaffirmation of the previous year's rating). In the assessment, the Company's rating is at the sovereign rating level (Baa3 stable), recognizing the Company's improved financial performance and strong operating results. This provides the basis for future cost-effective financing of the investments undertaken by the Company to finance the investment plan under the RET 2022-2031 Development Plan.

Transelectrica is for the third consecutive year in the investment-grade Baa3 (moderate investment risk) category, given the strategic importance of the Company, the continuous improvement of the regulatory framework, and the benefit of government support in case of financial difficulties.

Achieving a Baa3 rating with a stable outlook reinforces a favourable position on the Company's ability to meet its current and future financial obligations, showing that Transelectrica operates in an improved regulatory environment, with a strong financial profile, low debt levels and strong, stable and predictable financial values.

Table 3: Transelectrica Rating

Rating agency	2023	2022	2021
Moody's Investors Service	Baa3 stable	Baa3 stable	Baa3 stable

### 3.5. Investor and stakeholder relations

In the context of implementing corporate governance rules and best practices, Transelectrica is engaged in active communication with shareholders and investors, using several communication channels and dedicated interfaces. The company is aware of its important responsibility as a publicly traded company.

The diversity of the shareholder base and the presence in the main indices published by the BVB emphasize the requirements in terms of transparency, relevance of information and speed in its dissemination, as well as maintaining a continuous dialogue with the investing public.

Thus, shareholders and investors have access to information relevant to their investment decision by accessing the dedicated section of Transelectrica's website, the Investor Relations section (AGM meetings with relevant agenda items, financial statements, corporate governance, current reports and periodic presentations, dividend information, etc.), written electronic correspondence and telephone correspondence through dedicated contacts.

The Company also maintains contact with investors through direct quarterly meetings organized periodically by the Company to present results with shareholders, investors, financial analysts and the specialized press in order to present financial elements relevant to the investment decision, in accordance with the Annual Financial Communication Calendar disseminated at the beginning of each calendar year, "one to one" meetings at the request of investors or their brokers and meetings through the Company's participation in events dedicated to individual investors or institutional investors organized by the Bucharest Stock Exchange or financial investment services firms.

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

- Transelectrica's general business profile, the positioning of the Company within the market/sector, the framework for the licensing and concessioning of transmission network assets, the portfolio of activities carried out,
- the Company's financial results,
- dividend: general policy, rate of distribution from profits,

- the regulatory framework for tariffs for the two licensed activities (transmission and system services).

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

During 2023 the Company's representatives held 4 meetings with financial analysts, investment consultants, brokers and investors to present the completed and reported financial results. The calendar dates for these events were announced at the beginning of 2023 through the approved Financial Communication Calendar of C.N.T.E.E. "Transelectrica" S.A. and were held as follows:

Event organised	Date
Presentation of financial results for 2022	24 March 2023
Presentation of financial results for Quarter I 2023	15 May 2023
Presentation of financial results for the first half of 2023	16 August 2023
Presentation of financial results for the third quarter of 2023	14 November 2023

At the same time, representatives of the Company participated in March 2023 in London at the conference/event organized by Wood&Co and Bucharest Stock Exchange.

Following the experience during the Covid-19 pandemic, the vast majority of shareholders have chosen to exercise their right to vote in the General Meetings of Shareholders, using postal ballots, as an alternative to participate directly or through a representative at the Company's headquarters, thus accessing indirect communication channels, namely either by mail or courier services (at the address: Bucharest, Sector 3, Olteni Street no. 2-4, "PLATINUM Center" building), or by electronic means of communication.

Shareholders of NPG CO. "Transelectrica" S.A. enjoy equal treatment, obtain non-discriminatory, relevant and timely information about important events in the Company's activity.



Periodic and ongoing reporting on all material events relating to its business, including its financial condition, performance, ownership and management is in accordance with specific capital market legislation.

As an issuer of securities on the regulated market of the Bucharest Stock Exchange, NPG CO. "Transelectrica" S.A. provides access to information of public interest, transparency and accountability to shareholders and interested persons by publishing on the Company's Website, respectively [www.transelectrica.ro](http://www.transelectrica.ro) of all relevant information likely to influence the decision to invest.

For the year 2024, the company's main objective is to apply the best practices in the field in order to streamline the communication between the company and investors and to position itself as high as possible among the top listed companies in terms of transparency and communication with investors.



## 4. Risk management

### 4.1. Risk management policy

Within the Company, the Integrated Risk Management System is implemented, imposed by the strategic requirements for safety and continuity in the operation of the NES and representing a fundamental condition for sound internal managerial control. The Company proactively approaches risk management, with the Directorate thus ensuring, in a reasonable manner, that the objectives will be achieved by managing potential threats. In this respect, the aim is to identify and treat potential losses before events that could have a negative impact occur, with prior preparation of specific technical, operational and financial solutions to mitigate or counteract these potential losses.

The Company's risk management complies with applicable legal and regulatory requirements to have risk control capabilities appropriate to the Company's risk profile for risk identification, assessment, management, monitoring, communication, consultation and reporting:

- Order of the General Secretariat of the Government no. 600/2018 on the approval of the internal managerial control of public entities,
- the requirements of the Regulator and other requirements deriving from being a listed company or imposed by rating agencies or auditors.

In 2023, a *Company-wide Risk Register - 2023* was prepared and approved by the Company's Directorate, with the aim of minimising the effects of the significant risks to which the Company is exposed. *The Risk Register* was prepared in accordance with the requirements of Standard 8 *Risk Management*, of OSGG No. 600/2018. At the same time, the *Control*

*Measures Implementation Plan for the year 2023* was prepared and approved by the Directorate.

Since Transelectrica's core business, through its territorial transmission branches and DEN, is to ensure the continuous operation and operational management of the National Electricity System (SEN), according to the quality, safety and efficiency rules set out in the Technical Code of the RET and the European and national regulations in force, special priority and attention has been given to the safety and health criteria of employees, as well as to the continuity of strategic functions for the SEN, as system operator and electricity transporter.

The actions taken to control the risks, mainly in 2023, have reduced the probability of materialisation and the impact of the risk compared to the level of inherent risks.

Materialised risks have been dealt with in accordance with the strategy adopted, dictated by the circumstances that favoured the occurrence of the risk.

Establishing a risk management strategy involves:

- risk acceptance
- risk monitoring
- treating the risk to eliminate/mitigate it to an acceptable level through measures
- risk outsourcing e.g. insurance contracts

The strategies to combat the risks consisted mainly of:

- treating significant risks to mitigate them to an acceptable level, and
- monitoring significant risks.

### 4.2. Transelectrica's risk management objectives

The Company's management aims to maintain the continuity of the strategic functions of system operator and electricity transmission operator within Romania's NES, even in the most adverse circumstances.

Both directly and through implementation at the level of the territorial transmission branches and subsidiaries, as well as through the transposition of applicable requirements into service contracts with specialised suppliers, the Company's policy aims to operate in accordance with the quality, safety and efficiency standards laid down in the RET Technical Code and any other specific applicable regulations, with a focus on compliance with employee health and

safety criteria, as well as ensuring the protection and conservation of property and the environment.

The Company's management has set the following strategic objectives for risk management:

- understanding the risks to which the Company is exposed, the causes, possible deviations from budget and their costs, and the impact on general and specific objectives;
- maintaining a safe working environment for employees;
- operating equipment and installations safely, without danger to third parties and without harming the environment;

- implementation of optimal risk control measures.

The main objectives set include:

- improving the Company's risk profile by managing the overall process of identifying, assessing and monitoring risks and implementing the necessary controls,
- eliminating or minimizing conditions and practices that may lead to failure to meet performance indicators, disruption or limitation of Company operations;
- reducing the total cost of risk to help secure the financial resources needed for operating expenses, liabilities payments and investments.

### 4.3. Main risks identified

Risk management is an integral part of the Company's management and decision making processes, contributing to the achievement of objectives to a greater degree through more accurate risk planning and measures to limit and control potential adverse effects on the Company's financial performance due to the unpredictability of the economic and financial environment.

In the process of updating the Risk Register, it was found that the risk exposure remained at the same level as the previous year, with residual risks remaining broadly unchanged from the previous assessment. Risks identified in previous years are kept under proper control.

#### Technical and operational risks

The materialisation of risks of a technical nature or resulting from non-compliance with existing procedures or systems, arising from employee behaviour or external events - including hazards, could adversely affect the Company's business, representing an obstacle to achieving the proposed results and affecting the Company's financial situation:

- loss of NES stability,
- damage to installations and equipment; damage, unavailability of installations and equipment,
- malfunctions of systems and platforms used in operational management, communications and telecommunications,
- unavailability of measurement data, aggregation for OPCOM / OPE,
- incomplete implementation of the RET Maintenance Programme,
- the quantitative and qualitative implementation of the annual investment programmes below planned levels,

The Company's activities are sensitive to general economic conditions, which can affect the amount of electricity transmitted and therefore revenues and operating results. In addition, the demand for electricity and its price depend on a variety of factors over which Transelectrica has no control, namely:

- global and regional economic and political developments;
- consumer demand from industry;
- climatic conditions;
- ANRE regulated tariffs for transmission and system services;
- existing laws and regulations.

- failure to meet legal conditions/requirements,

#### Financial risks

From a financial risk management point of view, the risks to which the Company is exposed, with the most significant effects on the financial results, derive from financial instruments: interest rate risk, currency risk, credit risk and liquidity risk. Other risks that may affect the Company's performance are: risk related to provisions in financing agreements, risk of credit rating deterioration, price risk due to unpredictability of the energy market (which may lead to significant increases in costs associated with OTC).

The main risks that the Company may encounter in the course of its business are summarised below:

#### Interest rate risk

The company has concluded loan agreements (long and short term) to finance investment programmes and to support operational activities.

The variable component of the interest rate on borrowings drawn by the Company may affect both cash flows from operating activities and profitability if the values of these ratios against which the interest rate is calculated change significantly.

In the short term, Transelectrica has contracted two lines of credit to finance the bonus support scheme for high-efficiency cogeneration, with a variable interest rate calculated on the basis of the ROBOR 1M reference rate, plus a margin of 0%, and a line of credit to finance current activity, with an interest rate calculated on the basis of the ROBOR 1M reference rate, plus a margin of 0.05%.

The company has contracted 2 non-current fixed interest borrowings granted by the European Investment Bank (EIB) on 5 August 2010. The amounts due at 31 December 2023 for the EIB loan are:

- EIB loan 25709 - EUR 4,814,814.90
- EIB loan 25710 - EUR 6,420,940.13.

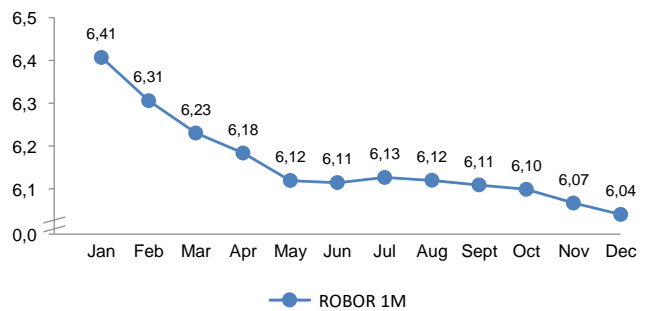
Given that the non-current borrowings contracted by the Company are at fixed interest rates, we can state that the impact of this risk is low.

In the national banking market, the 1-month ROBOR experienced a downward trend during 2023, reaching a maximum of 6.41% (January 2023) and a minimum of 6.04% in December 2023.

In 2023, compared to the previous year, the 1-month ROBOR recorded a significant increase, amid the economic crisis and the military conflict at the country's border, and follows the trend of other currencies in the area.

In 2023, the NBR decided to maintain the monetary policy interest rate at 7% per year.

Figure 8 ROBOR 1M(%)



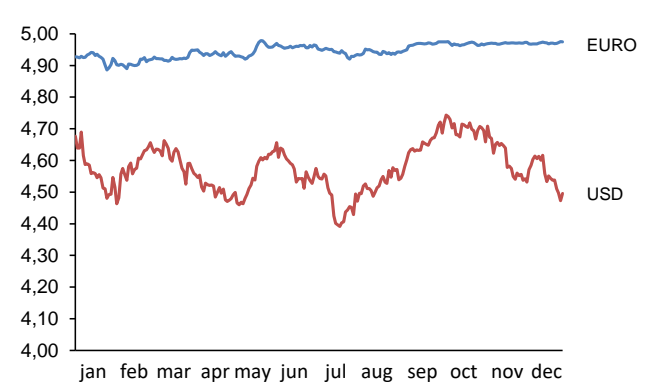
National money market interest rates have been on a downward trend over the past 12 months, amid excess liquidity in the banking system, coupled with lower demand for credit and tighter credit supply conditions.

Currency risk

The functional currency of the Company is the Romanian Leu. The Company is exposed to exchange rate fluctuations arising from the revaluation of assets and liabilities denominated in other currencies.

During 2023, the exchange rate (euro) recorded average monthly fluctuations between -0.37% and 0.5% amid events affecting the global economy.

Figure 9: Exchange rate evolution 2023



In 2023, compared to the previous year, the national currency depreciated, on average, against the euro by 0.31%.

Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulties in meeting obligations associated with financial liabilities that are settled in cash or by transferring another financial asset. Provisions in the Company's financing arrangements may limit the Company's financial and operational flexibility.

A prudent liquidity risk management policy involves maintaining sufficient liquid resources to be able to meet obligations as they fall due, as well as the availability of funding through appropriate credit facilities.

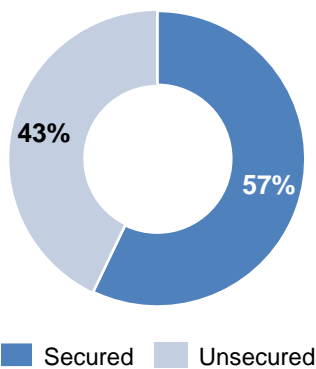
Liquidity risk is mitigated by the introduction of unsecured instruments (unsecured borrowings offered by international financial institutions) into the Company's funding mix, which significantly reduce reliance on the limitations and constraints of the banking environment and the need for commercial loan guarantees.

Another component of liquidity risk is the opportunity cost of financial investments for excess cash that the Company may have at any given time.

In this regard, the Company's management has been constantly concerned that excess liquidity should nevertheless be invested in low-risk instruments with satisfactory returns.

For situations requiring working capital financing, the Company draws on current borrowings in the form of credit lines. At the date of this report, the Company has 2 lines of credit outstanding such 175 million RON, whose validity expires in March 2024, and there are steps to extend them for a similar period.

Figure 10 Liabilities structure by collateral at 31.12.2023



In the period January-December 2023, thanks to the solutions found and the measures taken in time, the Company met its financial obligations.

### Credit risk

Credit risk is the risk that the Company incurs a financial loss due to the inability or unwillingness of a counterparty (customer or a counterparty to a financial instrument) to meet its contractual obligations. This risk arises mainly from trade receivables, cash and cash equivalents.

This risk is managed at Company level by monitoring the creditworthiness and rating of financial institutions with which Transelectrica has placed financial instruments (cash, bank deposits) and contracted borrowings.

Immediate treasury management should aim to strike a balance between ensuring current liquidity and the Company's profitability.

On the other hand, the room for manoeuvre for operationalising a policy geared towards improving internal working capital is significantly limited by the restrictive nature of the regulatory framework governing most contractual relationships and associated conditions for Transelectrica in the energy market.

In practice, the degrees of freedom that can be exploited for the purpose of establishing and implementing a working capital policy by optimising the average collection periods for receivables and the average payment periods for suppliers are limited.

These are non-regulated transactions on the energy market (purchase of OTCs on the forward market, purchase of system reserves on a competitive basis) and procurement of services/works/goods with third parties outside the energy market.

In order to combat a possible imbalance in providing current liquidity, Transelectrica has resorted to short-term financing by taking out borrowings in the form of revolving credit lines.

Internal measures used by the Company to control and reduce credit risk include: diversification of the customer portfolio, monitoring of customer creditworthiness, as well as contractual insurance measures.

The risk of non-collection of these receivables is relatively limited, given the structure of the customer portfolio, the monitoring of timely collection of receivables and other measures taken to increase the collection rate, considering the rigours of the

contractual framework and applicable ANRE regulations.

At the same time, the Company has put in place a number of policies to ensure that the sale of services is made to partners with solid creditworthiness and an investment grade rating, and obligations to provide financial guarantees to cover the risk of default are included in commercial contracts. The amount of receivables, net of impairment adjustments and inclusion of guarantees, represents the maximum amount exposed to collection risk.

In 2023, no problems were encountered in customer relations, with invoices being collected on time or with insignificant delays.

### Risk related to provisions in financing agreements

The company has financing contracts with international financial institutions (IFIs) and commercial banks to finance investment projects and to support operational activities as part of its business. In the financing contracts, there are clauses on: compliance with certain financial indicators, changes of control over the Company, *pari passu* clauses, etc.

Breach of these clauses may, subject to prior notice and a reasonable period of time, result in early repayment of the credit, with some borrowings having penalty clauses for early repayment. To date, the Company has not received any notice of early repayment for default.

Table 4: Non-current liabilities structure \*

million lei	
<b>31 December 2023</b> (RON million equivalent)	56
<b>31 December 2022</b> (RON million equivalent)	79
<b>31 December 2021</b> (RON million equivalent)	103

*\*Including current portion of non-current borrowings*

### Risk of non-recovery of guarantees for investment projects

This risk materialises in the non-recovery of monies following the execution of the guarantee instruments underlying the guarantee of advances received by the executors in the framework of investment projects.

The main cause of this type of risk results from the existence of banking companies or insurance companies offering guarantee services without having the financial capacity to honour their obligations under the guarantee instruments issued.

At Company level, the strategy adopted consists of claiming damages from the executor and taking legal action against the company that issued the guarantee instrument and failed to repay to the Company the



amount claimed by executing the guarantee instrument.

### Strategic risks

- pricing risk associated with the regulatory framework,
- volume risk,
- risk of implementing network codes,
- forecasting risk.

### Pricing (price) risk associated with the regulatory framework

Given the Company's status as a regulated natural monopoly, the price risk associated with the regulatory framework is an important factor that can affect the Company's business, with a negative impact on the Company's operating results, financial condition and prospects.

Price risk has a structural component, i.e. the manner in which the tariff is set (ability to fully and promptly recover costs) and a component relating to the transparency of the regulatory act and the history of tariff setting decisions.

Recent years have seen an improvement in both cost recovery capacity and transparency of the regulatory process (the manner in which regulated tariffs are calculated and communication between the Company and the Regulator). However, the existence of an old history of unfavourable regulatory conditions and insufficient transparency in the way tariffs are set maintains this regulatory risk.

### Volume risk

Volume risk is an important component of regulatory risk.

The current pricing system is a single-tier system (with only one chargeable component: energy) and creates a high exposure of revenues to the volume of energy transported through the grid.

Given that the cost base for transmission activity is predominantly fixed (variable costs represent approx. 20% of total recognised costs, the majority component of approx. 80% is determined by fixed infrastructure costs: investments, maintenance, the discrepancy created between the structure of the cost base and the revenue generating mechanism can lead to large deviations of the revenue from the regulated revenue approved by ANRE.

These deviations are corrected by ex-post tariff adjustments, thus the risk of large fluctuations in revenue from one year to the next arises, with a large part of this tariff adjustment being passed on to the profit level (the cost base being predominantly fixed).

ANRE has launched a project to simulate the effects of the introduction of the binomial tariff system (a system with two tariffable components: energy and power). The simulation is ongoing, a first phase was carried out in 2017-2018 and will continue with the second phase, ANRE will evaluate the appropriateness of implementing this tariff system based on the results of the simulation.

The pricing system envisaged for implementation has the important advantage of ensuring correlation between the structure of the cost base (fixed vs. variable costs) and the structure of the revenue generating mechanism (fixed vs. variable revenues). By implementing the binomial tariff system the volume risk will be substantially mitigated.

Risk mitigation control measures include: solid substantiation, within the limits of the applicable methodology, of requests to include in the tariff sufficient cost levels to cover the costs necessary to carry out regulated activities; rapid reaction to proposals put forward by ANRE to modify the existing regulatory framework by analysing the impact of their implementation on the Company and proposing the necessary adjustments to protect the Company's interests.

### Risk of implementing network codes

Given the novelty and complexity of the implementation process at Company level of the provisions of the European Regulations on network codes, the implementation risk has a component related to non-compliance with certain established deadlines and a component related to non-compliant implementation of certain provisions of the network codes.

This risk may materialise in unfavourable reports from ENTSO-E and ACER on the Company's implementation of certain provisions of the network codes. Subsequently, depending on the seriousness of the non-compliance and the lack of adequate feedback, it may lead to the initiation of infringement actions by the European Commission which may result in penalties of 10% of the Company's turnover.

### Risks associated with the unpredictability of Energy Markets

- price risk is a financial risk caused by the unpredictability of the energy market, which can lead to cost increases associated with OTC
- risk of non-payment - non-compliance with contractual clauses
- counterparty risk - the risk of non-collection of receivables (inability or refusal of a customer to meet its contractual obligations)



- forecast risk - hazard risk, related to external events (unexpected changes in weather conditions or situations in the RET), which cause the OTC to vary.

#### Legal risks

- licensing risks, contractual risks,
- fines from the authorities or compensation payments.

#### Legality risks resulting from changes in the legal, political, regulatory, social environment or internal policies of the Company

- failure to meet legal requirements at Company level,
- not to infringe the rights and legitimate interests of the Company,
- Distortion: failure to report legality,
- licensing risks, contractual risks,
- risks arising from actions by third parties who have sued the Company,
- risks arising from actions for recovery of damages.

#### Security risks

gaps in ensuring the security and protection of critical NCI/CI infrastructure and ensuring business continuity in emergency situations,

- failure to ensure the security of classified information,
- failure to ensure the security and protection of cyber infrastructures.

#### Personnel and environmental risks

- Difficulties in recruitment, professional training, shortage of quality trained personnel, personnel motivation,
- failure to fully implement the Annual Maintenance, Training and Retraining Programme
- affecting the health and safety of personnel,
- failure to protect the environment, releases, spills of environmentally harmful substances (smoke, SF6, oil, fuels, etc.)
- human risk due to human errors (errors in human-computer interaction, repeatability of operations),
- environmental pollution,
- improper waste management.

#### Main risks and uncertainties 2023

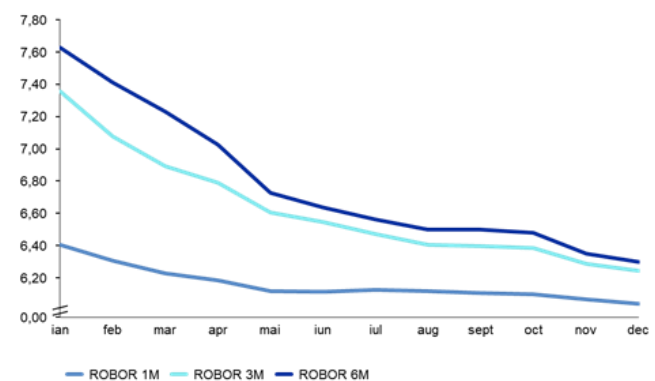
The analysis of decision problems under risk involves an evaluation of decision alternatives, their consequences, considering that the effects of decisions are not known with certainty.

In these cases, the optimal price is the one that maximises the expectation, i.e. reveals the probable or expected value of the outcome.

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.

The Company regularly and systematically analyzes the risks related to the performance of its own activities, and draws up a Register of identified risks and a Plan for the implementation of appropriate control measures to limit the possible consequences of these risks, in accordance with the legal provisions.

Figure 11 Reference rates year 2023



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, non-current borrowings were contracted with fixed interest rates and negotiated favourable interest rates. Domestic money market interest rates have been on a downward trend over the last 12 months, reflecting the excess liquidity in the banking system, coupled with lower demand for loans and tighter credit supply conditions.

#### ➤ exchange rate change

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.

One 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, the leu has shown a strengthening trend against the euro since mid-January 2023. At the same time, the national currency experienced periods of appreciation between January and December 2023 as a result of developments in international financial markets.

➤ **the provisions of the grant agreements**

In the financing contracts, there are clauses on compliance with financial indicators (covenants), changes of control over the Company, pari passu clauses, breach of which may result, subject to prior notice and reasonable time, in early repayment of the financing facilities.

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

➤ **At the level of taxation**, the provisions of Law 296/2023 and GEO 115/2023 did not have an impact on the Company's liquidity.

In conclusion, this risk did not materialise during the period under review.

➤ **cash-flow risk** - this is the risk that Transelectrica will not be able to meet its payment obligations 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 current borrowings in the form of credit lines.

At the date of this report, the Company has 2 credit lines of 175 million lei each, whose validity expires in March 2024.

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

➤ **the risk of credit rating deterioration due to** worsening financial indicators, macroeconomic and political climate and/or worsening 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.

In 2023, Moody's rating agency reconfirms the rating assigned to the Company in 2022 (Baa3, stable outlook).

However, there is a risk that the rating agencies could downgrade Romania (the Company's rating is heavily dependent on the sovereign rating) due to accelerated inflation and the military situation at the country's borders.

➤ **investment risk** due to financial difficulties at subsidiary level caused by both historical debt, competitive environment.

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 foreseen in the standards, leads to reallocations of resources in line with changing hierarchies and, therefore, priorities.

The company pays close attention to treasury management through efficient cash flow management and optimization of surplus liquidity to be able to meet financial obligations as they fall due as well as opening up the financing side of active credit facilities when needed.

During 2023, thanks to the solutions found and measures taken in time, the Company met its financial obligations.

The energy transmission companies together with ENTSOE published at the end of 2022 an updated report on the outlook for winter 2022-2023 based on

scenarios, taking into account the critical situation compared to previous winters.

The baseline scenario assumes: careful monitoring of the hydrological situation, low nuclear availability (which can add stress to energy systems) and electricity supply that is highly dependent on gas in all winter scenarios.

Additional risks identified for country systems may be:

- Greater than expected nuclear unavailability will have a local but strong impact (e.g. France and the Nordic system),
- Additional constraints in fuel supply increase the adequacy risks of the systems (e.g. Germany or Poland),
- Switching from gas heating to direct electric heating may put pressure on certain energy systems and indirectly create additional demand for gas for electricity supply.

The report considers that the

Energy storage plays an essential role in ensuring the energy security of each country, and without a winter 2023/2024 readiness for gas storage, the situation could deteriorate in 2024.

#### Relevant information

The company has maintained the SMI certification, following the External Recertification Audit of the Integrated Management System (quality, environment, occupational health and safety), audit carried out by the SRAC CERT/ IQNet audit team between 24.07.2023 - 04.08.2023, in accordance with SR EN ISO 9001:2015, SR EN ISO 14001:2015 and SR ISO 45001:2018.

#### Actions set for 2024

For the year 2024 as axes of progress, in order to streamline the risk management process, the aim is to:

- the rationale for activities/projects proposed for inclusion in the annual investment, procurement and maintenance programmes should include risk management issues, which risks to the Company are mitigated and the estimated effects on the change in impact and likelihood of occurrence of those risks; these issues will also be included in the reporting on the implementation of the annual programmes,
- identification of significant risks that cannot be managed through investment, procurement and maintenance activities, for which action plans must be drawn up to monitor, treat or outsource them (together with related financial proposals specifically dedicated to these activities),
- reports (summaries) on the manner in which the annual investment, procurement and maintenance programmes are being carried out are submitted to monitor the way risks are being kept under control,
- identification of interdependencies - which other organisational entities may induce risks in the activity of an organisational entity; which other organisational entities may be affected if risks materialise in the activity of an organisational entity,
- to correlate the operational procedure and other internal regulations and to use a uniform terminology, in order to bring the current way of working into line with the legislation in force.

## 5. Human resources

Building a sustainable energy future is no easy task. It is essential to have people who bring their expertise and work with determination and passion at every stage of their work, from design to execution, professionals capable of turning complex projects into reality.

Transelectrica considers important the need to create an attractive, stable and motivating, safe and healthy working environment, with the objective of becoming an attractive employer of energy specialists, a hub of strategic thinking and action for the development of the Romanian energy sector.

Its people, in a context of organisational culture and professionalism, determine the long-term resilience and visibility of the Company in a dynamic and changing labour market.



### Personnel structure

The company recognizes that employees are the most important resource for the smooth running of the business. In this regard, it aims to ensure, through its personnel policy, the development of human resources, the achievement of a level of material cointerest and motivation appropriate to current requirements.

In recent years, human resources management has focused on increasing personnel engagement.

According to its operating licence, Transelectrica does not, as a rule, use temporary employees. The operation of the electricity stations in RET and the provision of NES dispatching services is carried out by operational personnel organised on a permanent shift schedule.

Table 5 Number of employees

Year / indicator	2023	2022	2021
Number of employees	2,037	2,042	2,015

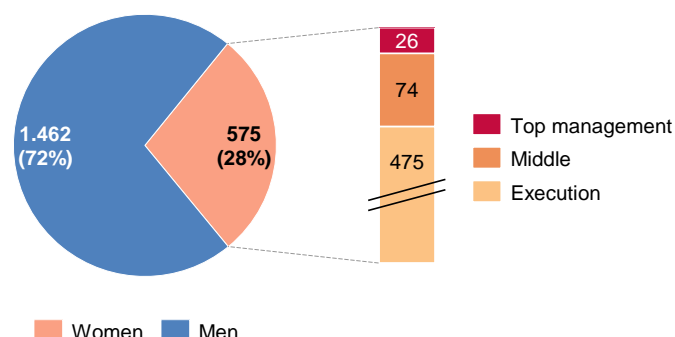
In the current year, the share of personnel with higher education represents 74% of the total employees, 26% being personnel with secondary education, generally with an electro-energy profile.

Table 6 Number of personnel by education

Level of education	2023	2022	2021
Higher education	1,510	1,463	1,325
Secondary education	527	578	688
Elementary education	0	1	2
<b>TOTAL</b>	<b>2,037</b>	<b>2,042</b>	<b>2,015</b>

Looking at the gender structure of employees, almost three quarters of all employees are men.

Figure 12: Personnel structure by gender 2023



In terms of gender classification, women account for 28% of the total workforce and this structure has been constant in recent years. Of the 575 women working in Transelectrica on 31.12.2023, 26 were in top management positions and 74 in middle management, together representing 17% of female personnel.

Figure 13 Number of employees by seniority group 2023

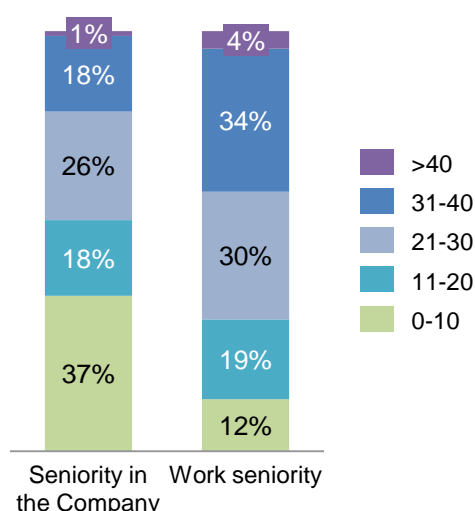


Table 7 Personnel structure by category

Categories of personnel	Number of employees 2023	Number of employees 2022	Number of employees 2021
<b>Operational and operative personnel (rated), of which:</b>	<b>1,404</b>	<b>1,392</b>	<b>1,390</b>
DEN	191	189	188
Operating personnel in transformer stations, remote control centres and operation centres	905	903	905
Admissions-reception personnel	111	112	111
OMEPA personnel directly involved in productive activities - operation centres, troubleshooting, remote metering systems, market participant relations	45	43	43
Personnel directly involved in organising and monitoring station operation activities	152	145	143
<b>Support personnel and executive management</b>	<b>633</b>	<b>650</b>	<b>625</b>
<b>TOTAL</b>	<b>2,037</b>	<b>2,042</b>	<b>2,015</b>

The operational and operational field occupies the largest share of personnel categories, i.e. 69%. Of these, the highest concentration is among operational employees at 64%.

Taking into account the activity provided by the Company, that of strategic interest, most of the employees have between 21 and 40 years of seniority, being experienced employees who bring added value to the Company.

Table 8 Structure of employees by work seniority

Work seniority [years]	2023	2022	2021
0-10	251	262	283
11-20	388	390	377
21-30	619	636	618
31-40	693	671	644
>40	86	83	93
<b>TOTAL</b>	<b>2,037</b>	<b>2,042</b>	<b>2,015</b>

As regards length of service, 69% of employees have more than 20 years of service.

Table 9 Structure of employees by seniority in the Company

Seniority in Transelectrica [years]	2023	2022	2021
0-10	753	749	727
11-20	368	380	379
21-30	525	540	561
31-40	367	354	326
>40	24	19	22
<b>TOTAL</b>	<b>2,037</b>	<b>2,042</b>	<b>2,015</b>

With regard to the activity carried out within the Company, more than half of the employees have been

with the Company for up to 20 years, with the proportion of those with more than 20 years' experience in the Company being constant in recent years, i.e. 45% of the total.

The number of employees aged over 40 in 2023 will represent 79% of all employees.

## 48 years old

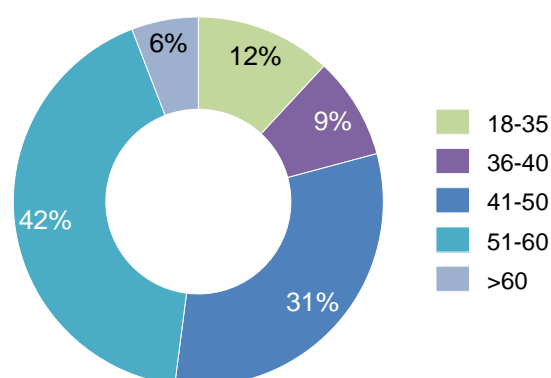
### Average age in 2023

At the same time, the percentage of employees with retention and promotion potential aged between 18 and 35 is 12%.

Table 10 Structure of employees by age group

Age [years]	2023	2022	2021
18-35	242	264	275
36-40	182	184	196
41-50	636	662	681
51-60	858	819	747
>60	119	113	116
<b>TOTAL</b>	<b>2,037</b>	<b>2,042</b>	<b>2,015</b>

Figure 14 Personnel structure by age 2023





The energy sector has been facing a shortage of qualified personnel in recent years. As the training of an energy engineer is complex, the company attaches importance to continuous on-the-job training, but also to motivating and retaining high-potential employees.

Also in recent years, private scholarships have been awarded and partnerships have been established with the Polytechnic University of Bucharest, in order to



support young students in practicing in their chosen field with the opportunity to learn and become familiar with the Company's field of activity, and upon completion of their studies with the possibility of employment in a position

corresponding to their professional training, as vacancies exist.

### 5.1. Professional training

The aim of training and professional development activities in 2023 was to increase the professional efficiency of employees by acquiring, improving and diversifying their professional skills, thus leading to increased professional performance of the Company's personnel.

The training programme for the year 2023 aimed at developing the knowledge, skills and abilities of employees and increasing their professional competences, in order to perform their professional duties efficiently and to strengthen the feeling of confidence in their own competences, which leads to increased job satisfaction and therefore to increased professional motivation.

These results have been achieved mainly due to the fact that the vocational training programmes have been designed and designed according to specific needs (personalised curricula, themes adapted to the concrete needs identified), categories of employees and levels of knowledge, the objectives being to improve professional efficiency and effectiveness, to increase confidence in one's own strengths and capabilities and last but not least to offer a concrete and realistic perspective in career development.

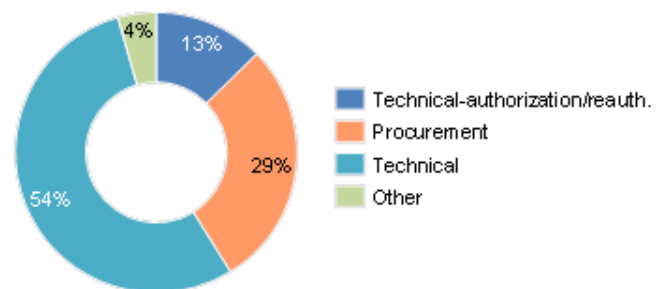
In 2023, in terms of participation in continuous development, training and professional development courses, there were 183 external course participations and 1,612 internal course participations.

In 2023, a total of 806 participants took part in the technical vocational training, as part of the combined vocational training; the employees trained were: operational personnel, CTSI, personnel in the work

acceptance activity, as well as the management personnel of the electrical stations (heads of electrical stations).

Courses were also organised in the areas of technical, procurement, integrated management, environment, attended by 159 people, and courses required for technical authorisation and re-authorisation for 23 participants.

Figure 15: Distribution of course attendance by field



The priority objectives with regard to training aim to improve the professional performance of employees in order to ensure the performance and efficiency of activities at the level required by the regulator and the energy market.

The sustainable human resources strategy is aimed at increasing, developing and diversifying the professional skills of employees and also takes into account the need to ensure the effective delivery of continuous personnel training.

### 5.2. Trade union representation

The company and the trade union recognise themselves as partners in permanent social dialogue. The company's employees are affiliated to the Transelectrica Trade Union, which is part of the National Federation of Electricity Trade Unions UNIVERS, affiliated to the National Trade Union Bloc (BNS) and internationally to Public Services International (PSI) and the European Federation of Public Service Unions (EPSU).

Currently, over 98% of the total employees are members of the 11 legally constituted trade unions: one at the level of the Company Executive, one at the level of the Operational Unit - National Energy Dispatcher and one at the level of each Territorial Transmission Branch, none of which does not meet the conditions of representativeness at unit level, according to Law 367/2022, as amended.

The Collective Labour Agreement regulates the individual and collective labour relations and the rights and obligations of the parties with regard to:

- its conclusion, performance, modification, suspension and termination;
- working time and rest time;
- Salaries;
- Occupational health and safety, working conditions;
- vocational training;
- social protection of employees and other rights;
- rights and obligations arising from employment relationships;
- mutual recognition, rights and obligations of the employer and trade union organisations.

In order to solve problems that may arise in the application of the MCC in force, to avoid labour conflicts, and to create an organisational framework that allows for a permanent dialogue with the employees' representatives, the parties agreed to meet whenever necessary in the framework of the Joint Employer-Trade Union Committee, which operates in accordance with its own rules of procedure.

The objective of the trade union representation for 2024 will be to start negotiating a new Collective Labour Agreement aimed at motivating employees and boosting the Company's performance by increasing the wage package and improving health and safety conditions for employees.

### 5.3. Responsibility towards employees

The Company's main objective in its direct relationship with employees is to ensure a safe and healthy working environment, taking care to minimize the impact of the Company's specific activities on the environment and natural resources.

In the case of serious medical conditions, the Company provides financial support to employees for special medical treatment, flexible or reduced working hours for the period recommended by the doctor.

The ongoing maintenance and development of the Integrated Management System with regard to operational health and safety is a top priority for the Company.



In 2023 occupational health care in the Company was and is provided by occupational health physicians in the Company's Executive and STTs medical offices.

In order to achieve its objectives, the Company, through specific occupational safety and health activities, carries out the documentation of the integrated management system by updating the operational procedures, updating/drafting the Own

Occupational Safety Instructions, assessments of risk factors for occupational injury and illness for all Company personnel, training and awareness programmes for employees, risk level assessment of workplaces and regular operational control which mainly consists of operational control of compliance with legal and other occupational health and safety requirements.



Health surveillance in 2023 has been structured as follows:

- In the first half of 2023, the regular medical check-up of operational personnel for work in electrical installations was carried out.
- In the second half of 2023, regular checks on non-operational personnel and checks for operational personnel working in isolation were carried out.

The occupational safety and health programme for the year 2023 was 71% implemented, corresponding to 2,234 thousand lei (446 thousand euro).

Among the objectives targeted by the Company's occupational safety and health programmes in 2023 are:

- bringing the installations up to the level of the health and safety requirements laid down in their own work safety instructions, aligned with European requirements. These actions have resulted in a reduction of the risk of injury and occupational illness of personnel working in the Company's facilities;
- equipping the Company's personnel with personal protective equipment in accordance with the requirements of its own work safety instructions;
- permanent health insurance/supervision of personnel, as required by GD 355/2007;
- training personnel on the risks of accidents in the Company's facilities.

In 2023, there was a workplace accident involving a Company worker.

To improve the effectiveness of the integrated management system with regard to operational health and safety, the following actions are envisaged for 2024:

- Continuation of the reassessment of risk factors for occupational injury and illness for all stations;
- Monitoring the health status of personnel with cardiovascular disease (with contraindications for authorisation) and reporting quarterly;
- Occupational health and safety consultation with the main general contractors, contractors of works in RET installations;
- Continue to consult on occupational health and safety issues with its own personnel by applying questionnaires to evaluate the work and implementation of policies resulting from the consultations.

## 6. Research and innovation activity

### Description of research and innovation activity in 2023

The research and innovation strategy reinforces the Company's vision for the modernisation of the electricity transmission grid, providing the necessary support for the implementation of the priorities contained in the Development Plan and supporting the implementation of the digitalisation concept.

The main directions foreseen in the Transelectrica Strategy in the field of research and innovation are:

- Innovation is the condition for success in achieving the Company's vision and mission.
- Innovation will be promoted as a priority for the Company's core activities, bringing added value through digitalization of processes, improving services and increasing personnel skills.
- Innovative solutions, technologies, systems and concepts required for key activities will be implemented across the Company after:
  - testing and validation in pilot projects;
  - or their critical evaluation in projects already completed in other organisations.
- Innovation will be the engine that will enable the Company to implement the Learning Organization concepts.
- Innovation and research will support "Digitalization" as a major objective.
- Research within the Company will focus on developing the following pillars:
  - national and international partnerships in basic research and technological research (observation of basic principles, formulation of concepts for technologies, experimental demonstration of concepts, validation of technologies in laboratories);
  - Partnerships with solution and equipment providers for product/technology demonstrations (technology validation in relevant environments and operational environments);
  - partnerships in competitive procedures (for delivery and commissioning of products and solutions).

- Personnel participation in events that have an important innovation and research component both nationally and internationally (e.g. ENTSO-E, CIGRE, congresses, round tables, symposia, etc.) will also include the development of knowledge sharing and spreading best practices processes within the Company in an integrated and regulated manner.
- The structuring of general and specific objectives will be done in relation to the methodology promoted in the ENTSO-E strategy in the field of research and innovation.
- The research and innovation strategy within the Company will follow the centralised organisational model (steering committee, strategy manager, procedural processes, well-defined roles, objective-based management).
- Funding for research and innovation work will be provided as a priority from both own and other sources reaching the largest group of European network operators (e.g. grant programmes, subsidies, grants, partnerships, etc.).

The objectives contained in the "*Research and Innovation Strategy*" add value in the following areas:

- the Company's strategic vision;
- asset management;
- improving performance indicators;
- developing essential capabilities in network operation;
- to seize opportunities to improve the Company's performance;
- skills development for Company personnel;
- maintenance and operation;
- developing partnerships with technology and solution owners.

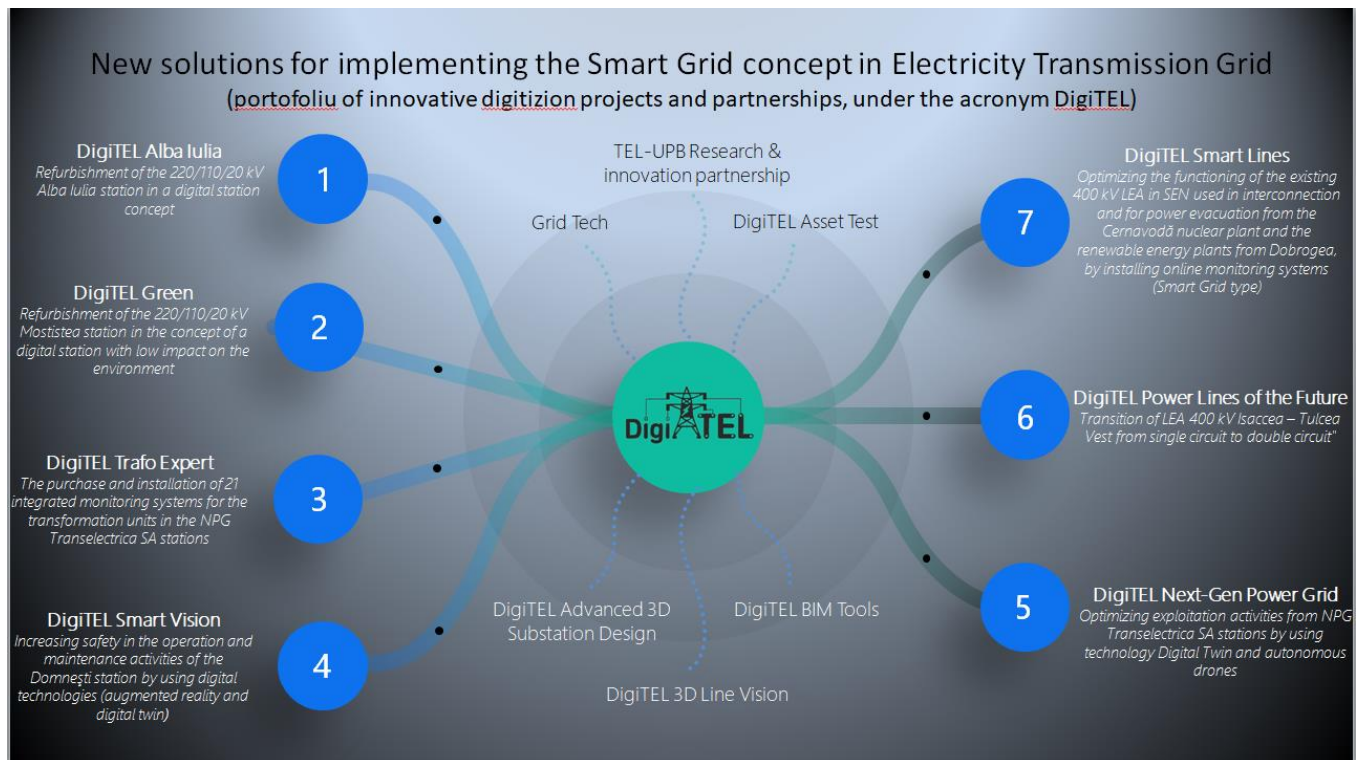
The research and innovation strategy also ensures that the vision of all stakeholders to implement a flexible, open and interoperable infrastructure in a digital portfolio where traditional, mainly manual processes are eliminated or digitalized so that information is accessible in real time is operationalised.

### Digital transformation

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

Company is well placed to become a "Learning Organisation" again if it fully utilises the potential of new technologies in achieving digital transformation.





To support these objectives, the Digital Transformation Concept Implementation Programme (2018-2027) has been developed and approved.

The actions and activities included in the Digital Transformation portfolio of initiatives aim to increase the Company's performance by:

- innovation in operational and managerial processes;
- innovation through the introduction of digital technologies;
- innovation by introducing new concepts that will transform the Company's business model;
- developing the Company's strategic capabilities (e.g. people, strategic assets, structure, processes, etc.).

The strategy argues that Grid Digitalization is a clear opportunity for the efficient development and management of the energy system, with proven cost-effectiveness in terms of improved service quality and operating costs.

The following tactical documents in the field of digitalization are in place:

- Technical policy on asset digitalization as part of the Company's modernisation initiatives;
- Technical Policy on Asset Digitalization in the Company's Modernisation Initiatives - Part II - Concept - "Geographic Information System and Disruption Management System;
- Technical policy on digitalization of assets in the framework of modernization initiatives within the

Company - Part III - Concept "Digital Technologies Test Lab and Personnel Skills Development";

- Technical policy on asset digitalization in the Company's modernisation initiatives - Part IV - "RET Asset Health Centre" concept.

### DigiTEL project portfolio

#### DigiTEL Alba Iulia

Within the investment objective "Pilot Project - Upgrading the 220/110/20 kV Alba Iulia station to a digital station concept" the following objects were defined:

- Upgrading of Alba Iulia station. The "Condition Monitoring System (CMS)" will be implemented in accordance with the Smart Grid reference architecture for asset management at Alba Iulia station, the role of this module is to monitor the "technical condition status" of the equipment at Alba Iulia station in order to detect failures in advance, with the aim of extending their lifetime.
- E-Mobility;
- Learning Platform;
- Telecommunications with Hidroelectrica;
- Digital Lab.

#### DigiTEL Green

The pilot project "DigiTEL Green - Upgrading the 220/110/20 kV Mostistea station to a digital and low environmental impact station" is a flagship project for



the Company in the field of digital and sustainable power stations.

It brings together the same set of digital technologies that will be implemented through the Alba Iulia digital station pilot project and will extend the infrastructure created through it.

Through the Mostistea project, non-SF6 technology will be implemented for the first time in the RET at the primary switchgear level, using 99% lower emission gases than conventional technologies. At the same time, both the transformer units will use natural oils instead of mineral oils and the station buildings will be energy-efficient nZEB. This retrofit will also follow the principles of the circular economy concept throughout the entire implementation chain to support its sustainability.

In addition to the technologies associated with the digital and sustainable station concepts, the Mostistea project will also implement for the first time in the RET robotic technical assistance and supervision technologies, using Artificial Intelligence systems through physical robots and drones.

### **DigiTEL 3D LineVision**

The project, carried out with own forces, aims to test new LiDAR (Light Detection and Ranging), RGB (Red, Green, Blue) and infrared technologies and to evaluate the benefits of these technologies in case of a large-scale application in the Electricity Transmission Grid.

Scans are currently being carried out on the LEAs covered by this project.

### **DigiTEL Smart Vision**

The pilot project "DigiTEL - Smart Vision" - Increasing safety in operation and maintenance activities at Domnești station through the use of digital technologies, aims to implement Augmented Reality, Virtual Reality and Digital Twin technologies at RET level, for the first time in a real operating environment on the whole set of equipment and installations of a power station.

The implementation of an Augmented Reality system in the 400/110/20 kV Domnești station will lead to a reduction of the risk of human error through constant assistance in the operation of equipment and installations. The pilot project is in the implementation stage.

### **DigiTEL Power Lines of the Future**

The DigiTEL Power Lines of the Future project will switch the 400 kV Isaccea - Tulcea West LEA from single to double circuit using tubular poles. At the

design stage, the technical requirements for the poles will be established so that they are optimised in terms of size and footprint, and have an innovative design, sustainable materials with a low carbon footprint, innovative visual design.

The construction of the new double circuit lines of the 400 kV Isaccea - Tulcea West LEA will be carried out using the existing locations of the poles related to the single circuit line, without the need to occupy additional land areas on most of the line.

### **DigiTEL Smart Lines**

DigiTEL Smart Lines Project - "Optimization of the operation of the existing 400 kV LEAs in the SEN, used in interconnection and for power evacuation from the Cernavodă nuclear power plant and renewable energy plants in Dobrogea, by installing on-line monitoring systems (Smart Grid type)" aims at the acquisition and installation of on-line monitoring systems in order to increase the reliability of the operation of the LEAs, which will be achieved by on-line diagnosis and estimation of the technical condition of the overhead power lines based on the data acquired on-line and the operationalization of the Dynamic Line Rating (DLR) concept.

**The objective of the DLR (Dynamic Rating)** is to provide the Transmission Operator and System with accurate and real-time information that will allow better utilization of the LEA's energy transmission capacity and increase it according to current weather conditions, reduce risk and increase its reliability and efficiency in operation.

The project consists of **23 overhead 400 kV power lines**, of which 13 are transmission and power evacuation lines from Cernavodă and the renewable energy plants to the Moldavia area and Bucharest and 10 interconnection lines.

The project is currently at the execution stage, with the monitoring system to be installed on the first LEA.

### **DigiTEL Trafo Expert**

The project involves "Purchase and installation of 21 integrated monitoring systems for transformer units in NPG CO. Transelectrica SA stations".

Among the benefits resulting from the implementation of the project are :

- increase the time scheduled for the execution of certain of the preventive maintenance works at the monitored transformer units and reduce the costs per type of intervention;

- reducing the number of incidents by anticipating based on real data the vulnerabilities of the normal scheme;

### DigiTEL Next-Gen Power Grid

The DigiTEL Next-Gen Power Grid project - "Optimization of the operation activities in NPG CO. Transelectrica SA stations by using Digital Twin technology and autonomous drones" aims in the first phase to transform unstructured information into an intelligent digital asset. The system operator will be able to visualize, build and manage complex electrical systems, ensuring safe and efficient operation throughout the lifecycle.

Autonomous drones will be purchased for aerial inspections of equipment in the power stations managed by the Company, which will allow the identification of potential non-conformities such as wear and tear, damaged components or uncontrolled growth of vegetation. They will navigate through complex terrain and reach places that are difficult for human operators to access, significantly reducing the time and resources required for regular inspections by operational personnel.

Compared to traditional inspection approaches that may involve the use of helicopters, autonomous drones have a lower environmental impact, are more energy efficient and generate fewer emissions.

### Cooperation agreements

#### DigiTEL - Advanced 3D Station Design

The purpose of the agreement is the collaboration between NPG CO. Transelectrica SA and Entegra

GMBH (Primtech 3D), with the main goal of testing new Digital Twin and Advanced Digital Design technologies for power stations, as well as evaluating the benefits of these technologies and solutions in case of large-scale application in the Romanian Transmission Grid.

#### DigiTEL - 3D Line Vision

The object of this agreement is the collaboration between NPG CO. Transelectrica SA and Skyline Drones SRL for the purpose of testing new LiDAR technologies.

#### DigiTEL BIM Tools

The research and innovation collaboration agreement between NPG CO. Transelectrica SA and TIAB SA aims to test and validate advanced technical innovations in digital design (e.g. BIM - Building Information Modelling) and Digital Twin standards for power stations, as well as to assess the benefits of these technologies and solutions in case of large-scale application in the Electric Transmission Grid.

#### DigiTEL - Asset Test

The agreement involves collaboration between NPG CO. Transelectrica SA and Omicron GMBH (FirstTech) and its main purpose is to test new verification technologies and asset management solutions and exchange know-how.

The agreement will generate a number of important benefits for the level of knowledge of testing solutions for new energy equipment verification technologies and new energy asset management solutions, as well as the exchange of know-how.

### Description of research and innovation activity for the year 2024

The objectives foreseen to be implemented in the DigiTEL flagship projects relate to the following targets:

- implementation, testing and validation in modernisation projects of the following concepts, methodologies, standards and elements of good practice:
  - the concept of online monitoring of the technical condition of the Company's critical assets (e.g. transformer units, power lines, etc.)
  - asset management;
  - Lab for testing digital technologies and personal skills development;
  - RET Asset Health Centre;
  - GIS and WHO Systems Concept;
  - the concept of active health;
  - the concept of a risk index on RET assets;
  - methodology for developing and implementing Smart Grid concepts (e.g. architectures, interoperability standards, telecommunication standards, customer interfaces, etc.);
  - the concept of E-learning;
  - Smart Building concept;
  - *Augmented / Virtual Reality concept*, Digital Twin
  - advanced digital design, scanning and 3D modelling;
  - the concept of the "Control Room of the Future";
  - the concept of Building Information Modelling (BIM);
  - sustainable power stations;
  - remote technical assistance;
  - Robotic technical assistance and surveillance using Artificial Intelligence systems (robots, drones);

- inspection of RET assets using LiDAR (Light Detection and Ranging), RGB (Red, Green, Blue), infrared technologies;
- automated surveillance using autonomous drones
- training and certification of personnel to develop strategic capabilities in the field of digitalization;
- definition and implementation of projects with a strong innovation and learning component (e.g. digital station projects, IT&C infrastructure modernisation projects, asset management platform, environmental impact equipment, etc.);
- continue to participate in grant-funded projects to prepare the conditions for the adoption of new

models, concepts and methodologies in the operational or enterprise area of the Company;

- further develop partnerships with consultants and solution and service providers to understand new technological and managerial trends that may influence the future performance of the Company.

The pilot projects that will test the innovative concepts and technologies proposed by the strategic documents approved at Company level are those started under the acronym DigiTEL.

### Annual Study and Research Plan 2023

In order to ensure the operation of the NES in conditions of maximum safety and stability, according to the quality standards imposed by the transmission license, the Company needs research, support studies and consultancy to substantiate decisions and to implement new technologies at the level of those encountered internationally and/or specific to the Romanian energy system.

Transelectrica funds its own research and study programmes annually. The studies approved within the Company and included in the PASC 2023 were well founded and necessary to achieve the following objectives:

- meeting the requirements associated with the regulatory framework (e.g. ANRE licence no.161, Law 123/ 2012 - Electricity and Natural Gas Law, as amended, Technical Codes, regulatory framework associated with TSO, etc.);
- substantiating the Company's decisions on:
  - post-calculation determination of losses in the electricity transmission network for the fourth quarter of 2022 and the first quarters of 2023;
  - energy balance for each quarter of 2023;
  - determine the effect of certain RET investments on OTC for the first three quarters of 2023;
  - promoting efficient investment in RET;
  - promoting effective practices for the operation and maintenance of RET;
  - improving the rationale for long-term investment decisions technical support;

- initial estimation of reserve requirements in NES using probabilistic methods;
- integrating an increasing share of renewables;
- Efficient and safe NES and RET dispatching;
- Detailed and comprehensive analysis of the expenses headings associated with fulfilling the role of STO;
- Knowledge and adoption of methodologies, standards and elements of best practice to streamline the Company's strategic development vision.

The need to promote the work under PASC 2023 was carefully considered in light of the obligations arising from the role of a licensed TSO and the opportunities for improved decision making in relation to the operationalisation of the Company's vision for system operation and asset management.

The work carried out under the Annual Programme of Studies and Research 2023 is reported annually to ANRE:

- Multi-year study 2021 - 2023 post-calculation OTC, energy balance by territorial transmission units and in the RET as a whole, forecast of energy losses.
- Study on the Energy Audit of NPG CO. TRANSELECTRICA SA, on the contour related to the own technological consumption (OTC) of the electricity transmission network (RET).

### 2024 Studies and Research Programme

The Annual Programme of Studies and Research 2024 aims to address studies based on increasing cross-border interconnection capacity and the integration of renewable resources in accordance with the provisions of the NESCAP for 2030 where the

installed capacity of renewable sources must reach 5,255 MW.

The development plan of the electricity transmission network (RET), in line with the model developed by ENTSO-E at European level, aims to evacuate power

from areas of concentration of RES to areas of consumption, to develop regions in Romania where RET is deficient (e.g. the North-East region) and to increase cross-border interconnection capacity.

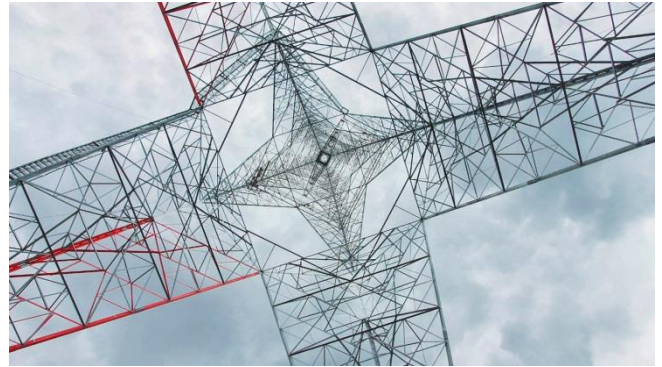
In order to increase the operational reliability of the NES in the event of the installation of new power sources, in section S6 the Company aims to analyse the opportunity to implement solutions for the development of the DC electricity transmission network.

This can replace the construction of several 400 kV alternating current OHLs, which are needed to transport the electricity produced in surplus areas, transport it over long distances and inject it into the alternating current grid in deficit areas.

Steady-state regimes will be analysed for the generation and consumption scenarios considered likely, and DC solutions will be identified and proposed for increasing S6 evacuation capacity in addition to that provided by projects already included in the approved RET Development Plan.

Section 6 has become heavily oversupplied in terms of electricity generation as a result of the changes that have occurred in recent years with the connection to the NES of many EECs in the Dobrogea, Braila and Galati areas. According to the data presented in the

National Integrated Energy and Climate Change Plan (PNIESC), the target for the year 2030 for installed capacity in renewable sources is 5,255 MW for CEE.



It is estimated that a large part of the wind sources expected to occur will be located in Dobrogea.

Currently, during windy periods, the S6 LEAs are fully loaded and certaintimes to meet the N-1 criterion, power curtailments are required, on grid congestion, resulting in additional expenses.

Certain of these OHLs have different cross-sections which contributes to power throttling.

This calls for a careful analysis of the standardisation of the OHL section or even the replacement of active conductors with state-of-the-art active conductors with increased power transmission capacity.

#### Activities related to research and innovation

The Company is committed to developing knowledge and promoting new energy technologies and solutions, which have evolved and progressed significantly in recent years, both in terms of concepts and solutions, as well as equipment. Thus, Transelectrica, has become a partner in various funded projects, through which it can make important contributions as an TSO in this geographical area of Europe and for the fulfilment of the above mentioned aspects. Within these partnerships, revenues are collected on other types of activities through the contribution of the Company's experts. The Company can carry out activities in the management of projects financed by non-reimbursable European funds, on different axes, which coincide with the areas of activity of the Company.

On the Company side, there are permanent representatives in the RDIC - Research, Development and Innovation Committee (ENTSO-E). The role of the RDIC and its working groups is:

- To ensure that the interests of the TSO in R&D are properly addressed to relevant stakeholders;
- To facilitate research and development between STOs
- Provide comprehensive support and a mutually built vision for the research and development activities of ENTSO-E committees and other stakeholders
- Promote the research and development concepts, methods and technologies that will make up and drive energy systems in the future
- Support activities related to standardisation and interoperability.
- There are also 6 working groups within the RDIC with members from Transelectrica:
  - WG1 Assets and Technologies;
  - WG2 Security and System operation of tomorrow;
  - WG3 Flexibility and Markets;
  - WG4 Future of energy systems;
  - WG5 Digital & Communication;
  - Research, Development and Innovation Planning.



## 7. Prospects and challenges

Electricity as the energy source of the future is a growing ecosystem that will revolve around green energy, and we are currently in a transition period where the energy segment is of major interest globally and especially nationally where investments in the energy system are in full swing.

In Romania, the approach to accelerate the transition to green energy is translated through the National Integrated Energy and Climate Change Plan 2021-2030 and the National Recovery and Resilience Plan (PNRR).

Transelectrica is part of this ecosystem, being a company of strategic interest in Romania, indispensable for the proper functioning of the energy system and the sole operator of the electricity transmission network, part of the coupled electricity markets at European level.

According to the European regulations that have entered into force, the basic trend is towards operational coordination at European and regional level, through the establishment of numerous coordination bodies at ENTSO-E and regional level, which requires the involvement of all transmission system operators, as well as the development of methodologies and sets of procedures, operational agreements or service agreements, and the development of common IT and communication tools.

The year 2023 was a productive year for the Romanian energy system, which managed to increase its net national production by 3% in line with the downward trend in consumption, which led to Romania's ranking as a net energy exporter.

For the next 10 years, the company is pursuing a complex investment program that foresees the strengthening of energy security, digitalization and implementation of the SMART GRID concept, together with the integration of new technologies (e.g. LiDAR, RGB) which will generate on the one hand an increase in the capacity to integrate renewable energy into the system and on the other hand an increase in interconnection capacity.

The Action Plan on increasing cross-border capacity involves for the coming period the implementation of certain projects included in the Electricity Transmission System Development Plan, with the effect of eliminating expected structural congestion and increasing the capacity available for cross-border trade.

In order to develop the national energy infrastructure, Transelectrica's management signed nine non-reimbursable financing contracts from the Modernization Fund, amounting to 424 million euros, with the Romanian Government on 10 October 2022 and on 20 February 2024, the company signed with the Ministry of Energy the tenth financing contract from the Modernization Fund, namely for the implementation of the "DigiTEL Green Pilot Project - Upgrading of the 220/110/20kV Mostistea station" with a non-reimbursable value of 48 million euros.

The high level of this grant funding will have a positive effect on the Company's long-term profitability. At the same time, the financing of investment objectives through non-reimbursable funds ensures an increase in the Company's liquidity indicators.

The benefits of these investments will materialize relevant indicators such as: increasing the transmission capacity of RET by about 1700 MW, building about 480 km of new overhead power lines, expanding 5 power stations with a voltage level of 400 kV, upgrading the Alba Iulia station to digital concept - a first for Romania -, increasing the interconnection capacity by 600 MW (cumulated on the borders with Serbia and Hungary), implementing power quality monitoring systems in 15 stations, as well as optimizing and monitoring overhead power lines through digital systems.

The company has also obtained EUR 56.2 million through the REPowerEU component of the NRDP, approved by the Council of the European Union, to finance three essential investment projects for the efficiency and modernisation of the electricity transmission network, two of which are for the subsidiaries SMART SA and Teletrans SA.

The challenge of investing to increase flexibility to achieve climate and energy targets is an ongoing concern. With increased transmission capacity comes increased system flexibility and the integration of lower cost generation sources.

For the year 2024 a significant impact on the Company's financial results can be expected from: the international macroeconomic and financial climate, the domestic mix of economic, energy and environmental policies and the geo-political tensions generated by the situation in Ukraine. As neighbours of Ukraine and the Republic of Moldova, we have a key active role in the establishment and implementation of the procedures arising from the interconnected operation

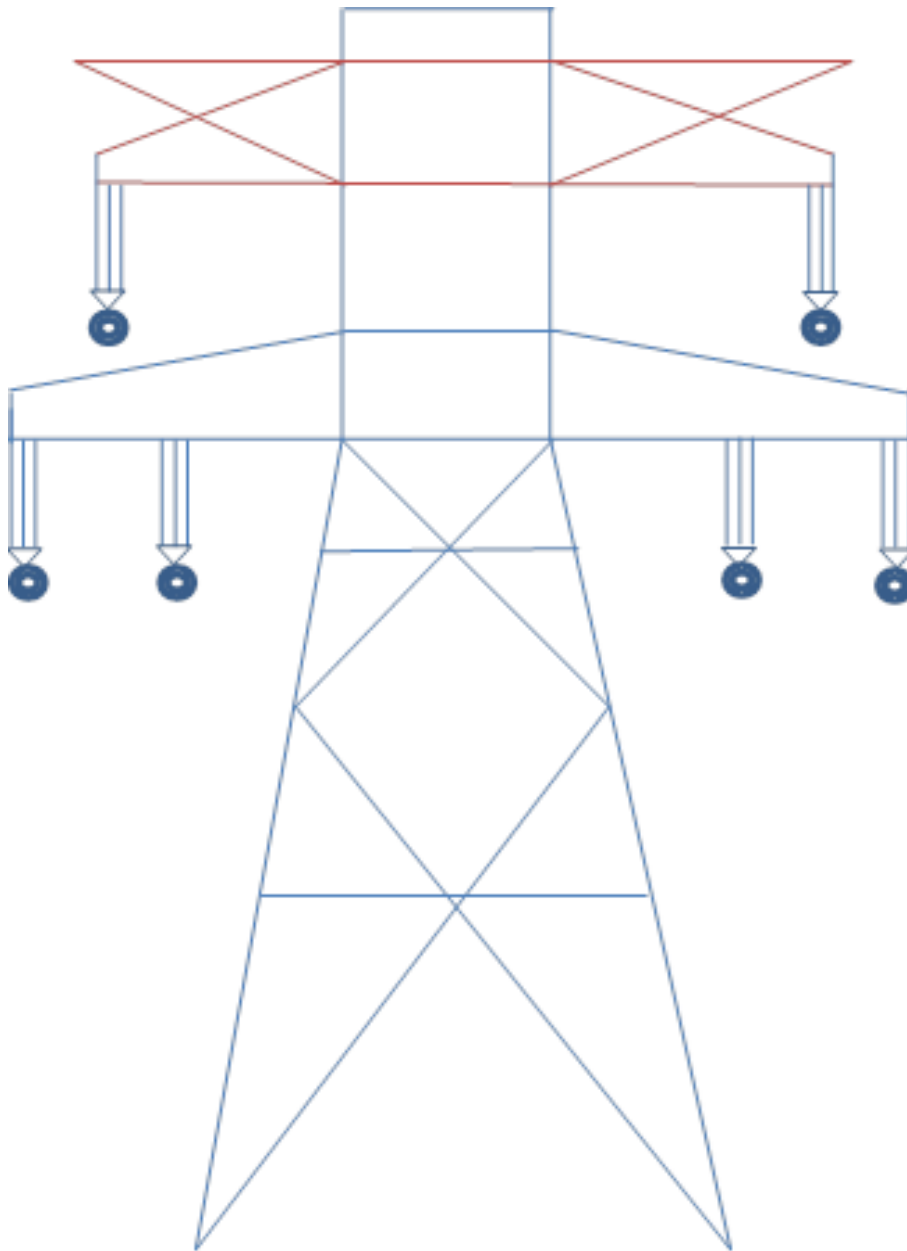


of SE Ukraine and SE Republic of Moldova to the European energy system.

The company attaches importance to the implementation of projects of common interest in the efforts to strengthen energy security in the eastern end of the European interconnected network, in the context of synchronization of the Ukrainian and Moldovan systems, such as:

- The importance of cyber security in securing smart energy grids,
- ways to accelerate the achievement of the Green Deal target of total decarbonisation by 2050,
- the importance of energy networks in accelerating the development of RES (renewable energy sources).

At the same time Transelectrica proactively supports the education field in Romania by continuing the process of granting scholarships to students of technical faculties in the fields of energy, electrical engineering, automation and computers, thus ensuring the beginning of a motivating and timely professional career within the Company.





# Operational Report



8. Operational data

8.1. Network configuration

The electricity transmission network ("RET") is the electricity network of national and strategic interest with a nominal line voltage above 110 kV and consists of all lines, including their support, control and protection elements, stations and other power equipment connected together.

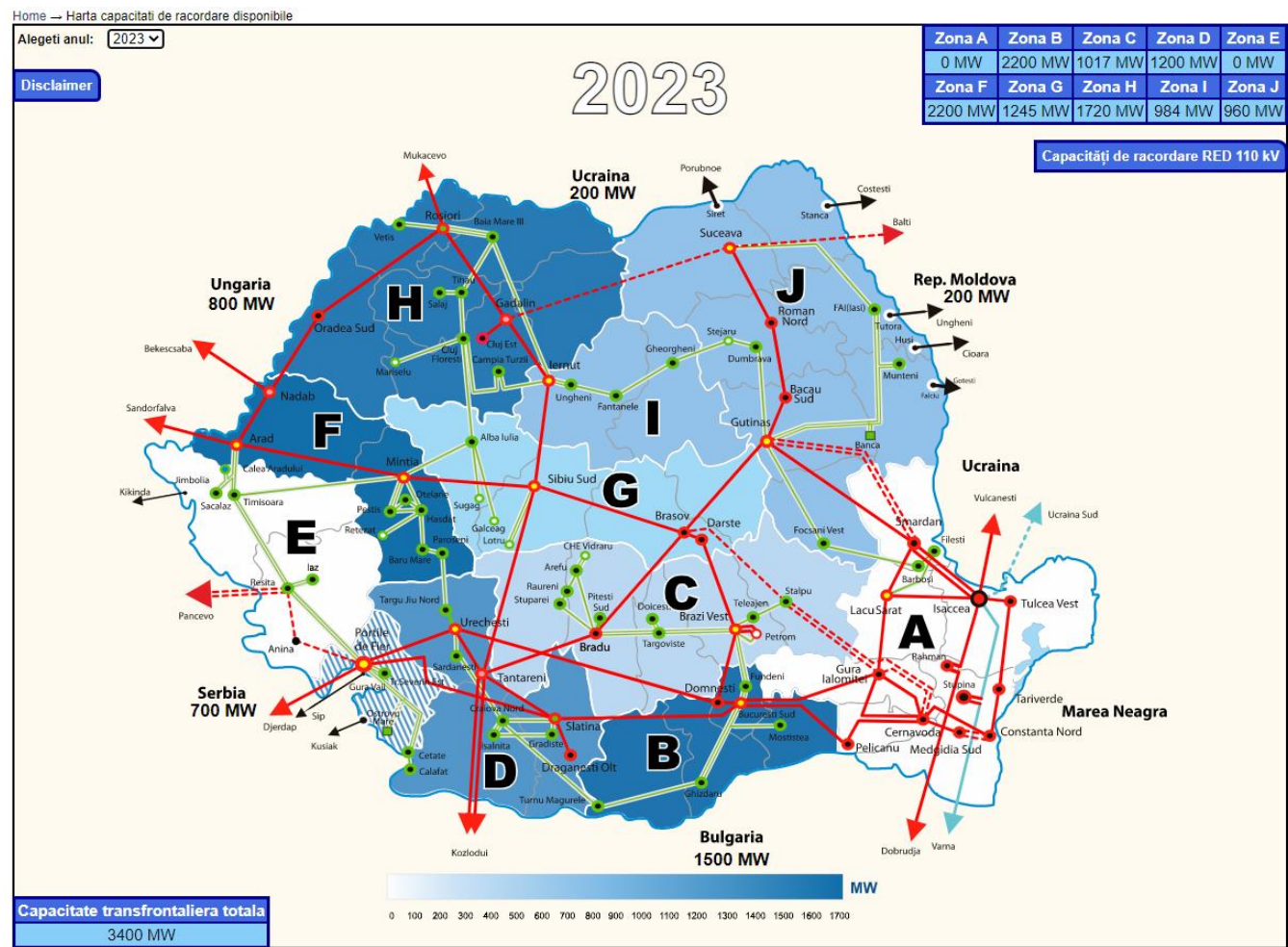
RET interconnects generators, distribution networks, large consumers and neighbouring power systems.

In the context of the general concern at both European and national level to achieve the transition to a carbon-free economy, the National Power Grid Company Transelectrica SA is focusing its actions on the development of energy infrastructure to increase the integration capacity of new production units.

In order to facilitate a predictable investment environment for electricity generation, the national transmission system operator makes available to the interested public data on the capacity of the transmission system to connect new generation units in different regions of the country.

This information is available on the website [www.transelectrica.ro](http://www.transelectrica.ro) in the form of an interactive map, covering the year 2023, as well as forecasts for the years 2025 and 2030, in relation to developments in the development and consolidation of energy transmission infrastructure projects. The data is presented for 10 regions of the country, including existing connection applications in various stages of processing, and will be continuously updated.

Figure 16 Map of connection capacity to the RET



The transparency initiative initiated by Transelectrica meets the application of the provisions of the draft order of ANRE on the publication of data on installation capacity and grid connection of electricity generation units.

Much of the overhead power lines ("OHL") and transformer stations that make up the RET were built in the 1960s and 1980s at the technological level of those years.

The volume of energy capacities, according to the licence for the provision of electricity transmission service, of the system service is shown in the table below:

Table 11 Volume of energy capacities

Voltage (kV)	Stations (no.)	Installed power (MVA)	OHL (km)
400	39	22,224	4,984.65
220	42	14,283	3,876.14
750	-	-	3.11
110	-	-	40.42*
<b>Total</b>	<b>81</b>	<b>36,507</b>	<b>8,904.32</b>

\*(LEA interconnection with neighbouring states)

Note: In the case of power stations the higher voltage has been taken into account.

The company aims to maintain the quality of the transmission and system service and the operational reliability of the national electricity system under economically efficient conditions, in accordance with the regulations in force and the standards jointly agreed at European level.

The integration into the NES of renewable generation, in particular wind and photovoltaic power plants, both in the form of distributed and dispersed generation at the grid level and through the emergence of very large power plants (in the order of hundreds of MW) connected directly to the RET, leads to the need for complex actions to integrate these plants into the EMS/SCADA-DEN system, both as distributed dispatchable sources and as large concentrated

sources, which will require the appropriate sizing of hardware equipment to ensure the acquisition and processing of a very large volume of data.

The specific nature of this type of generation, given the high degree of variability with its inherent implications on power reserves at NES level and the way it operates in the balancing market, requires the integration of these sources at an appropriate level in the EMS/ASCADA system and the provision of specific energy monitoring and management (through dedicated EMS functions and applications such as forecasting or centralised control). Integrated communication solutions are already adopted between the DEC platform and the command-and-control and energy management systems of the EEC and CFE.

Thus, the EMS/SCADA-DEN system has been functionally rehabilitated and upgraded to meet contemporary functional and information security requirements.

Also, in order to maintain the adequacy of the grid so that it is adequately sized for the transmission of electricity forecast to be generated, imported, exported and transited under the changed conditions, two categories of investments have been included in the 10-year RET Development Plan and will be carried out:

- retrofitting existing stations;
- extension of the RET by building new lines, increasing the transmission capacity of existing lines, extending existing stations and increasing the capacity of station conversions.

8.2. Selected operational data

The company is responsible for maintaining the operation of the national electricity system in a safe manner and in compliance with the quality standards laid down in the RET Technical Code.

The Company also uses balancing market mechanisms to balance production with consumption in real time.

The operational leadership of the NES is provided by:

- National Energy Dispatch
- 5 Territorial Dispatches: Bucharest, Bacau, Cluj, Craiova, Timisoara

Energy balance SEN

Analysing the evolution of the components of the energy balance, in 2023, there was a decrease in net domestic consumption<sup>1</sup> by 5% compared to the same

period of the previous year, and compared to 2021 the decrease was 12%.

Net energy production, compared to 2022, is up 3% (compared to 2020, down3%).

Physical cross-border export trade in 2023 increased by 42% compared to 2022 (115% compared to 2021) and cross-border import flows decreased by 27% (-15% compared to 2021).

Table 12: Energy balance

TWh	2023	2022	2021
Net internal production	54.4	52.7	56.2
Import	5.1	7.0	6.0
Export	8.2	5.8	3.8
Net internal consumption*	51.3	53.9	58.4

Note: net values do not include consumption related to own services in electricity generation plants; net consumption values include

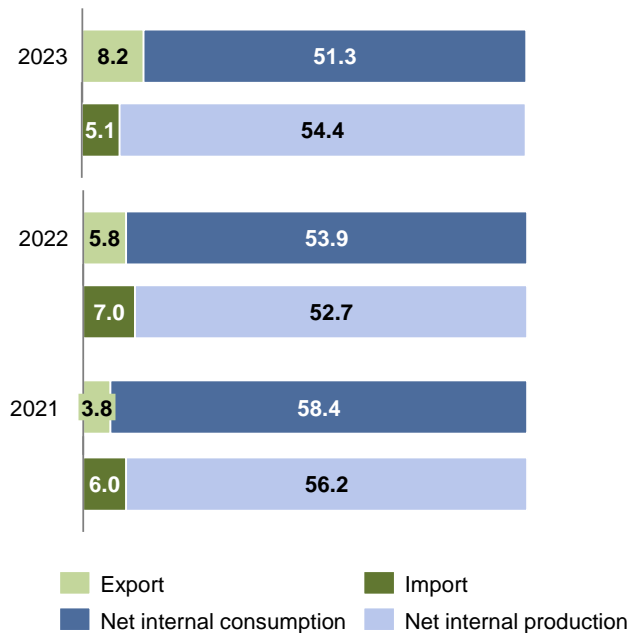
<sup>1</sup>the values do not include consumption related to own services in electricity generation plants; the net consumption value includes

losses in transmission and distribution networks as well as pump consumption in pumped storage hydro stations



losses in transmission and distribution networks as well as consumption of pumps in pumped storage hydro stations.

Figure 17 Energy Balance (TWh)



In the first 10 months of 2023, electricity consumption at NES level recorded monthly decreases, ranging from 1.02% in October to 11.61% in January.

Since November consumption has recorded an upward trend with values ranging from 0.64% in November to 2.06% in December. The year 2023 ended with a reduction in consumption of 4.9%.

The reduction in consumption at year level was mainly due to:

- an annual average temperature 0.76° C higher in 2023 than in 2022 (with larger differences especially in the cold season, which led to a reduction in heating from electric sources), and
- the continuous increase in installed power at prosumers.

The decrease in consumption in the first quarter was largely influenced by average monthly temperatures, which showed 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 tackle high energy prices.

Article 3(3) provides. Member States shall endeavour to implement measures to reduce total gross monthly electricity consumption by 10% compared to the

average gross monthly electricity consumption in the corresponding months of the reference period<sup>2</sup>.

The decline in consumption in the second quarter was largely influenced by the European context, characterized by a slowdown in economic activities<sup>3</sup>, with GDP growth forecast for Romania for spring 2023 at 3.2%, compared to 4.7% in the same period last year.

Another determining factor has been the continuous increase in installed capacity of prosumers, from around 630 MW at the beginning of April to around 970 MW at the end of June.

The third quarter of 2023 was characterized by a further decline in measured consumption, with values ranging from 5.27% in July to 2.95% in August.

The decrease was largely due to continued increases in consumer prices and services, which created a stronger than expected impact on electricity consumption growth<sup>4</sup>, although energy prices continued to follow a downward trend.

Although the 2023 summer tourist season was a busy one across most of Europe, the slowdown in bank lending to the economic sector through monetary policy tightening led to a continued downturn in the economic sector which was implicitly reflected in electricity consumption.

On the other hand, a decisive factor in the decrease of metered consumption is the continuous increase of the installed capacity of prosumers, which reached about 1,060 MW on 31.08.2023.

Assuming for the generation of these prosumers a similar percentage of installed capacity as in the PV power plants whose energy is metered, the estimate was that in the third quarter of 2023 the consumption fed by this generation represented at least 2% of the NES consumption.

The first month of the fourth quarter continued the downward trend in consumption (-1.02% in October 2023) that was seen in the first 9 months of 2023, but from November onwards, energy consumption at NES level showed slight increases, ranging from 0.64% in November to 2.06% in December.

<sup>2</sup> Article 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.

<sup>3</sup>[https://economy-finance.ec.europa.eu/economic-forecast-and-surveys/economic-forecasts/spring-2023-economic-forecast-improved-outlook-amid-persistent-challenges\\_en](https://economy-finance.ec.europa.eu/economic-forecast-and-surveys/economic-forecasts/spring-2023-economic-forecast-improved-outlook-amid-persistent-challenges_en)

<sup>4</sup> [https://economy-finance.ec.europa.eu/economic-forecast-and-surveys/economic-forecasts/summer-2023-economic-forecast-easing-growth-momentum-amid-declining-inflation-and-robust-labour\\_en](https://economy-finance.ec.europa.eu/economic-forecast-and-surveys/economic-forecasts/summer-2023-economic-forecast-easing-growth-momentum-amid-declining-inflation-and-robust-labour_en)



The evolution of consumption in the fourth quarter was influenced both by higher average monthly temperatures than in 2022, with a positive deviation of 1.7° C in October and 0.2° C in December, and a negative deviation of 0.9° C in November.

In addition, the decrease in the number of hours of sunshine has led to a decrease in the production generated by prosumers. It should be noted that on 1 December 2023, the installed capacity of prosumers was 1,388 MW.

Electricity generation mix

In the structure of the production mix, in the period January - December 2023 compared to the same period of 2022, there was an increase of 30% in the Hydro component, 1% in the Nuclear component and 3% in the Renewable component, respectively a decrease of 15% in the Thermal component.

Compared to 2021 the decreases were 16% for the thermal component, and 1% for the nuclear component. The renewable component increased by 8% (mainly due to the increase in wind energy production (+8%)) and the hydro component by 4%.

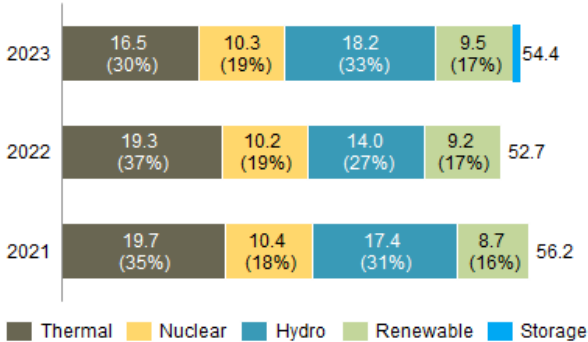
Starting in the third quarter of 2023, battery generation was introduced into the generation mix, totalling 2.3 GWh at the end of the year.

Table 13 Net electricity generation mix

TWh	2023	2022	2021
Thermal	16.5	19.3	19.7
Nuclear	10.3	10.2	10.4
Hydro	18.2	14.0	17.4
Renewable	9.5	9.2	8.7
Storage batteries	2.3	0.0	0.0
Total	54.4	52.7	56.2

Analysing the weights of the components of the net production mix for the period January - December 2023, it can be seen that the largest share, 33%, is represented by the Hydro component, followed by the Thermo component 30%, and energy produced from renewable and nuclear sources have a share of 17% and 19% respectively.

Figure 18 Generation mix 2020 - 2023 (TWh)



National Production Park

In 2023, the installed capacity in thermal power plants decreased by about 10%, from 6,052 MW installed on 31 December 2022 to 5,447 MW installed on 31 December 2023.

On January 1st 2024, the gross installed capacity in the NES totalled 18,210 MW, with the following structure by primary energy sources: coal - 2,762 MW (1,909 MW net), hydrocarbons - 2.684 MW (2,244 MW net), nuclear - 1,413 MW (1,300 MW net), hydro - 6,643 MW (6,314 MW net), wind - 3,027 MW (2,966 MW net), photovoltaic - 1,543 MW (1,450 MW net), biomass - 138 MW (126 MW net).

The installed capacity for the period January to December in the period 2021-2023 is shown in the table below:

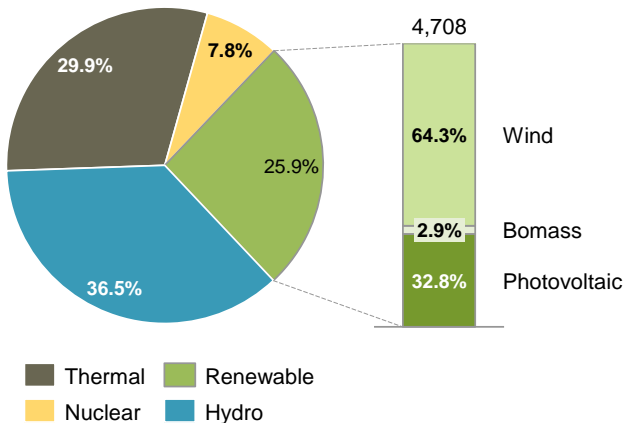
Table 14: Installed power (gross values)

MW	2023	2022	2021
Thermal	5,447	6,052	5,966
Nuclear	1,413	1,413	1,413
Hydro	6,643	6,642	6,645
Renewable	4,708	4,545	4,545
Total	18,210	18,652	18,569

As regards the installed capacity in storage facilities, on 01.03.2024 this totalled 16.2 MW, of which only 7 MW qualified for the provision of system services, the difference of 9.2 MW being in facilities (batteries) connected mainly in wind power plants, not qualifying for participation in the Balancing Market.

The structure of the production fleet in 2023 is shown below:

Figure 19 Installed capacity 2023 (18,210 MWh gross)

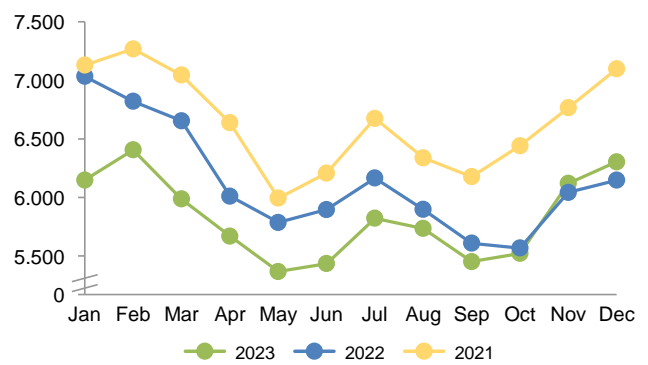


During 2023, power plants totalling 624 MW were commissioned, with the following structure: 56 MW hydrocarbon, 72 MW wind, 496 MW photovoltaic, of which only 48 MW belonging to CEF Calugareni were licensed by ANRE.

Net consumption

Average net electricity consumption in 2023 was at a low level during the period shown below.

Figure 20 Average monthly net consumption (MWh/h)



The maximum net hourly consumption corresponding to the year 2023, peaked in December, following the same trend of recent years when peak values were recorded in the winter months.

Figure 21 Maximum hourly net consumption (MWh/h)

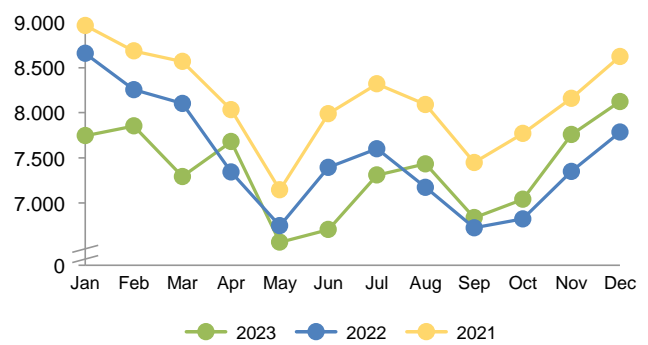


Table 15: Maximum consumption

Year	Month	Value (MWh/h)
2023	Dec	8.123
2022	Jan	8.658
2021	Jan	8.967

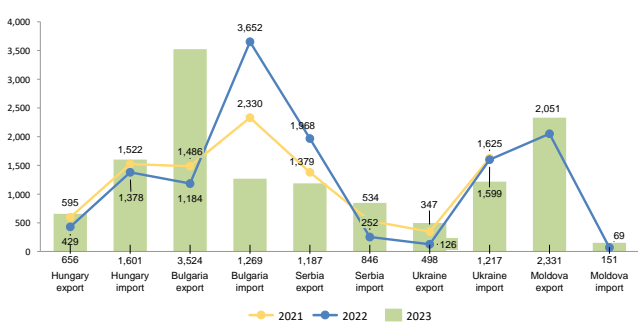
Cross-border flows

Cross-border flows have shown fluctuating trends across all borders over the three years.

The distribution of physical import/export flows on interconnection lines in 2023 compared to 2022 is as follows:

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

Figure 22 Cross-border physical flows (GWh)



Specifically, compared to January - December 2022, physical export flows increased with Hungary (+226GWh), Bulgaria (+2.341GWh), Ukraine (+371GWh) and with Moldova (+281GWh) and decreased on the border with Serbia (-40% - 781GWh), concomitant with the increase of physical import flows on interconnection lines with Hungary (+222GWh), Serbia (+594GWh), Moldova (+81GWh) and decrease on Bulgaria (-65% -2.383GWh), and Ukraine (-24% -382GWh).

In 2023 the NES balance remained on export -3,112 GWh, while in 2022 it remained on import, 1,193 GWh, a decrease of 45.9% compared to 2021, when the amount of imported electricity was 2,205 GWh.

As of 17 December 2021, the RFP-TEL frequency regulation block - exchange power is permanently connected to the European imbalance compensation platform, IGCC. With this joining, Transelectrica complies with the legal obligations established by the European Commission Regulation (EU) 2017/2195 of 2 August 2017 laying down guidelines for the operation of the electricity transmission system (Art. 22).

Total allocated capacity utilisation

Compared to the same period in 2022, there was an overall increase in the **utilisation of capacity** allocated for export, against a background of higher hydroelectricity compared to last year and domestic electricity consumption that did not vary much compared to the same period in 2022.

A significant impact in the increase of transit energy has had the Government Emergency Ordinance no. 119 of 1 September 2022, amending and supplementing the Government Emergency Ordinance no. 27/2022 on measures applicable to end customers in the electricity and natural gas market, 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 utilisation rate is 100%, both import and export, as short-term auctions

are default auctions (capacity and energy are allocated simultaneously), and since January 2023, there has been a complete switch in long-term auctions from the Physical Capacity Rights allocation mechanism to the Financial Capacity Rights allocation mechanism (capacity allocated in annual and monthly auctions is no longer a physical right that can be used by the participant, but only a financial right of the participant).

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.

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

Border	Direction	2023 [%]	2022 [%]	2021 [%]
Hungary	export	100.00	50.11	31.82
	import	100.00	39.68	31.11
Bulgaria	export	29.00	6.91	11.16
	import	29.09	38.34	32.02
Serbia	export	46.37	40.87	30.90
	import	34.22	7.77	11.12
Ukraine	export	34.87	20.00	2.55
	import	87.51	74.12	25.25

Note: the values presented in the table are annual averages calculated as simple arithmetic averages of the monthly average values

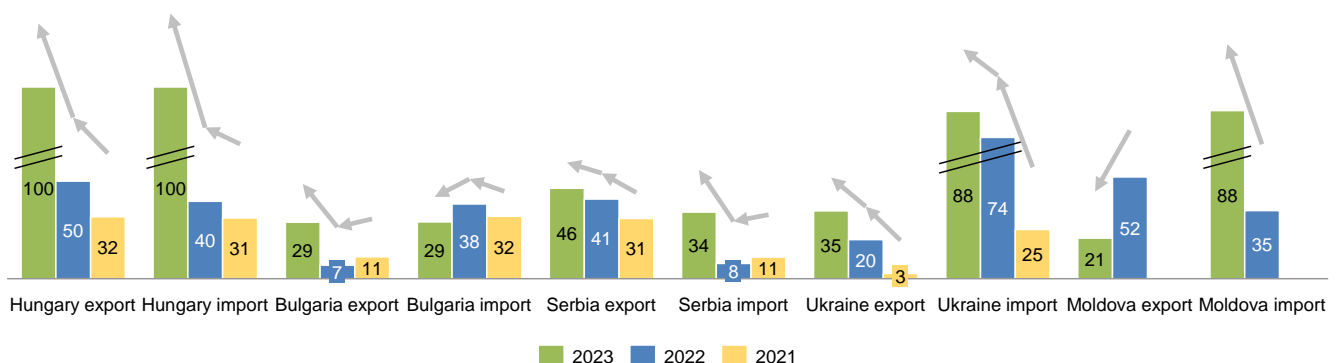
On the implications for the synchronous interconnection of the electricity transmission systems of the Republic of Moldova and Ukraine with the Continental European system through Romania, Hungary and Slovakia:

- 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 technology 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).

Figure 23: Degree of utilisation of total allocated capacity (%)



*The degree of utilisation 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.*

### Own technological consumption recorded in the electricity transmission network

The evolution of own technological consumption ("OTC") in RET is influenced by several factors, independent of Tranelectrica's activity, such as: weather conditions, generation structure vs. consumption location, physical import/export flows across the borders of the NES. The lowest values (relative to energy entering the grid contour) are recorded in dry years, low hydraulicity leads to the commissioning of gas-fired power plants, thus a favourable generation structure is achieved and Corona losses are reduced.

Network losses are mostly influenced by the distance between generation and consumption centres, thus by the way load coverage is distributed to the existing groups in the system and by the volume and destination of international exchanges.

Table 17 Evolution of OTC

Indicator		2023	2022	2021
Energy input in the network	GWh	42,146	43,495	44,137
Losses	GWh	999	959	1,089
OTC	%	2.37%	2.20%	2.47%

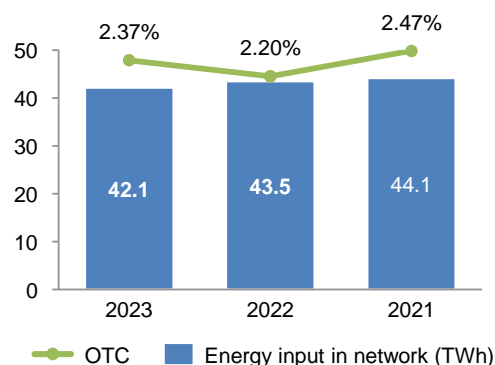
For the full year 2023, the OTC in RET increased by 4.2% compared to 2022, mainly due to more unfavourable physical flows on interconnection lines in the period January-June and September-November and unfavourable weather conditions especially in the months of January-April, June-July, October and November, characterised by higher rainfall amounts which increased corona losses.

Relative to energy entering the contour, losses increased from 2.20% to 2.37%, while energy entering the RET contour was 3.1% lower than in 2022.

Due to its characteristics, the Own Technological Consumption (OTC) in the Electricity Transmission Network (ETN) is strongly dependent on weather 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 - December 2023, such as rainfall and the distribution of physical cross-border flows, are not under Tranelectrica's control.

Figure 24 Evolution of OTC in relation to energy input to RET



### Factors driving the evolution of OTC

**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 transmission of energy away from sources and unfavourable weather conditions characterised by higher rainfall amounts 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 grid 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 interconnection lines on the borders with Ukraine, Hungary and Serbia leading to increased transmission of energy away from sources, but also unfavourable weather conditions with higher rainfall amounts leading to 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 2023 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 the 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 disadvantageous 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.

**In July 2023 OTC** decreased compared to July 2022 by 11.7% as a result of more favourable physical import/export flows on the interconnection lines on the borders with Ukraine, Hungary and Bulgaria which led to a reduction in the transmission of energy away from sources. The percentage of losses relative to energy entering the RET decreased from 2.00% in 2022 to 1.91% in 2023.

The energy entering the grid decreased by 7.78% in July 2023 (297.3 GWh) compared to the same period in 2022, as a result of a 25.4% (175.4 GWh) decrease in energy received from imports and a 7.4% (219.2 GWh) decrease in energy received from generators connected to the RET, while energy received from the RED increased by 60.8% (97.3 GWh).

The weather conditions were unfavourable, characterised by higher rainfall, which increased crown losses.

**In August 2023 OTC** decreased slightly compared to August 2022 by 0.4%, as a result of more favourable physical import/export flows on the interconnection lines on the borders with Ukraine, Hungary and Bulgaria leading to reduced transmission of energy away from sources, and more favourable weather conditions with lower rainfall leading to lower corona losses.

The percentage of losses relative to energy entering the RET decreased from 2.16% in 2022 to 2.15% in 2023. Energy entering the meter decreased by 0.1% (2.4 GWh) in August 2023 compared to the same period in 2022, due to a 22.7% (170.8 GWh) decrease in energy received from imports, amid a 4.5% (122.4 GWh) increase in energy received from generators



connected to the RET and a 35.5% (45.9 GWh) increase in energy received from the RED.

**In September 2023 OTC** increased compared to September 2022 by 1.5%, mainly as a result of increased energy entering the RET contour and more unfavourable physical import/export flows on the interconnection lines on the borders with Serbia and Ukraine leading to increased transmission away from sources.

The percentage of losses relative to energy entering the RET increased from 2.28% in 2022 to 2.31% in 2023. Energy entering the meter increased by 0.2% (6.5 GWh) in September 2023 compared to the same period in 2022, due to an increase in energy received from imports by 15.7% (70.3 GWh), as energy received from generators directly connected to the RET decreased by 1.5% (40.1 GWh) and energy received from the RED by 11.2% (23.7 GWh).

Weather conditions were favourable, with lower rainfall, which reduced crown losses.

**In October 2023 OTC** increased compared to October 2022 by 18.1%, mainly as a result of unfavourable physical import/export flows on interconnection lines on the borders with Ukraine, Moldova and Serbia leading to increased transmission of energy away from sources, but also as a result of increased energy entering the RET contour.

The percentage of losses relative to energy entering the RET increased from 1.76% in 2022 to 2.03% in 2023. Energy entering the meter increased by 2% in October 2023 (70.7GWh) compared to the same period in 2022, due to an increase of 6.6% (35.33GWh) in energy received from imports, 1.2% (33.64GWh) in energy received from generators connected to the RET and 1% (1.74GWh) in energy received from the RED. Weather conditions were slightly unfavourable, characterised by higher rainfall, which increased corona losses.

**In November 2023 OTC** increased compared to November 2022 by 6.7% as a result of unfavourable physical import/export flows on the interconnection lines on the borders with Ukraine, Hungary, Serbia and Moldova which led to an increase in the transmission of energy away from sources. The percentage of losses relative to energy entering the RET increased from 2.27% in 2022 to 2.50% in 2023. Energy entering the grid decreased by 3.3% (130.44GWh) in November 2023 compared to the same period in 2022, due to a 10.79% (74.08GWh) decrease in energy received from imports and a 2.9% (89.92GWh) decrease in energy received from generators connected to the RET, as energy received from the RED increased by 16.5% (33.56GWh).

Weather conditions were much more unfavourable, characterised by higher rainfall across the country, leading to increased corona losses.



**In December 2023 OTC** decreased compared to December 2022 by 8.0%, mainly as a result of much more favourable physical import/export flows on the interconnection lines on the borders with Bulgaria and Ukraine which led to a reduction in remote power transmission to sources, but also as a result of slightly more favourable weather conditions characterised by lower rainfall which led to a reduction in corona losses.

The percentage of losses relative to energy entering the RET decreased from 2.60% in 2022 to 2.32% in 2023. Energy entering the meter increased by 2.89% (111.41GWh) in December 2023 compared to the same period in 2022, due to an increase of 8.6% (255.34GWh) in the energy received from generators directly connected to the RET and 6.5% (14.71GWh) in the energy received from the RED, as energy received from imports decreased by 24.6% (158.64GWh).

**In conclusion, for the whole of first quarter of 2023**, the OTC in the RET increased by 5.1% compared to the same period in 2022, mainly due to unfavourable physical flows on interconnection lines on the borders with Ukraine, Hungary and Serbia but also to 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%.

**For the whole of second quarter of 2023**, OTC in RET increased by 11.8% compared to the same period in 2022, mainly due to 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%.

**For the whole of third quarter of 2023**, OTC in the RET decreased by 3.5% compared to the same period in 2022, mainly as a result of more favourable physical flows on the interconnection lines on the borders with Ukraine, Hungary and Bulgaria and more favourable weather conditions with less rainfall, which led to lower corona losses. Relative to the energy entering the contour losses decreased from 2.14% to 2.12%.

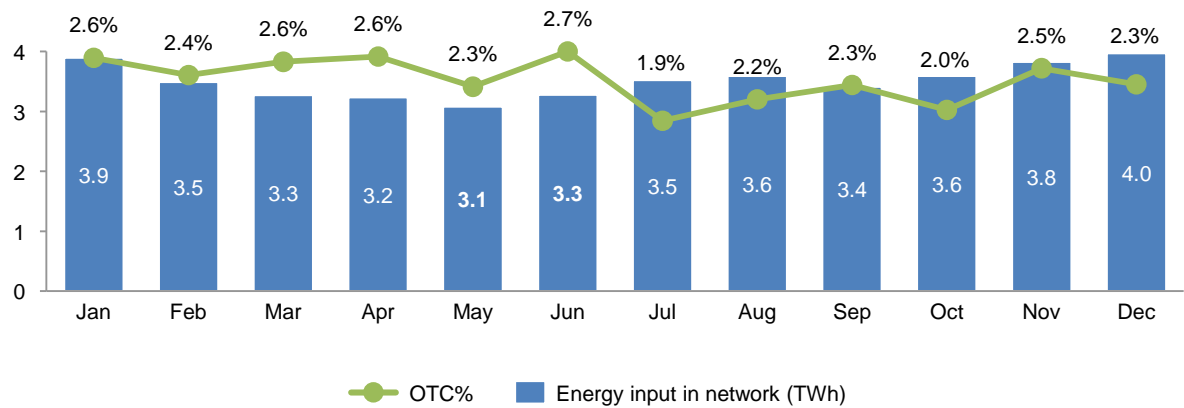
**For the whole fourth quarter of 2023**, OTC in the RET increased by 3.7% compared to the same period

in 2022, mainly due to unfavourable physical flows on interconnection lines in October and November but also due to much worse weather conditions in November, characterised by higher rainfall amounts, which increased corona losses. Relative to energy entering the contour losses increased from 2.22% to 2.29%, while energy entering the RET contour was very close to the 2022 value.

**Minimum level 2023 - July 1,91%**

**Maximum level 2023 - June 2,69%**

Figure 25 Monthly evolution of OTC in 2023



## 9. Development of RET

The Company's strategy for the development of the RET foresees the acceleration of investment projects to modernise and strengthen the electricity transmission network, increase interconnection capacity with countries within ENTSO-E and outside the EU.

The acceleration of investments is the top priority for the members of the Supervisory Board (SB) and the Directorate, being motivated by the financial circuit itself for determining the financial performance, corresponding to the ANRE-approved tariff methodology applicable to the Company, which determines the provision of funding sources for operational and investment activities.

### RET Development Plan - period 2022 - 2031

In accordance with the powers and duties set out in the Electricity and Natural Gas Act No. 123/2012 as amended and supplemented and the specific conditions associated with Licence No. 161 for the provision of electricity transmission service, for the provision of system service and for the administration of the balancing market, the Company shall plan the development of the electricity transmission network, taking into account the current state and the forecast development of consumption, generation and exchanges of electricity and shall draw up every two years a Development Plan for the next ten successive years.

The latest edition of the Ten Year Development Plan covers the period 2022 - 2031. It was approved by ANRE by Decision No 1947/2022. The AGM of NPG CO. Transelectrica SA approved the RET Development Plan for the period 2022 - 2031 main coordinates by Decision no.7/2022.

The RET Development Plan is a particularly important document for the Company's activity, which identifies and proposes projects for the development and modernisation of the electricity transmission network for the next ten years.

The "RET Development Plan - period 2022 - 2031" ("RET Plan"), approved by ANRE, was based on analyses of the future operating regimes of the NES, based on scenarios on the evolution of consumption, generation and exchanges with neighbouring systems in the medium and long term.

The main objectives of the projects in the RET Development Plan are:

- Increased interconnectivity with other systems;

- Integration of production from power plants in the east and south-east;
- Integration of generation from power plants in other areas;
- Security of supply of consumption in deficit areas at the standard quality and safety parameters;
- Refurbishment and modernisation of existing stations;
- Upgrades to measurement, command and control systems, etc.

The production park in the south-east area has grown rapidly. Numerous wind and photovoltaic power plants and power plant projects have emerged, which are necessary to achieve Romania's renewable energy targets. Two new nuclear units are also planned at the Cenavodă NPP.

It is therefore necessary to strengthen the section of the internal grid that transmits power to consumption centres in the rest of the country.

The development of renewable generation capacity leads to increased energy exchanges between systems and increased variability of power flows over large regions.

The experience of recent years and the forecast for the coming period indicate a high level of demand on the Romanian network at the borders with Serbia and Hungary, both for exchanges between the NES and these systems and for transit through the NES network.

In order to provide the necessary infrastructure for electricity exchanges in the region, it is necessary to increase the exchange capacity at the western interface of the system.

Interconnection projects with the Republic of Moldova are also under consideration.

The Romania-Georgia submarine cable project has been included in the category of projects that are not included in the Development Plan but may be included depending on the confirmation of the necessary decision steps at stakeholder level.

From the steady-state and static stability analyses, it was found that the monitored sections S4 (Transylvania N-W feeder section) and S5 (Moldova feeder section) have a high risk of operating close to the maximum allowable power in the section in both the medium and long term, demonstrating the need to reinforce each of these sections.



In this respect, the reinforcement of the electricity transmission network by completing the 400 kV ring between the North-East and North-West area of the NES is beneficial in terms of increasing the static stability reserves for both sections S4 and S5 and section S3 (common transmission section between the Dobrogea+Moldova areas and the rest of the SEN).

Certain areas have also been identified where local security of supply problems are expected, where additional injection capacities from the 400 kV network to the lower voltage network need to be installed (Iernut, Sibiu).

It also resulted in the need for projects to increase the safety of supply to consumers in the Bucharest metropolitan area.

Analyses carried out within ENTSO-E showed the need to increase interconnection capacity on the borders with Serbia and Hungary and consequently additional long-term projects were included in the development plan.

#### **Projects included in the RET Development Plan - period 2022 - 2031**

By their very nature, RET infrastructure projects require a long preparation and implementation period, so that the results become visible after a number of years.

Experience shows that the usual full cycle of an investment project (from the initial design phase, preparation of the feasibility study, specifications and technical design to the execution and commissioning of the project) for the construction/refurbishment of a power station is on average 5 years and for the construction of a new power line 9 years.

The RET Development Plan is a particularly important document for the Company's activity, which identifies and proposes projects for the development and modernisation of the electricity transmission network for the next ten years, in line with the forecast evolution of electricity consumption, in compliance with the technical standards in force.

The following RET developments have been identified as major projects and checked for their suitability, with completion dates taking into account the time required to complete the investments:



#### ***Increasing exchange capacity on Romania's western interface***

In view of its contribution to the implementation of the European Union's strategic priorities on trans-European energy infrastructure, the European Commission has included the following group of

projects in the fifth list of Projects of Common Interest (PCI):

- PCI "Romania-Serbia Group, between Resita and Pancevo", known as "Mid Continental East corridor", which includes the following projects of common interest:

- 400 kV d.c. Reșița (RO)-Pancevo (Serbia) OHL - completed ;
- Porțile de Fier-Reșița 400 kV OHL and the extension of the 220/110 kV Reșița station through the construction of the new 400 kV station;
- Upgrade to 400 kV of the 220 kV d.c. Reșița-Timișoara-Săcălaz-Arad OHL, including the construction of 400 kV stations Timișoara, Arad and Săcălaz.

Also included are the following projects:

- Equipping the circuit 2 of the 400 kV Nădab-Bekescsaba OHL (the section between the new 400 kV Grăniceri station connecting CEF Arad and Nădab);
- 400 kV Portile de Fier - Djerdap OHL circuit 2 - result of long-term analysis within ENTSO-E;
- RO-HU interconnection (new 400 kV Oradea-Jozsa OHL, new 400/220 kV AT Roșiori, reconductoring of 220 kV Urechești-Tg. Jiu Nord-Paroșeni-Baru Mare-Hășdat) - result of the long-term analysis within ENTSO-E.

***Increasing the exchange capacity on the southern interface of Romania (border with Bulgaria) for the transmission of power from intermittent renewables installed on the Black Sea coast to consumption and storage centres the following grid developments are planned:***

➤ *Black Sea corridor cluster, which includes the following projects:*

- 400 kV d.c. (1 e.c.) Smârdan-Gutinaș OHL;
- 400 kV d.c. Cernavodă-Stâlpu OHL, with an input/output circuit in Gura Ialomiței.

➤ *To increase exchange capacity on the interface with the Republic of Moldova:*

- 400 kV Suceava (RO)-Bălți (RM) OHL single circuit;
- 400 kV Gădălin - Suceava s.c. OHL (new LEA);
- Installation of optical fiber on the 400 kV Isaccea - Vulcanesti OHL.

➤ *For the interconnection with Ukraine:*

- Installation of an embedded fibre optic protection conductor on the 400 kV Roșiori - Mukacevo OHL.

In the next edition of the Development Plan, the Isaccea - Ukraine South OHL (via Primorska) will be upgraded to 400kV, a project promoted on the list of the energy community as a project of mutual interest.

***Increasing transmission capacity between the eastern area (especially Dobrogea) and the rest of the interconnected electricity system and integrating power generated from SRE and other sources in Dobrogea into the system***

In order to strengthen the transmission capacity from Dobrogea to the rest of the system, several projects have been planned to reinforce the transmission network.

- Input-output connection of 400 kV Stupina-Varna OHL and 400 kV Rahman-Dobrudja OHL in 400 kV Medgidia South station (stage I Extension of 400 kV Medgidia South station and stage II Realization of connections);
- 400 kV s.c. Gădălin-Suceava OHL;
- 400 kV d.c. (1 c.e.) Stâlpu-Brașov OHL;
- Switching to 400 kV Brazi Vest - Teleajen - Stalpu, OHL including: purchase of 400 MVA AT4, 400/220/20 kV Brazi Vest, and extension works of 400 kV and 220 kV related stations, in 400/220/110 kV Brazi Vest station, construction of 400 kV Teleajen station and refurbishment of 110 kV 400 kV d.c. station (1 c.e.) Medgidia Sud-Constanța Nord OHL;
- Reconductoring of 220 kV Stejaru-Gheorghieni-Fântânele OHL;
- Increasing the transmission capacity on the 8 km section with smaller cross section on the 400 kV București Sud - Pelicanu OHL;
- Increasing the transmission capacity on the 53 km section with smaller cross section on the 400 kV Cernavodă - Pelicanu OHL;
- The transition of the 400 kV Isaccea-Tulcea West OHL from single circuit to double circuit;
- Increasing the transmission capacity of the 220kV Gutinas-Dumbrava OHL;
- Increasing the transmission capacity of 220kV Dumbrava-Stejaru OHL;
- Increasing the transmission capacity of the Fantanele-Ungheni 220kV OHL;
- Increasing the transmission capacity of the 400 kV South Bucharest-Gura Ialomitei OHL;
- Installation of a new 400/110 kV transformer 3 Medgidia South;
- Installation of new 400/110 kV Smardan transformer 3;
- Equipping circuit 2 for the new 400 kV Smardan-Gutinas OHL;
- Installation of new 400/110kV Medgidia South transformer;
- Installation of new 400/110kV Smârdan transformer;
- Power circulation control devices;



- Modern voltage regulators (SVC).

### Integration of power generated from other plants into the NES

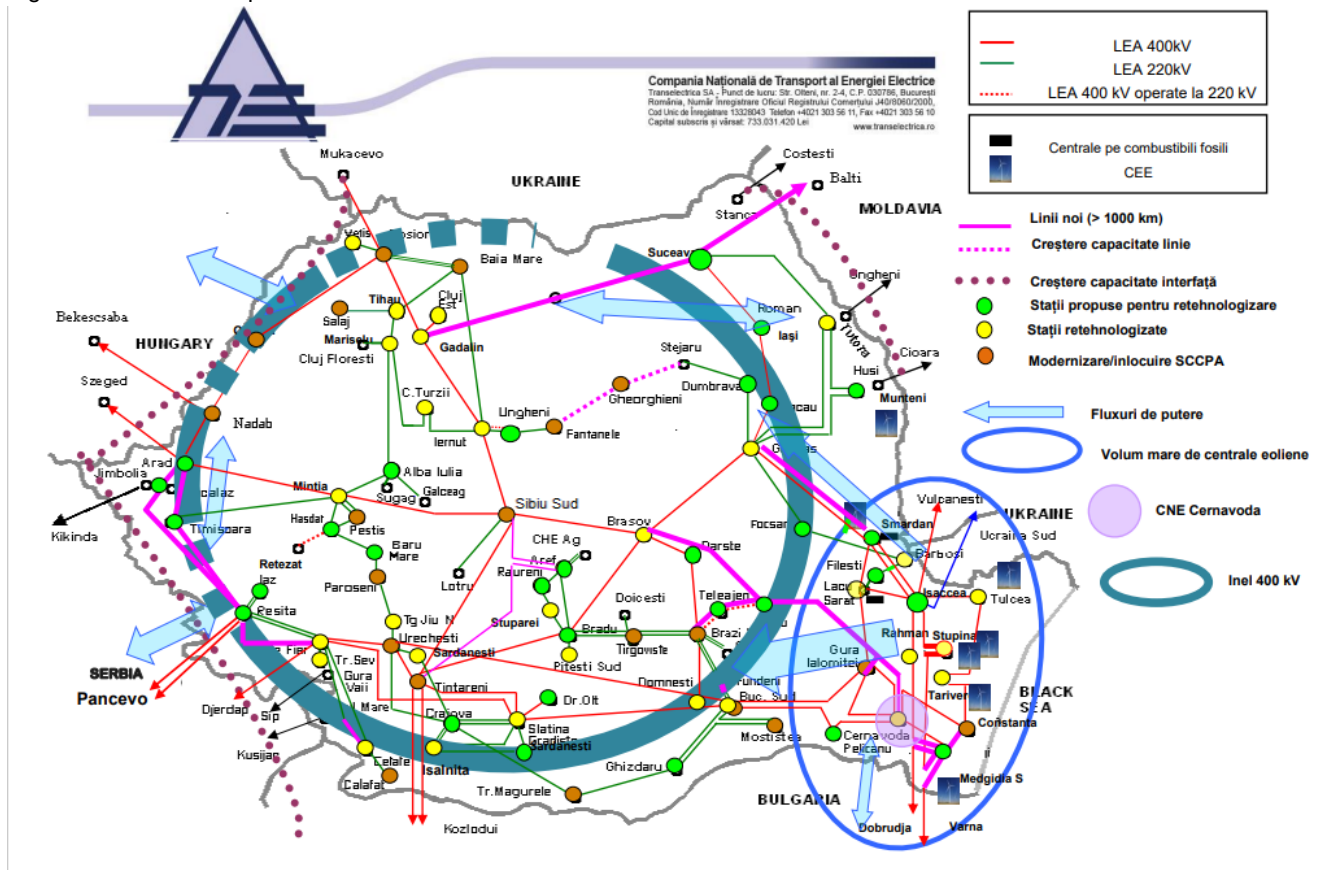
The following works are scheduled:

- For the safe evacuation of power from the Porțile de Fier II CHE, it was agreed with S.C. Hidroelectrica SA to evacuate at 220 kV, by building the 220 kV Ostrovul Mare station, and the 220 kV d.c. Ostrovul Mare OHL connection in the 220 kV Porțile de Fier - Cetate OHL.

The following projects have been introduced to evacuate power from the CEF in the south:

- Reconductoring of 220 kV Turnu-Magurele-Ghizdaru OHL;
- Reconductoring of 220 kV Turnu-Magurele-Craiova North OHL;
- Reconductoring of the 220kV d.c. Bucharest South-Ghizdaru OHL.

Figure 26: RET development needs 2022-2031



### Safety of supply for consumption

- Increasing the operational reliability of the Argeș-Vâlcea grid area - by building a new 400 kV Arefu station, 1AT 400/220 kV 400 MVA and connecting to the 400 kV Țânțăreni-Sibiu Sud OHL through a 400 kV d.c. OHL of about 0.05 km;
- Installation of a new 220/110 kV 400MVA autotransformer in the 220/110 kV Fundeni station, increasing the degree of safety in supplying consumers in the north-east area of Bucharest connected to the 220/110/10 kV Fundeni station;
- Installation of a new 400/110 kV 250MVA transformer in the 400/220/110 kV Bucharest South station, increasing the degree of safety in the supply of consumers from the southern area of Bucharest connected to the 400/220/110/10 kV Bucharest South station;
- 400/110 kV station at Grozăvești connected via 400 kV LES with 400 kV București Sud and Domnești stations and two 100MVAR compensation coils mounted at 400 kV in 400 kV Grozăvești station;

- 400/110 kV station at Fundeni also connected through the new 400 kV Fundeni-Brazi Vest OHL and input-output to the 400 kV București Sud-Gura Ialomiței OHL through the 400 kV d.c. OHL and installation of a 100MVar compensation coil in the new 400 kV station;.
- 220/110kV injection station from 220kV Baia Mare Iernut OHL in RED;
- 400/110kV Bistrita injection station from 400kV Suceava - Gadalin OHL in RED;
- 400/110kV transformer Calea Aradului.

### ***Refurbishment and modernisation of existing stations***

A significant number of existing stations are/will be undergoing a sustained programme of upgrading and modernisation of plant and equipment:

Most of the power lines and stations that make up the national transmission system were built in the 1960s and 1980s at the technological level of that period.

The actual technical condition of the installations has been maintained to date at an adequate level, both through the maintenance programme carried out and through a sustained programme of upgrading and modernisation of installations and equipment.

Over the next ten years, ongoing refurbishment projects will be completed and new projects will be started, respecting the prioritisation based on the technical condition and importance of the stations:

- AT and T replacements in stations-stage 2-phase 2:
- AT 220/110 kV 200 MVA: HV1 Alba Iulia, HV1 Baia Mare 3, HV3 Târgoviște;
- Trafo 110/20 16 MVA: T4 Suceava, T4 Oradea South, T1 and T2 FAI;
- AT and T replacements in stations-stage 3;
- HV 220/110 kV 200 MVA: Tg.Jiu Nord, Sărdănești, Suceava, Dumbrava, Grădiște (HV2); FAI (HV2);
- HV 220/110 kV 100 MVA Tihău;
- Trafo2 110/20 kV 40 MVA in Tg.Jiu Nord station and Trafo2 110/10 kV 40 MVA in Cluj Est station;
- Trafo 110/20 kV 25 MVA: T1 and T2 in Cluj Florești station, T2 in Sălaj station, T2 in Câmpia Turzii station, T1 in Turnu Severin Est station;
- 110/20 kV 20 MVA transformer in Turnu Severin East station;
- Refurbishment of 220/110/20 kV Ungheni station;
- Modernization of 220/110/20 kV Arefu station;
- Modernization of the 220/110 kV Răureni electric station;
- Modernization of the 220/110 kV Dumbrava electric station;
- Refurbishment of 400/110 kV/m.t. Smârdan station;
- Refurbishment of 220/110 kV Craiova Nord station;
- Refurbishment of 220/110 kV/MT Baru Mare station;
- Refurbishment of 220/110 kV Iaz;
- Refurbishment of 220/110 kV Hășdat station;
- Refurbishment of 220/110 kV Filești station;
- Modernization of Munteni 400 (220)/11020 kV station;
- Pilot Project - Upgrading the 220/110/20 kV Alba Iulia station to a digital station concept (DigiTEL Alba Iulia Pilot Project);
- Refurbishment of the 110/20 kV Medgidia South station;
- 400 kV Isaccea station refurbishment (Phase II) ;
- Refurbishment of 400/110 kV Pelicanu station;
- Upgrading of 110 and 400 (220) kV installations in Focșani West station;
- Refurbishment of Darste 400/110 kV station;
- Modernization of the 220 kV, 110 kV command-control-protection-metering system in the 220/110/20 kV station and medium voltage and internal DC and AC services retrofitting in the 220/110/20 kV Ghizdaru station; Modernization of the command-control-protection system and integration in the CTSI of the Drăgănești Olt station;
- Modernization of the command control protection system and integration into the CTSI of Grădiște station;
- Modernization of 220/110/20 kV Vetis station - primary equipment;
- Modernization of 220/110/20kV Fântânele station;
- Modernization of 220/110 kV Calafat station;
- SCADA modernization in 400/110/20 kV station Oradea South;
- Upgrade/replace protection control system in the following stations: 400/220 kV Roșiori, 220/110/20 kV Sălaj, 220/110 kV Baia Mare 3, 220/110 kV Cluj Florești, 400 kV Țânțăreni, 220/110 kV Paroșeni, 220/110 kV Pestiș, 400 kV Calea Aradului, 400/220/110 kV Mintia, 220/110/20 kV Târgoviște, 400 kV Cernavodă, 400/110/20 kV Sibiu Sud, 220/110/20 kV Gheorgheni, 400kV Gădălin;
- Power supply upgrading at UNO DEN offices;
- Installation of two modern means of reactive power compensation in 400/220/110/20 kV Sibiu Sud and 400/220/110/20 kV Bradu stations;

- Purchase and installation of 21 monitoring systems for transformer units in Transelectrica stations (DigiTEL Trafo Expert Project);
- Modernization of 400/220/110 kV Urechești station;
- Replacement of transformer no. 4 - 250 MVA, 400/110 kV in 400/110 KV Draganesti Olt station;
- Replacement of Trafo 1 and Trafo 7 Cluj East station;
- Replacement of Trafo 2 400/110kV Smardan station;
- T1 and T2 400/110kV Constanta Nord transformer replacement;
- Purchase and installation of a 100MVA compensation coil in Portile de Fier 400kV station;
- Optimization of voltage regulation and power quality parameters by installing FACTS equipment in Gutinaș, Suceava and Roșiori stations;
- Optimization of the operation of the existing 400 kV OHLs in the NES used in interconnection, for power evacuation from the Cernavodă NPP and renewable energy plants in Dobrogea, by installing on-line monitoring systems (DigiTEL Smart Lines Project);
- Increasing safety in operation and maintenance activities at Domnești station through the use of digital technologies (DigiTEL Smart Vision pilot project).

### **RET scanning**

In 2023, within the Company through the OMEPA Metering Department, the implementation of the Electricity Metering and Data Management System for electricity metering on the wholesale market continued, carried out under the *RET Digitalization* Modernization Fund financing contract *by installing two online systems for electricity metering and power quality monitoring* concluded in 2022.

The Wholesale Electricity Metering and Meter Data Management System (WEMMS) aims to align with the latest national and European regulations, ensure high availability of metering data for OPCOM, OPE and electricity market participants, provide specialized services for national and regional energy markets, provide efficient regulated metering and aggregation of electricity settlement data for the needs of the Company and its customers.

The system infrastructure contains:

- Central remote data management system (central IT platform) and a backup system for the central SCMPA in a different location from the central system (Disaster Recovery);

- Telecontrol subsystem in high-voltage stations;
- Telecommunications subsystem;

The Wholesale Electricity Metering and Data Management System (WEMS) will perform the following main functions: metering of electricity, transmission of metering data and its storage at the central point, processing of metering and import data from other operators, publication of metered/aggregated data to users, secure interconnection with other IT systems, securing of all metered and aggregated data, ensuring its confidentiality and integrity.

At the same time, in 2023, the necessary steps have been taken (public tender has been launched) for the conclusion of a future contract for the second project financed from the Modernisation Fund for the *Digitalization of RET by installing two online systems for the field of electricity metering and power quality monitoring*, the Power Quality Monitoring System (PQMS).

The aim of the new Power Quality Monitoring System is to extend the monitoring of power quality in all stations of the RET, as well as in all interconnection stations of the NES with neighbouring power systems.

The future Power Quality Monitoring System (PQMS) has been designed in line with the latest requirements in power quality monitoring, process informatics and cyber security. The project includes the implementation of the IT platform at the central point, the replacement of the existing outdated power quality analysers, the installation of new analysers and the extension of monitoring at the points of interest, as well as the upgrading of the existing analysers to comply with the current requirements in the field of power quality monitoring.

The development of these areas within the Company is aimed both at present and in the medium and long term, as a priority, at providing efficient electricity quality measurement and monitoring services for which there are obligations imposed by the legislation in force - as a "Single Metering Operator and Aggregator of Settlement Data on the Wholesale Electricity Market", a role fulfilled through the Company's OMEPA metering operator.

In order to achieve the objective of fulfilling this role, the Company is implementing the two modern, secure and efficient IT systems for the management of measured/aggregated data and monitoring of power quality.

## 9.1. Annual Investment Programme

Investment expenses as at 31 December 2023 by main chapters of the annual investment programme are as follows:

Table 18: Amount of expenses in 2023

No.	Types of expenditures	Programmed* (mil. lei)	Realized (mil. lei)
	<b>Grand total (A + B)</b>	<b>510,49</b>	<b>471,95</b>
<b>A</b>	<b>Company's own expenses</b>	<b>456,32</b>	<b>427,23</b>
I	Continued investments	425,40	402,37
II	New investments	6,70	5,58
III	Other investment expenditures	24,22	19,28
	<b>Investments financed from the connection fee</b>	<b>54,16</b>	<b>44,71</b>
<b>B</b>			

\* IPA 2023 revision A13

Thus, the degree of realisation of the investment programme as at 31 December 2023 is 92.5% in the General Total and 93.6% in the Company's own expenses category.

The amount of investments made in the following years is 402.37 million lei and represents 94% of the Company's own investment expenses in 2023.

The realised value of the investments financed from the connection tariff is 44.71 million lei, corresponding

to requests for the execution of network relocation works or connection to the network of certain producers.

The investment programme for 2023 has been revised 13 times due to requests for the introduction/deletion of investment objectives, increase/decrease of certain expenses amounts due to the pace of execution of investment projects.

The Company's development plan for the next 10 years includes a comprehensive investment programme aimed at strengthening energy security, digitalization 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.

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 already congested regions no longer allow for new capacity additions, but taking into account investments currently underway as well as those planned for these two regions alone, by 2027, there will be around 5,000 additional MW available.

### Brief description of the main projects started in 2023

#### ***Increasing safety in the operation of the Argeş - Vâlcea grid area, building the 400 KV Arefu station and installing a 400 MVA, 400/220 KV AT***

##### **Project purpose:**

The Argeş-Vâlcea grid area, in which Arefu station is located, is connected to the RET exclusively via the 400/220/110/20 kV Bradu station, at 220 kV voltage level, through four 220 kV lines forming a 220 kV ring with entry-exit in the 220 kV Bradu station: 220 kV Bradu-Arefu OHL, 220 kV Arefu-Râureni OHL, 220 kV Râureni-Stupărei OHL, 220 kV Stupărei-Bradul OHL.

The new 400 kV Arefu station will provide a second connection of the 220 kV Bradu-Arefu-Râureni-Stupărei-Bradul ring to the 400 kV transmission grid and a significant increase in the operational reliability of the Argeş-Vâlcea power grid area.

##### **Project description:**

The 400 kV Arefu station will have a simple busbar layout, will be built in GIS technology and will be built within the existing station premises. The GIS station

interior connections to lines and AT are planned to be made by GIS/GIL modules.

#### ***220 kV double circuit Ostrovu Mare - RET - OHL Phase I***

##### **Project purpose:**

The south-western area of the NES is characterized by a significant surplus of electricity due to the large hydroelectric power plants located on the Danube, namely Porțile de Fier I and II + Gogoşu as well as thermoelectric power plants in the Oltenia coal basin.

The solution to increase the level of safety in the operation of the transmission networks in the area and to decrease the technological losses in the 110 kV networks of SC DFEE Electrica Oltenia SA, is provided by the evacuation of power from the Porțile de Fier II + Gogosu HEC into the 220 kV area network through a 220/110 kV station located near the hydropower plant.

As a result of the system analysis within the work "Study on the optimization of the transmission and distribution network in the area of Drobeta Tr. Severin,



Reșița, Timișoara, Arad, Cetate and Calafat stations to increase the level of safety in the operation of NES. RET's Perspective Plan.

Period 2004 - 2008 and indicative 2014", it was proposed to change the solution for the discharge of the energy produced in the Porțile de Fier II CHE into the SEN, by building a 220 kV power station at Ostrovu Mare, connected via a double circuit 220 kV OHL to the existing 220 kV Porțile de Fier I - Cetate OHL, on the shortest route (approx. 30 km), in the vicinity of Corlățel.

Transelectrica SA has promoted, through the "RET Perspective Plan", the works necessary to evacuate power from Porțile de Fier II + Gogoșu HVDC through its own 220 kV station.

#### **Project description:**

The works consist in the construction of the 220 kV Ostrov 2 x 200 MVA station, the **construction of the inlet/outlet connection in the 220 kV d.c. Pdf I - Cetate/Calafat OHL** for the connection of this new station and the extension of the 220 kV Cetate station (in the context of the development of the electric transmission network in the south-west area of the National Energy System. It is also necessary to extend the 220 kV Cetate station - this work is in progress).

***Optimization of the operation of the existing 400 kV OHLs in the NES, used for interconnection and for power evacuation from the Cernavodă nuclear power plant and renewable energy plants in Dobrogea, by installing on-line monitoring systems (SMART GRID type).***

#### **Project purpose:**

The main objective to be achieved through the acquisition and installation of on-line monitoring systems is to increase the operational reliability of the OHL, which will be achieved through the on-line diagnosis and assessment of the technical condition of overhead power lines based on the data acquired on-line and the operationalization of the Dynamic Line Rating (DLR) concept.

The objective of the DLR (Dynamic Rating) is to provide the System Operator with accurate and real-time information that will allow better use of the OHL's transmission capacity and increase it according to current weather conditions, reduce risk and increase its reliability and efficiency in operation.

#### **Project description:**

The works consist in the installation of on-line monitoring systems on 13 transmission and power discharge lines from Cernavodă and renewable energy plants, to the Moldavia area and Bucharest

(400 kV Cernavodă - Gura Ialomiței 1 OHL, 400 kV Cernavodă - Pelicanu OHL, 400 kV Cernavodă - Medgidia Sud OHL, 400 kV Cernavodă - Constanța Nord OHL, 400 kV Gutinaș - Smârdan OHL, 400 kV București Sud - Pelicanu OHL, 400 kV București Sud - Gura Ialomiței OHL, 400 kV Cernavodă - Stâlpul - new line OHL, 400 kV Cernavodă - Gura Ialomiței 2 OHL, 400 kV Cernavodă - Gura Ialomiței OHL circ. 3, 400 kV Gura Ialomiței - Stâlpul OHL, 400 kV Stupina - Medgidia Sud OHL, 400 kV Rahman - Medgidia Sud OHL) and on 10 interconnection lines (400 kV Nădab - Békéscsaba, OHL 400 kV Arad - Sandorfalva OHL, 400 kV Reșița - Pancevo 1 OHL, 400 kV Reșița - Pancevo 2 OHL, 400 kV Porțile de Fier - Djerdap OHL, 400 kV Tântăreni - Koslodui 1 OHL, 400 kV Tântăreni - Koslodui 2 OHL, 400 kV Roșiori - Mukacevo OHL, 400 kV Medgidia Sud - Varna OHL, 400 kV Medgidia Sud - Dobrudja OHL)

***Installation of two modern means of reactive power compensation in 400/220/110/20 kV Sibiu South and 400/220/110/20 kV Bradu stations***

#### **Project purpose:**

The project aims to ensure the safe operation of the NES and the transmission of electricity at quality levels appropriate to the conditions set out in the RET Technical Code and the Performance Standard for Electricity Transmission and System Services and to develop the RET so that it is adequately dimensioned for the transmission of electricity forecast to be produced, consumed, imported, exported and transited.

#### **Project description:**

The implementation of automatic secondary voltage-reactive power regulation on the 400 kV Sibiu Sud and Bradu stations will lead to a reduction of active power losses, to increased reliability in the operation of the NES and in the supply of consumers, as well as to an increase in the quality of electricity.

The benefits that will accrue to RET as a result of the investment:

- voltage regulation in NES;
- increasing the static and dynamic stability of the energy system;
- limiting power oscillations and subsynchronous resonance;
- limiting transient overvoltages;
- voltage balancing on the three phases;
- reduction of OTC in RET.

***Increasing the degree of safety in supplying consumers in the southern area of Bucharest connected to the 400/220/110/10 kV Bucharest South station***

#### **Project purpose:**



The 400/220/110/10 kV Bucharest South station is an important node of the National Energy System in terms of supplying electricity to the distribution network belonging to E - Distribution Muntenia, respectively to consumers in the south, south-east and south-west areas of the capital, ensures the discharge of electricity produced by CET Sud - ELCEN and ensures the transmission of energy from the two major energy producing areas, Oltenia and Dobrogea, to the largest consumer of the country, the capital, but also to consumers in the northern axis of the NES. Station 400/220/110/10 kV Bucharest South is particularly important in supplying electricity to the southern and central areas of Bucharest and partly to Ilfov County, with a continuously increasing consumption.

For these reasons, it is necessary to increase the degree of safety in the supply of consumers in the southern area of Bucharest, connected to the 400/220/110/10 kV Bucharest South station.

#### Project description:

This project aims to achieve the following objectives:

- Power amplification of 110 kV and 10 kV stations;
- Providing additional power transfer to the current one, directly from the 400 kV station to the 110 kV station.

**Upgrade to 400 kV of the 220kV Brazi Vest - Teleajen - Stâlpu OHL including 400MVA 400/220/20kV AT acquisition and extension works of the 400kV and 220kV related stations, in the 400/220/110kV Brazi Vest station, of which:**

**1 - Extension of Brazi West station (including AT4)**

**2 - 400 kV Brazi West - Teleajen – Stâlpu OHL**

#### Project purpose:

One of the weaknesses identified in the RET in terms of transient stability is the Brazi Vest area, the analysis finding that the realisation of the 400 kV Gura Ialomiței-Stâlpu-Teleajen-Brazi Vest axis is beneficial, including for the stability of the Brazi PETROM CCCC.

Thus, the object of the present investment is to upgrade the Brazi Vest-Teleajen-Stâlpu line to 400kV voltage with 220kV operation, including the related works in Brazi Vest and Teleajen stations, (excluding the works in Stâlpu station, which are not the object of the present investment), plus the additional acquisition of AT4 400MVA 400/220/20kV in Brazi Vest station.

#### Project description:

##### Switching to 400kV of the Brazi West-Teleajen-Stâlpu OHL

The installation of the new section 1N-15N on the current positions of the 220 kV Brazi Vest - Teleajen OHL implies:

- dismantling the existing poles 1A-15A of the 400(220) kV Brazi Vest - Teleajen OHL and installing new 400 kV poles (properly equipped) on the existing ones;
- to make a temporary stopgap during the works on the existing section 1A-15A.

##### Extension of 400/220kV Brazi West station

The AT4 autotransformer will be mounted between the IV and V axes, about 23m from the GIS 220kV platform. The connection from the 400 kV cell will be made in buried and overhead cable to the AT terminals and the connection from the 220 kV cell by cable and overhead;

The OHL route involves connecting the Teleajen OHL from the terminal pole (on the existing 220 kV OHL route) to the existing 220 kV frames of the station;

The connection from the station frames to the 400 kV Teleajen GIS cell is made by 400 kV cable on a route outside the station fence;

The Teleajen cell connection is made through SF6 insulated tubing with SF6/cable feed-through.

Table 19 Main major projects with FIP (final and milestone) implemented in 2023

Crt. no.	Objective	Contract	PFI value mil lei
1	Metering and data management system for electricity metering on the wholesale market	C 637/05.04.2022	2.23
2	Modernization of 220/110kv Dumbrava station	C 356/2020	21.57
3	Extension of 400 kV Cernavodă station - stage II - Connection of new lines	C 168/2019	13.08
4	220 kV double circuit Ostrovu Mare - RET OHL - Phase II - Installation of OPGW protection conductor on existing 220 kV Porțile de Fier I - Cetate OHL circuits 1+2	C256/2021	4.21
5	400kv d.c. Cernavoda - Stâlpu OHL and connection in Gura Ialomiței (new line)	C 919/2019	353.67
6	220/110/20 kV Arefu Electricity Connection Station	C 25/2021	70.70

**Main projects completed in 2023*****Modernization of 220/110 kV Dumbrava station - commissioning in February 2023***

According to Transelectrica S.A. policy, in order to increase the safety of the power system and to implement the company's strategy of remote control of power stations, taking into account the physical and moral wear and tear of the installations in the stations, it was necessary to upgrade the 220/110 kV Dumbrava station to the level of current technologies.

The Dumbrava station modernization project included the execution of works, supply of equipment and services (design, engineering, testing, PIF) for the primary and secondary circuits of the 220 kV and 110 kV stations.

Thus, physically and morally worn out primary equipment was replaced by new, high-performance equipment at the level of current technology. The secondary circuits have been completely upgraded and brought up to the level of the new NTI in force, resulting in an advanced Command-Control-Protection system with high reliability and providing remote control of the station.

***Extension of 400 kV Cernavodă station - phase II - Connection of new lines - commissioning in March 2023***

The contracted works resulted in an extension of the existing outdoor station, equipped with conventional, modern and high-performance primary equipment and a command - control - protection system allowing remote control of the station. (CTSI, DEN/DET). This ensures the SCADA system's functionality under conditions of maximum stability, safety and cyber security.

The extension of the station's existing command - control - protection and automation system (SCCPA), made with digital technology equipment, to the Cernavodă station's integral SCADA system, ensures operational safety and allows remote control of the station from the remote control and supervision centre of the installations. The system is integrated into the National SCADA Dispatcher system.

The purpose of the extension was to build 400 kV cells for the future overhead power lines Cernavodă - Stâlpu and Cernavodă - Gura Ialomiței in order to meet the current functional and operational safety requirements of the NES, as well as to allow the evacuation of electricity produced by the power plants in the Dobrogea area and the future Cernavodă Units 3 and 4.

***400 kV d.c. Cernavodă - Stâlpu OHL and connection to Gura Ialomiței station (new line) - commissioning in June 2023***

The project "Internal line between Cernavodă and Stâlpu" is the first Project of Common Interest (PCI) carried out by Transelectrica, for which European funding has been obtained within the framework of the Connecting Europe Facility (CEF) - ENERGY SECTOR.

The project aimed at strengthening the cross-section between the western Black Sea coast and the rest of the European system, while contributing to the strengthening of the electricity transmission grid in Romania, increasing the interconnection capacity between Romania and Bulgaria and integrating wind energy in the Dobrogea area.

The 400 kV d.c. Cernavodă - Stâlpu OHL has a length of 160 km and 509 poles.

The route of the line crosses the territory of three counties: Constanța, Ialomița and Buzău, with 22 administrative units: Cernavodă, Seimeni, Stelnică, Bordușani, Făcăieni, Vlădeni, Mihail Kogălniceanu, Gura Ialomiței, Țândărei, Valea Ciorii, Scânteia, Grivița, Miloșești, Padina, Pogoanele, Smeeni, Gherăseni, Costești, Stâlpu, Saligny, Fetești and Luciu.

**220/110/20 kV Arefu power connection station - commissioning in November 2023**

220/110/20 kV Arefu electric connection station, Arefu county. Argeș, is an important electrical station of the Electric Transmission Network (RET) which was commissioned in 1966.

Refurbishment/modernization of Arefu station leads to increased operational reliability of RET in the power generation area of the upper Olt and Argeș rivers.

The work consisted of:

- modernization of the 220/110/20 kV station, the objective of which was to bring the installations up to current state-of-the-art technology by replacing the primary equipment, protection and automation control equipment and implementing SCADA;
- extension of Arefu station with 400 kV station, with integration into the 400 kV ring of RET according to Transelectrica's strategy;
- increasing the electricity transmission capacity by implementing a 400 MVA, 400/220 kV Autotransformer (AT);
- providing the possibility of remote control of the station from the headquarters of the Craiova Territorial Energy Dispatcher and the headquarters of the DEN - Central Energy Dispatcher.

**Investment programme for the year 2024 and the estimate for the years 2025 - 2026**

The main major investment objectives for which execution contracts were signed in previous years and which will be in the execution works stage in 2024 (*investments below*) structured according to the chapters of the Development Plan:

- 9 investment projects - *RET upgrading*,
- 2 investment project - *Consumer security of supply*,
- 4 investment projects - *Integration of production in Dobrogea and Moldova*,
- 1 investment project - *Integration of production from other areas*,
- 3 investment projects - *Increasing interconnection capacity*.
- 2 other ongoing projects.

The total value of the investments below represents 79% of the Company's own investment expenses.

The company has an extensive investment program, as established by the OGMS through OGMS

Resolution no.2/2024, aimed at modernizing and re-greening the Transmission Grid, completing Romania's 400 kV ring and increasing interconnection capacities with neighboring countries both in terms of ensuring the safety of the National Electricity System and facilitating electricity exports.

Table 20 Structure of Investment Expenses 2024 and estimates 2025-2026

No.	Types of expenditures	2024 (mil.lei)	2025 (mil. lei)	2026 (mil. lei)
Grand total (A + B)		536	1,201	922
A	Company's own expenses	513	1,201	922
I	Continued investments	403	713	442
II	New investments	69	363	452
III	Other investment expenditures	41	124	27
B	Investments financed from the connection fee	23	0	0

**Risks that may affect the implementation of the IPA 2024**

The risks identified for the investment objectives included in the Company's own expenses category that may affect the achievement of the Annual Investment Programme for 2024 are as follows:

- External: delays in the completion of the works according to the estimates and contractual deadlines, mainly due to:
  - ✓ the global economic situation, namely the war in Ukraine and the energy crisis;
  - ✓ the financial situation of certain performers;

- ✓ significant delays in issuing HGs for triggering expropriation/removal procedures from forest land.

The impact of these risks could be 13% of the Company's own expenses.

- Internal (other causes)- with an impact of 2%.

With these constraints in place, the degree of realisation of the Investment Programme (the Company's own expenses) may be around 85%.

## 9.2. Sectoral procurement activity

In the area of sectoral procurement during 2023, 728 procurement processes were awarded consisting of 286 procurement procedures and 442 direct procurement processes. In summary, the degree of completion of procurement processes (procedures completed with contracts and procedures initiated) in the period January - December 2023, is 93% in terms of value and 66% in terms of number.

As regards purchases financed by investment funds, contracts were signed at Company level, with a total value of **654.8 million lei**. In addition, a number of 5 investment projects financed from non-reimbursable funds - Modernization Fund, with an estimated value of 769.5 million lei, have been initiated and are expected to be completed during 2024:

- Power quality monitoring system
- Refurbishment of the 110 kV Săcălaz station and the transition to 400 kV voltage of the Porțile de Fier - Anina - Reșița - Timișoara - Săcălaz - Arad axis. 400 kV Săcălaz station (stage III) - (design)
- Switching to 400 kV voltage of the Porțile de Fier - Reșița - Timișoara - Săcălaz - Arad axis, stage II: 400 kV d.c. Reșița - Timișoara - Săcălaz OHL

- Pilot project - Upgrading the 220/110/20 kV Alba Iulia station to a Digital Station concept
- Upgrading of the 110 kV Timișoara Station and the transition to 400 kV voltage of the Porțile de Fier - Anina - Reșița - Timișoara - Săcălaz - Arad Axis, stage II: 400 kV Timișoara Station

During 2023, legislative measures impacting commercial activity have been introduced, including:

- Order 1554/17.08.2023 on the approval of the structure and content of the standard tender documentation for the public/sector procurement of products.
- Emergency Ordinance no. 34/12.05.2023 on certain fiscal-budgetary measures, extension of certain deadlines, as well as for amending and supplementing certain normative acts.
- Decision no. 336/12.04.2023 for the modification and completion of the Methodological Rules for the application of the provisions on the award of the sector contract/framework agreement of the Law no. 99/2016 on sector procurement, approved by Government Decision no. 394/2016.

## 9.3. 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 prefigured 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.

The main lines of collaboration between C.N.T.E.E. Transelectrica S.A. and UPB are:

- **Train future energy professionals** by developing programmes and disciplines tailored to the needs

of NES / 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 digitalization.** The start of digitalization 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

Table 21: Projects with European funding

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.

On 07.07.2023 the final list of the results of the qualitative evaluation was published and the project remained in first position. We mention that in early October the grant contract was signed and therefore the implementation of the project started.

The project runs for 3 years (maximum implementation deadline: 30 June 2026).

Starting from November 2023, Transelectrica is organizing internships for 5 students enrolled in dual education at the Technical College of Post and Telecommunications "Gheorghe Airinei".

No.	Objective	Funding programme	Funding status	Value funding million eur
1	400kv d.c. Gutinaș – Smârdan OHL	POIM	60,23%	33.44 €
2	400kv d.c. Medgidia Sud-Constanța Nord OHL	Modernisation Fund	100%	22.99 €
3	400kv Gădălin - Suceava OHL, including interconnection to SEN	Modernisation Fund	100%	101.21€
4	"Axul Banat", Phase II OHL 400kv Resita - Timisoara/Sascalaz	Modernisation Fund	100%	45.18€
5	"Axul Banat" , Phase II Upgrade of the 110kv station Timișoara and transition to 400kv	Modernisation Fund	100%	18.43€
6	"Axul Banat" , Phase III OHL 400kv Timișoara/Săscălaz - Arad	Modernisation Fund	100%	27.28€
7	"Axul Banat" , Phase III Refurbishment of 110kV Arad Station and 400 kV Arad Station	Modernisation Fund	100%	13.41€
8	"Axul Banat" , Phase III 400 kV Săcălaz Station	Modernisation Fund	100%	16.82€
9	400 kV Brazi West -Teleajen - Stâlpu OHL (Lot I)	Modernisation Fund	100%	€51.07
10	Extension of Brazi West station (including AT4) (Lot II)			
11	400 kV Teleajen station and 110 kV station refurbishment	Modernisation Fund	100%	46.96€
12	Pilot project - Upgrading the 220/110/20 kV Alba Iulia station to a digital station concept			
13	Installation of two modern means of reactive power compensation in 400/220/110/20 kV Sibiu South and 400/220/110/20 kV Bradu stations	Modernisation Fund	100%	52.34€
14	Optimization of the operation of the existing 400 kV OHLs in the SEN, used in interconnection and for power evacuation from the Cernavodă nuclear power plant and renewable	Modernisation Fund	100%	10.48€
15	Metering and data management system for electricity metering on the wholesale market	Modernisation Fund	100%	10.67€
16	Power Quality Monitoring System (PQMS)	Modernisation Fund	100%	7.58€

### Modernisation 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 third quarter of 2023, applications for reimbursement were submitted with a total reimbursed amount of 13,832,226 lei according to the submission schedules for the following projects:*

- *Phase II "Axul Banat", Construction of a new 400 kV overhead power line Reșița - Timișoara/Săcălaz, Refurbishment of the 110 /220 kV Timișoara station and switch to 400 kV - total amount reimbursed - 7.042.511 lei;*
- *Pilot project - Refurbishment of the 220/110/20 kV Alba Iulia Station in the concept of a digital station - total amount reimbursed - 2.605.443 lei;*
- *Installation of two modern means of reactive power compensation in 400/220/110/20 kV Sibiu Sud and 400/220/110/20 kV Bradu stations - total amount reimbursed - 769.574 lei;*
- *Digitalization of RET by installing 2 online systems for metering and management of electricity metering data on the wholesale market, and for monitoring of electricity quality - total amount reimbursed - 3.414.698 lei.*

### Project "400 kV d.c. Gutinaș Smârdan OHL "

As regards 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, 5 (five) requests for reimbursement were submitted, with a total reimbursed amount of 75.669.726 lei by the Managing Authority - POIM.*

### REPowerEU Plan

As regards the **Re PowerEU Plan**, *Investment I6 - digitalization, efficiency and modernization of the national electricity transmission network (allocation 56,237,200 euros)* was approved, as follows:

- *Investment 6.a - Installation of photovoltaic power plants (PPS) and electricity storage facilities to supply internal services installed in C.N.T.E.E. Transelectrica S.A. stations (allocation 29.557.000 euro);*
- *Investment 6.b - Upgrading of SMART SA - subsidiary of C.N.T.E.E. Transelectrica S.A. (allocation 18.240.000 euro);*
- *Investment 6.c - Optimisation of the communication network and creation of a data centre -Teletrans SA, subsidiary of C.N.T.E.E. Transelectrica S.A. (allocation 8.440.200 euro).*

At the same time, in December 2023, the European Commission positively assessed the proposal to amend the National Recovery and Resilience Plan (NRRP), including the REPowerEU chapter through the Council Implementing Decision amending the Implementing Decision of 29 October 2021 approving the assessment of Romania's Recovery and Resilience Plan No 15833/23.

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.

The objective of the REPowerEU-funded investment is to increase flexibility and address bottlenecks in the electricity grid in order to accelerate the integration of additional renewable energy capacity and increase the resilience of the grid, while strengthening cyber security through better responsiveness to cyber attacks.

In this context, in the first quarter of 2024, a grant agreement is to be signed with the General Secretariat of the Government.

### TwinEU and SmartWin

In March 2023, through participation in the **consortia formed to develop the 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 transmission 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 transmission 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 call HORIZON-CL5-2023-D3-01-10 "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 in training and familiarizing personnel 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.



#### *Project fiches for funding from the Modernisation Fund*

In September, three project files were submitted to the Ministry of Energy for funding from the Modernisation Fund with a total value of 140,216,858 euros, namely:

- *DigiTEL Green pilot project - Refurbishment of the 220/110/20 kV Mostistea station in the concept of a digital station with reduced environmental impact (allocation 48.340.733,89 euro);*
- *DigiTEL Power Lines of the Future Pilot Project - Optimisation of LEAs by installing innovative poles with low environmental impact (allocation 17.159.583,75 euro);*
- *Construction of the Romanian section of the 400 kV Suceava (RO) - Balti (MD) line, including its interconnection to the NES (allocation 74.716.540 euro).*

On 14.12.2023 the decision approving the non-reimbursable financing from the Modernization Fund - C(2023) 9054 - for the "DigiTEL Green Pilot Project - Refurbishment of the 220/110/20 kV Mostistea station in the concept of a digital station with reduced environmental impact" (allocation 48.340.733,89 euro) was published, in the first quarter of 2024, i.e. 20.02.2024. the financing contract with the Ministry of Energy was signed (C101/20.02.2024).

Also, in the first quarter of 2024, project fiches are to be submitted to the Ministry of Energy for funding from the Modernisation Fund for the projects:

- *DigiTEL Power Lines of the Future Pilot Project - Optimising LEAs by installing innovative, low environmental impact poles;*
- *Construction of the Romanian section of the 400 kV Suceava (RO) - Balti (MD) line, including its interconnection to the NES.*

Cernavodă-Stâlpu internal line

As regards the project "Internal line between Cernavodă-Stâlpu", financed from European funds under the Connecting Europe Facility (CEF) mechanism, amounting to 54.170.000 euro, of which the European funding is 27.085.000 euro, on 13.07.2023 the final request for reimbursement in the amount of 6.055.497 lei was received.

Events

With regard to the **elements, events or uncertainty factors that influenced the activity during 2023**, the following can be mentioned:

- Volatility in the construction and energy materials markets, as well as the current geopolitical context, have led to a dramatic increase in prices,
- Long delays in the approval by the competent institutions of the draft normative acts regulating the transfer of the right of administration, on behalf of the Romanian State, of certain land located in

the corridor of the overhead power lines that Transelectrica is building.

Perspectives for 2024

As **perspectives for the next period of 2024** are considered as initiatives:

- The approach to grant funding opportunities is twofold
  - the monitoring process of grant funding opportunities launched by funding authorities at national and European level, which is ongoing,
  - identification of funding opportunities that are linked to the company's development priorities and the identified needs to support their implementation.
- Develop collaborative partnerships with EU LTOs by initiating innovative transnational projects in the company's areas of activity, aimed at strengthening human resources through the exchange of experience and best practices.

9.4. Quality of transmission and system services provided

According to the Performance Standard for Electricity Transmission and System Services - approved by ANRE Order 12/2016, the representative performance

indicators for the management and operation of RET and for the continuity of transmission service are:



- the electricity transmitted (GWh) and the percentage coefficient of energy losses in the electricity transmission network - values presented in the corresponding section OTC (Operational Data);
- the time-averaged unavailability of installations due to scheduled or unscheduled (accidental) events, reported per km for lines (INDLIN), or MVA for transformers and autotransformers (INDTRA);

Table 22: Indicators for RET management/operational activity

Indicator	2023	2022	2021
INDLIN (hours/year)			
Total	243.11	206.95	205.60
- Unscheduled (accidental)	12.58	4.91	6.04
- Scheduled	230.53	202.04	199.56
INDTRA (hours/year)			
Total	75.17	226.32	179.21
- Unscheduled (accidental)	1.48	7.10	4.99
- Scheduled	73.69	219.22	174.22

In the period January-December 2023, there was a total time-averaged unavailability of the OHL - INDLIN of 243.11 hours/interval, 17% higher than that recorded in the same period in 2022 (206.95 hours/interval).

The evolution by category of the average unavailability over time of installations in 2023 compared to 2022 is:

- ✓ ▲ 156% - unscheduled
- ✓ ▲ 14% - scheduled



It is found that during 2023, scheduled downtime has slightly increased, while unscheduled downtime has a significant increase. The increase in unscheduled unavailability is caused by an increase in the number of OHL incidents in Q4 2023 on the one hand and an increase in unavailability durations on the other hand. The slight increase in scheduled unavailability in 2023 compared to 2022 can be attributed to works executed on transmission lines both as a result of the implementation of investment programmes and the implementation of preventive maintenance programmes.

In January-December 2023 there was a total time-averaged unavailability of the INDTRA transformers of 75.17 hours/interval 67% lower than in the same period last year (226.32 hours/interval).

The evolution by category of the time-average unavailability of transformers in 2023 compared to 2022 is:

- ✓ ▼ **79%** - unscheduled
- ✓ ▼ **66%** - scheduled.

The implementation of investment programmes, both for the replacement of certain transformer units and for the refurbishment of stations, together with the application of the minor maintenance programme, has led to a decrease in the scheduled and unscheduled unavailability of the transformers of the RET.

- Energy Not Supplied (ENS) due to interruptions and Average Interruption Time (AIT) which is the equivalent average time in minutes that the electricity supply was interrupted.

Table 23: Indicators of continuity of transmission service

Indicator	2023	2022	2021
ENS following incidents in RET [MWh]	37.13	54.05	109.76
ENC from incidents in RET [MWh]	10,154.90	1160.36	90.50
AIT-ENS (min/year)	0.34	0.52	1.01
AIT-ENC (min/year)	93.30	11.15	0.84

Continuity of operation is one of the parameters of transmission and system service quality. The assessment of the level of reliability of the service provided at a given point of the RET, under normal operating conditions, is an important prerequisite for the provision of an efficient transmission service by the Company and for the proper functioning of the electricity market.

In 2023 the total AIT-ENS value was 0.34 min, lower than the AIT-ENS value recorded in the same period of 2022 which was 0.52 min. The reduction in the amount of undelivered energy to consumers during

this period contributed to the lower value of this indicator.

In January-December 2023, there was 37.13 MWh of energy not delivered to consumers (ENS), 31% less than the amount of energy not delivered to consumers recorded in the same period of 2022 (54.05MWh).

In the year 2023 AIT-ENC, the time-equivalent average period during which power was blocked in generating plants, reached 93.30 min and increased significantly from 11.15 min/year in 2022.

The worsening of this indicator was due to incidents recorded on power lines and stations belonging to the Company that provide a direct connection between the TSO stations and the Cernavoda Nuclear Power Plant (e.g. 400 kV U1 - Cernavoda connection), incidents recorded on power lines of the Company operating in temporary connection with power evacuation lines from power generators stations (e.g. 400 kV Cernavodă - Gura Ialomiței OHL with Făcăeni branch), as well as incidents recorded in the Company's stations at voltages lower than the voltages considered for the RET, but which led to the blocking of significant amounts of electricity in the generators' power plants, all of which are reported to be higher in 2023 than in 2022.

The measures envisaged by the Company to improve the ENS and AIT indicators, according to the RET Development Plan 2022-2031, are:

- ✓ Review of the technical conditions for the design and sizing of installations in the light of weather and climate changes.
  - normative revisions,
  - analysis of the structural capacity of overhead power lines in the RET using modern computer programs in order to improve the ability of the NES to operate safely and stably.

The checks consist of analysis with computer programs, aligned with the most modern design concepts. Thus, the calculation software allows a 3-D modelling of the whole overhead power line structure, including elements related to the topography of the terrain, and offers the whole range of functions necessary for the verification and analysis of an overhead power line, such as:

- structural analysis of all line elements (poles, insulator chains, conductors);
- simulations of the behaviour of the overhead power line in different scenarios (extreme weather conditions, mechanical or electrical overloads, etc.);

- establishing the necessary preventive measures to increase operational safety;
- upgrading and adapting existing overhead power lines to new conditions (weather, loads);
- electric and magnetic field calculations;
- calculations of the transmission capacity of the OHL.

- ✓ Replacement of worn-out equipment with high-performance equipment under the maintenance and investment programme).
- Availability of data from the Wholesale Electricity Metering System and the Power Quality Monitoring System: 100%.

## 9.5. Maintenance

The RET maintenance activity shall comply with the *Maintenance Assurance Programme* (MAP) drawn up on the basis of the Regulation on the management and organisation of maintenance activity approved by Order of the National Energy Regulatory Authority (ANRE) No 96/2017, as subsequently amended and supplemented (which repealed Order No 35/2002), for the approval of the Regulation for the organisation of the maintenance activity, Transelectrica's internal technical standard - *Regulation for preventive maintenance of installations and equipment within the RET* - having the code NTI-TEL-R-001-2007 and the *RET Annual Maintenance Programmes* (PM RET).

The MAP is the *regulation of the activity, the introduction of modern concepts of optimisation and performance of the activity* and applies to all components of the maintenance activity (technical, economic-financial, relational, organisational) carried out on all assets of the RET. The PAM incorporates and maintains - providing the framework for drafting, revising and updating maintenance documents as required - *all documentation relating to maintenance activity*.

NTI-TEL-R-001-2007 stipulates that maintenance work/services shall be carried out only at the *appropriate times, in the quantity and quality required*, so that the following important desiderata are met:

- maintaining an appropriate level of operational safety of RET installations;
- maintaining intrinsic levels of reliability of functional assemblies and component equipment;
- increasing the availability of facilities;
- optimising total costs over the lifetime of the system.

It provides maintenance categories (preventive, corrective) and maintenance levels (minor, major) of maintenance, rationale and planning principles, general indicative operations, periodicities, etc. and forms the basis for the development of annual (value and physical) RET maintenance programmes.

The PM RET maintenance programmes are based on the *Preventive Maintenance Regulation for RET*

*installations and equipment* and translate the principles of maintenance activity into maintenance works and services while ensuring the necessary financial resources.

### Categories, levels and types of maintenance practiced in Transelectrica; manner for choosing the types of maintenance

#### Maintenance categories

In Transelectrica, maintenance services/work is carried out on electrical installations, where appropriate:

- preventive - prophylactic, to prevent defects, i.e. to reduce the probability of failure or degradation;
- corrective - after detection of the fault, including all actions intended to restore an installation to a condition that allows it to perform its specified function, with the aim of optimising the objectives proposed in the RET:
  - ✓ safety in operation,
  - ✓ availability,
  - ✓ efficiency

and compliance with the Performance Standard.

#### Levels and types of maintenance actions

Maintenance works/services are classified according to the "Rules for the management and organisation of maintenance activities", i.e. PM, into *4 levels* (level 1 - 4) which represent the complexity of the content of the services/works, the need for tools/tools, the need for qualification of the providers/performers, etc.

Levels 1 and 2 represent services/work classified as *minor maintenance* - usually surveillance, visual inspection, inspections and overhauls, and levels 3 and 4 as *major maintenance* - usually repairs.

#### Preventive maintenance

*The basic principle is that any preventive maintenance action must have the effect of preventing accidental downtime.*

The types of preventive (planned) maintenance services/work are tiered as follows:

- level 1 - supervision, periodic control, monitoring, functional testing;
- level 2 - technical overhaul works - RT;
- level 3 - current repair works - RC;
- level 4 - capital repair works - RK.

A special type of maintenance is *rehabilitation*, defined according to ANRE Order 96/2017, as a set of *complex maintenance* works which, without changing the initial technology, restores the technical and efficiency status of the installations to a level close to that at the beginning of their lifetime. The RET includes actions to rehabilitate power stations with equipment replacements and at OHLs with element replacements to improve reliability.



Corrective maintenance

**Corrective** maintenance services/work are divided into two levels, minor maintenance (control actions, inspections, checks, measurements, overhauls following the detection of accidental events - technical faults and incidents) and major maintenance (repairs and replacements of equipment following accidental events of the type of incidents with serious damage to equipment).

Corrective maintenance actions (incidental services/work) shall be carried out on all installations on an emergency basis and in accordance with the obligations of the contractor/maintenance service provider/worker under the contract.

The RET will use the combination of methods presented, respectively:

- Level 1 and 2 services/works constitute Minor Preventive Maintenance (MPm) actions and, depending on the category, voltage and technical characteristics (technology) of the functional assemblies and their components, are planned on a time basis - by scheduling at predetermined time intervals based on operating experience, also taking into account their importance within the

RET, and can be adjusted (customised) according to condition and importance;

- Level 3 and 4 works constitute Major Preventive Maintenance (MPM) actions and are condition-based, depending on the technical condition of the installations, determined by various procedures.

Condition-based preventive maintenance includes condition determination/forecasting activities based on information obtained through *surveillance, visual checks, surveys, inspections and technical overhauls*, i.e. primary information obtained during minor maintenance.

In carrying out the annual RET maintenance programmes, priority is given to works/services that lead to an increase in the operational safety of the installations, to the completion of contracted works/services and to those that contribute to the proper functioning of the installations. The prospect of implementing the remote control and monitoring programme for electrical installations, which requires the rehabilitation of electrical equipment, should also be taken into account, which will lead to a reduction in personnel and operating costs in the future.

For the year 2023, maintenance expenses of 111.57 million lei (99.2% of the programmed total) have been incurred for the RET, including major maintenance, minor maintenance and other maintenance expenses.

Table 24Types of maintenance of RET (million lei)

Maintenance	Budget 2023	Achievements 2023
Minor preventive	38.34	38.25
Minor corrective (including equipment/materials)	57.51	57.12
Major preventive	16.62	16.20
<b>Total</b>	<b>112.47</b>	<b>111.57</b>

Maintenance programme for 2023 and estimate for 2024-2025

The RET Maintenance Programme for the year 2024 covers the management of the operation of electrical installations and the maintenance of tangible assets in the form of electrical installations and technological buildings (excluding IT and Tc, telecontrol systems and integrated security systems) forming the electricity transmission network (RET), subject to cost minimisation, optimal use and increased performance, preventive, corrective and reliability-based maintenance services/works, design services/works and services/works in progress, and has been structured by programme and project according to the type of installations, as follows:

- services/work on power stations and power transformers;

- services/work on overhead power lines, construction and other technological installations;
- services/work specific to the maintenance of electricity metering equipment (creation or repair of power supply circuits, communications, repair of electricity quality measurement and monitoring equipment, etc.).

The main concern in carrying out RET maintenance programmes has been and is to ensure the safe operation of the NES by:

- update the maintenance policy, strategy and regulation of NPG CO. Transelectrica SA, harmonize them with the regulations, especially those issued by ANRE;
- providing preventive and corrective maintenance: (i) minor maintenance under contract with the SMART SA subsidiary; (ii) major maintenance on projects (high power transformer units, LEAs, stations and buildings and other technological installations) under contracts with specialised entities;
- use of computer applications/databases in operation and maintenance;
- optimising costs, reducing repair times and downtime of installations by concluding the framework agreement for the supply of medium and high voltage primary equipment;
- optimise OHL maintenance costs by carrying out multispectral inspections (in the visible, infrared and ultraviolet spectra), and carrying out remedial work on non-conformities.

With regard to the use of IT applications/databases in the operation and maintenance activity, we would like to make the following clarifications:

**1. Establish the architecture of the single database (BDU),** which contains data from existing applications (ARES, InfoLEA, infoSTATIONS) and which will be a source of information for all existing or to be developed applications;

**2. Detailing the requirements for maintenance work to establish an application;**

**Currently, the BDU architecture** has been established and data is being uploaded for each station, a process continued with the data verification procedure at DEMD RET level; the **maintenance application** has been initiated, providing, at this point, the following functionalities (certain full and certain partial):

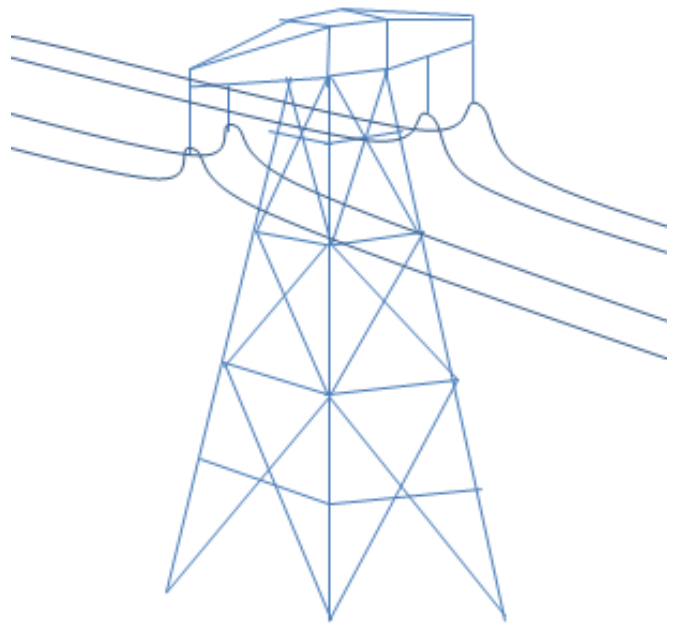
- list of assets: data on assets (SISC) and non-conformities recorded on them;
- minor maintenance planning;

- minor maintenance (partial/limited functionality);
- view supporting data: tariffs, contracts, etc (partial/limited functionality);
- retrieving the latest updates recorded in the application (in the context of the implemented options);

For the years 2025 and 2026, in estimating the values of the RET Maintenance Schedules, account has been taken mainly of the continuation of major maintenance works, especially at the OHLs, which are in progress, and of the Preventive Maintenance Regulation on the installations and equipment of the RET, as well as of the requests of the Territorial Transmission Branches.

In the future it is envisaged to streamline the RET maintenance activity by:

- emphasise preventive maintenance operations to reduce corrective maintenance;
- continuation of the OHL multispectral inspection programme;
- the use of non-invasive methods to determine the technical condition of electrical installations;
- the execution of the sector contract for the supply of medium and high voltage primary equipment and their provision for installation in the Company's installations;





## 10. European projects, platforms, affiliations

### 10.1. European projects

The company has been selected by the European Commission to be part of the specialist teams of several European projects, certain of them fully funded by structural funds.

Below we briefly present certain of these projects:

#### **Regional electricity market coupling projects and implicit cross-border transmission capacity allocation**

The energy challenges facing Europe include issues such as increasing import dependency, limited diversification, high and volatile energy prices, rising global energy demand, security risks affecting producer and transit countries, growing threats from climate change, slow progress in energy efficiency, challenges arising from the increasing share of renewable energy, and the need for greater transparency, integration and interconnection in energy markets.

To address these issues, Europe needs a clear energy strategy with a set of measures at its core, designed to ensure the implementation of an integrated energy market and the achievement of the 3 main objectives:

- security of supply
- competitiveness
- sustainability

These include completing the integration of the pan-European energy market, strengthening national policy coordination, removing market barriers and energy isolation, lowering energy prices for consumers, modernising infrastructure and attracting investment in the energy sector with a focus on innovative technologies and green energy production capacities.

Achieving a fully functioning pan-European energy market is crucial to meeting the objectives of maintaining security of energy supply, increasing competitiveness and ensuring that all European consumers can purchase energy at affordable prices.

Security of energy supply is an essential element of public security and is therefore inextricably linked to the effective functioning of the internal electricity market and the integration of isolated electricity markets in the Member States of the European Union.

The target model of the pan-European internal electricity market for the day-ahead horizon foresees

the coupling of these markets by price, based on a single European coupling solution (PCR mechanism - Price Coupling of Regions), with implicit allocation of interconnection capacities and calculation of interconnection capacities based on power flows (Flow-Based Method - FB).

In order to achieve a truly integrated electricity market, the current rules on capacity allocation, congestion management and electricity trade need to be further harmonised.

In this context, *Regulation 1222/2015 laying down guidelines on capacity allocation and congestion management* was drafted and approved, setting harmonised minimum rules for single day-ahead and intra-day market coupling at pan-European level, allowing for more efficient use of the network and increased competition to the benefit of consumers.

Several initiatives are currently underway at European level aimed at achieving the coupling of national/regional markets, on daily and intra-day time segments, into a single European electricity market and the implementation of default cross-border transmission capacity allocation mechanisms with the application of available transmission capacity (ATC) methods.

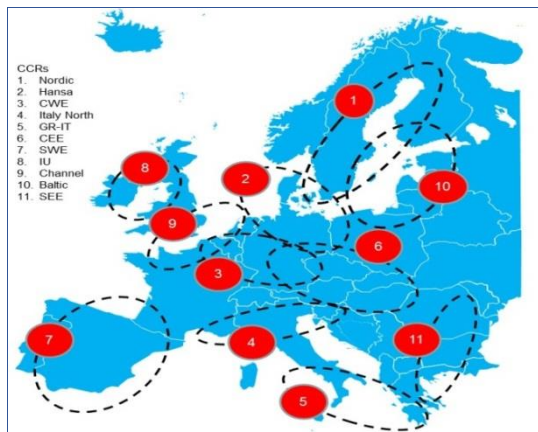
On 15 November 2016, the Memorandum on Romania's participation in the day-ahead and intra-day electricity market coupling projects under development at the European level was signed at the governmental level as part of the European energy market implementation process.

According to Article 2 of *Regulation 1222/2015 establishing guidelines for capacity allocation and congestion management* (Definitions), these regions are defined as "Capacity Calculation Regions (CCRs)", meaning "the geographical area in which coordinated capacity calculation applies". A CCR must therefore include a set of supply area boundaries for which capacity calculation will be coordinated by the TSOs in accordance with the Regulation.

The proposal for the configuration of cross-border transmission capacity regions (CCRs) for all borders of the European electricity transmission system represents a dynamic and pragmatic pan-European approach with a short and medium-term perspective, supporting coordination across the borders of the bidding areas where the greatest interdependence has been identified.

The CCRs proposed by the European Transmission System Operators within ENTSO-E, and approved by all regulators in the field at ACER level, serve to ensure the optimal use of the European transmission infrastructure. Within the defined CCRs, the interdependencies between cross-zonal capacities can be modelled with maximum accuracy and efficiency and the optimal level of this cross-zonal capacity can be offered to the market. The CCRs serve the objective of optimising the calculation and allocation of cross-zonal capacity according to Article 3(d) of *Regulation 1222/2015 laying down guidelines on capacity allocation and congestion management*, as the CCRs establish coordination within and between CCRs.

Figure 27 Configuration of the 11 RCCs proposed by ENTSO-E



ACER Decision no.6/2016 approved the proposal of all Transmission and System Operators for the definition of capacity calculation regions. Transelectrica is a member of the CORE capacity calculation region through the RO-HU border and of the South East Europe (SEE) capacity calculation region through the RO-BG border.

As part of the process of establishing capacity calculation methodologies and further developments within the Market Coupling and Implicit Capacity Allocation project, the Company is a member of the steering and working structures of the associated projects.

On 16 August 2016 Transelectrica together with the 15 Member State Operators of the CORE region signed a cooperation agreement (CEWE CoA), expressing their commitment to cooperate to develop a common methodology for calculating interconnection capacity and a future basis for implementing the requirements of all network codes in this most important defined region in Europe.

Transelectrica signed the Accession Agreement on 31 August 2016, by which Romania became part of the

NWE-CEE FB MC Central-East European Market Coupling Project.

Within the EEA RCC the solution in terms of regional governance has been jointly identified with the TSOs in the region (Romania, Bulgaria, Greece). In July 2019 the three TSOs in the region signed a Memorandum of Understanding to establish the manner in which to organise the region to meet the requirements of the European regulations.

The set of regulations in the new energy package is perhaps the most complex to date and contains three Communications on Clean Energy for All Europeans, Accelerating Innovation in Clean Energy, a European Strategy on Intelligent Transmission Systems. In addition, the package includes two proposals to revise the Regulations on the Internal Electricity Market and the Functioning of the European Energy Regulators Agency ACER, four proposals to revise the Directives on Renewable Energy, Energy Efficiency, Common Rules for the Functioning of the Internal Electricity Market and Energy Performance of Buildings.

Several initiatives are currently underway at European level to implement the eight European Network Codes, adopted by the European Commission and the European Parliament in a comitology process, which are European Regulations (directly applicable legislation in the countries of the European Union) governing aspects of the operation of synchronously interconnected electricity systems at pan-European level and the harmonisation and integration of national electricity markets into the European single energy market.

One of the main obligations resulting from the content of the European Union Regulation No 1222/2015 (CACM), according to Chapter 5 - "*Single day-ahead market coupling*" and Chapter 6 - "*Single intra-day market coupling*" is to unify the short-term energy markets (day-ahead and intra-day), obligations to be fulfilled by the OPEED - "*Designated Electricity Operators*" and TSO - "*Transmission and System Operators*" in Europe.

At the moment, in terms of coupling the electricity markets in Romania (daily and intraday), the following projects are underway:

- The XBID project for the coupling of intra-island electricity markets in the European Union. The project foresees the coupling of the intra-island electricity market in Romania. The coupling took place on the Romania - Hungary and Romania - Bulgaria borders on 19 November 2019.

- On 27 October 2021, the integration of the Bulgaria-Romania border into the Single Day-Ahead Coupling (SDAC) was also achieved.
- On June 8, 2022, the Core Flow-Based Market Coupling (Core FB MC) Project to couple the daily electricity markets in the Core RCC was commissioned, thus initiating the 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).
- In accordance with Article 55 of Commission Regulation (EU) 2015/1222 of 24 July 2015 laying down guidelines on capacity allocation and congestion management, intra-day capacity pricing is required.  
Based on ACER Decision No. 01/2019 on the Methodology for Pricing Intra-zonal Capacity, a tendering mechanism will be introduced to achieve this objective.  
This is the so-called intra-day auction - "IDA" which means the implicit intra-day trade auction for the simultaneous matching of orders from different bidding zones and the allocation of available intra-day cross-zonal capacity at bidding zone borders by applying a market coupling mechanism.  
To this end, OPED and the TSO participating in the SIDC have set up the IDA project, with commissioning currently estimated for the second quarter of 2024.

In parallel, in the field of electricity, a number of projects are being carried out at the level of Transmission System Operators investigating a number of specific issues in the field of research, development, innovation or challenges related to the implementation of the new legislative package: the Clean Energy Package.

The Horizon 2020 programme is one of the most important research and innovation programmes funded by the European Commission, with a budget of around €80 billion, spread over 7 years (2014-2020).

Under this programme, within the LCE pillar - 04- 2017 "*Demonstration of system integration with smart transmission grid and storage technologies with increasing share of renewable*" funds are allocated to support the electricity transmission activity, respectively:

- the projects are addressed to Transmission and System Operators within ENTSO-E;



- Projects must demonstrate a combination of at least two of the following:
  - ✓ electricity transmission technologies and the management of large-scale generation sources in the context of the increasing share of renewable energy sources;
  - ✓ Large-scale storage capacity for transport networks including different storage technologies to be managed centrally;
  - ✓ communication technologies, real-time control tools, to increase flexibility in the operation of transmission networks, for the integration of storage facilities, demand-response mechanisms and interfaces with electricity grid operators;
- new perspectives on wholesale electricity markets, facilitating the participation of renewable energy sources, active participation as data aggregators to reduce grid operation costs;
- Project proposals will include analyses of the existing regulatory framework, applicable codes and standards, analysis of business models and pan-European energy market architecture;
- the projects will support the Horizon 2020 programme in the context of the smart grid and the promotion of storage.

As far as the electricity market is concerned, the main objectives resulting from the content of the European regulations are the following:

- ✓ To develop a common EU-wide network model for regionally coordinated capacity calculation for all time horizons (long term, daily and intra-day);
- ✓ Implementation of the Flow-Based (FB) concept of capacity calculation, which aims to increase interconnection capacities by at least 10% compared to the NTC-based method, on the one hand, and to increase social welfare, on the other hand, by aligning electricity prices at European level as a result of the coupling of local electricity markets;
- ✓ Establishment and coupling of regional and inter-regional daily and intra-day electricity markets;



- ✓ Ensuring firmness of notified capacities (trading schedules) through redispatch and countertrade mechanisms;
- ✓ Harmonisation of long-term (annual and monthly) capacity allocation rules through the establishment and operation of an EU-wide Single Allocation Platform (SAP);
- ✓ Establish a transparent and non-discriminatory reporting mechanism for the allocation of interconnection capacity between EU Member States;
- ✓ Moving to a 15-minute settlement interval for electricity markets;

In view of the obligations arising from the three EU Regulations, activities have been initiated by the EU TSOs to implement their content. These activities are carried out both at the level of the Capacity Calculation Regions (CCRs) and at inter-regional level.

Transelectrica, being part of both the CORE region (by joining the CWE-CEE regions) and the EEA region, is directly involved in the following projects/activities (carried out as a result of the implementation of Regulation 943/2019 on the revision of supply areas):

- Activities aimed at producing documents resulting from the implementation of EU Regulations (drafting of methodologies, procedures, rules, etc.)
- Activities related to the Core region daily energy market coupling project on power flows;
- Activities carried out following the launch of the MultiRegional Coupling (MRC) project;
- Activities related to the EU-wide intraday market coupling project, generically called SIDC (Single Intraday Coupling);
- Activities related to the interim daily energy market coupling project 4MMC-DE-AT-PL;
- Activities carried out as a result of the coupling of the Romanian and Bulgarian daily energy markets;
- Activities carried out as a result of the transition to the 15-minute settlement interval for electricity markets.

### **Synchronous interconnection of the energy systems of Ukraine and the Republic of Moldova with the continental European system**

Transelectrica is the Transmission and System Operator that has substantially supported, within the framework of ENTSO-E, the synchronous interconnection of the energy systems of Ukraine and the Republic of Moldova with the continental European system.

The timetable for the implementation of the project of interconnection of the systems of Ukraine and the

Republic of Moldova with the Continental Europe grid, initially proposed by Ukrenergo, had a duration of 6 years (starting from 2017) with the possibility of extension for another 2 years at the request of Moldelectrica and Ukrenergo.

Actions agreed through signed agreements:

- additional studies to define in detail all the technical measures required for interconnection; these studies were completed in December 2021;
- implementation of technical and regulatory measures resulting from additional studies in the Republic of Moldova and Ukraine. (initial completion date - 2021);
- Conduct interconnection tests according to ENTSO-E procedures (estimated completion date - 2023, depending on the completion of additional studies and implementation of necessary measures).

Isolated operational tests are planned for 2022. In February 2022 isolated operational tests were carried out and were fully successful.

In 2023, interconnected operation tests were foreseen, if the isolated operation tests performed well and all necessary measures were implemented.

In view of the conflict between Ukraine and Russia, on 28.02.2022, Ukraine and the Republic of Moldova submitted a request for emergency synchronous interconnection of the energy systems of the two countries with the European energy network.

Intensive work has been carried out at ENTSO-E level to develop the necessary procedures for interconnected operation, and against the background of the war in Ukraine, on 16 March 2022 the emergency interconnection of the energy systems of Ukraine and the Republic of Moldova to the European energy system, ENTSO-E - Continental Europe, was achieved, a process coordinated at ENTSO-E level by the Regional Group for Continental Europe (RGCE).

In the interconnected operation of the two systems within the ENTSO-E interconnection, there are limitations arising from operational reliability at the regional level and at the level of the whole ENTSO-E interconnection.

On 30 June 2022, Ukraine and the EU started trading electricity.

Starting from 15 October 2022, Transelectrica will organise daily auctions for the allocation of interconnection capacity on the Romania-Moldova border.

On 2 November 2023 the Daily Allocation Rules on the Romania-Ukraine border were implemented.



UkrenergO - TSO in Ukraine is organising daily capacity allocation auctions on the EAP platform.

The work of the consortium that prepared the interconnection process has been completed. The work of the original project group has also ended and a new project group has been formed within the ENTSO-E Continental Europe Regional Group, which coordinates all activities related to this topic. Thus, at ENTSO-E level activities are carried out through dedicated working groups on:

- establishing transfer capacity in the interconnection, at the level of its profile (i.e.

interconnections between Ukraine - Moldova, Ukraine - Hungary, Ukraine - Slovakia, Ukraine - Romania and Republic of Moldova - Romania);

- identifying and proceeding with emergency measures in the event of extensive failures or inability to maintain interconnected operation;
- drafting of a legal document (Multilateral Agreement) on all the above-mentioned and operational issues, to be agreed at ENTSO-E level by all TSO in the Continental Europe synchronous area.

### Research and innovation projects funded under the HORIZON 2020 programme

The projects, in which the Company participates as a partner in trans-national consortia, continued their

implementation in the period January-December 2023 with the following characteristics:

Table 25: Research-innovation projects funded under the HORIZON 2020 programme

No.	Project Name	Start date	Duration (months)	Estimated eligible amount (euro)	Maximum amount to be reimbursed (euro)	Repayment percentage %	Financing agreement
1	<b>FARCROSS</b>	Oct.19	48	162,500	113,750	70	864274 - FARCROSS - H2020-LC-SC3-2018-2019-2020/H2020-LC-SC3-2019-EN-SCC
2	<b>CyberSEAS</b>	Oct.21	36	217,235	152,064	70	101020560 - CyberSEAS - H2020-SU-DS-2018-2019-2020 / H2020-SU-DS-2020
3	<b>ELECTRON</b>	Oct.21	36	245,000	171,500	70	101021936 - ELECTRON - H2020-SU-DS-2018-2019-2020 / H2020-SU-DS-2020

#### FARCROSS Project

The FACilitating Regional CROSS-border Electricity Transmission through Innovation (FARCROSS) project started in October 2019 with a duration of 48 months, is part of the European Commission's "Horizon 2020" programme on the LC-SC3-ES-2-2019 axis and involves connecting key stakeholders in the energy transformation chain and presenting integrated hardware and software solutions to "unlock" resources for cross-border electricity flows and regional cooperation.

The company is part of the consortium of 30 partners, formed for the implementation of the project, according to Grant Agreement no.864274 and Consortium Agreement, with an amount of 162.500 euro eligible expenses.

The project aims to:

- Addressing high-level technologies that facilitate increased line throughput (e.g. Dynamyc Line Rating and Power Flow Control);
- development of markets and market coupling platforms to improve current intra-day markets;
- real-time incident management

- support for systems management, by providing balance and risk mitigation services at regional level
- testing of services to ensure flexibility, congestion avoidance, frequency regulation and flexible integration of microgrids generating/using electricity.
- The project is structured in 10 work packages as follows:
  - WP1 - ethical requirements that the project must comply with.
  - WP2 - project management and quality assurance
  - WP3 - changes to national regulations on removing barriers to innovation and cross-border cooperation.
  - WP4 - Deployment, demonstration and evaluation of the pilot project - MPFC DEMO: Unlocking cross-border capacity with modular power flow control solutions
  - WP5 - Deployment, demonstration and evaluation of the pilot project - DLR-H DEMO: Complex network management, technology for dealing with capacity problems on cross-border transmission lines.
  - WP6 - Deployment, demonstration and evaluation of the pilot project - WAMS DEMO: Implementation of a wide area Protection, Automation and Control

System (WAMPAC) applied to cross-border transmission systems.

- WP7 - Deployment, Demonstration and Evaluation Pilot Project - DEMO, EUROPAN: Pan-European Modelling Framework for Improved Planning / Forecasting of System Operation and Analysis at Inter-TSO Level.
- WP8 - Pilot project deployment, demonstration and evaluation - OPTIM-CAP DEMO: Co-optimisation of cross-border capacity auction algorithm.
- WP9 - Cost-benefit analysis.
- WP10 - Exploitation, dissemination and communication.

### CyberSEAS project

The CyberSEAS (Cyber Securing Energy data Services) project aims to improve the resilience of energy supply chains by protecting them from disruptions that exploit consolidated interactions and extended stakeholder and consumer engagement patterns in complex attack scenarios characterised by the presence of legacy systems and increasing connectivity of data flows.

CyberSEAS offers an open and extensible ecosystem of 30 customisable security solutions, providing effective support for key activities in particular:

- risk assessment; interaction with end devices;
- secure development and deployment;
- real-time security monitoring;
- improving skills and awareness;
- certification, governance and cooperation.

CyberSEAS solutions are validated through experimental campaigns consisting of more than 100 attack scenarios, tested in 3 labs before moving to one of 6 pilot infrastructures in 6 European countries.

The project is structured in 9 work packages for an implementation period of 36 months.

- The objective of WP1 is to manage and coordinate the CyberSEAS project;
- The objective of WP2 is to carry out a thorough and interdisciplinary analysis of vulnerabilities related to cyber-attacks along the entire energy supply chain;
- The objective of WP3 is to provide the architectural design of the CyberSEAS toolkit, building on the vulnerabilities and threats identified in WP2;
- The objective of WP4 is to provide tools to support EPES operators to quickly detect and effectively respond to cyber attacks and incidents;
- The aim of WP5 is to provide EPES operators with tools to help them prevent cyber threats;

- The objective of WP6 is to link EPES operators and other stakeholders to create a common cyber-secure energy data space;
- The objective of WP7 is to validate CyberSEAS by refining the list of scenarios that will then be piloted through experimental campaigns;
- The objective of WP8 is to promote the culture of the cyber-resilient energy supply chain and defines, based on current practices and governance, the processes for collaboration between individual operators in the energy supply chain as well as between operators of other EPES infrastructures;
- The objective of WP9 is to support the alignment of CyberSEAS security measures to the market and encourage their adoption.

According to the "Grant Agreement" no. 101020560 and Consortium Agreement, 26 partners are involved in the implementation of the project, Transelectrica being involved in 6 out of the 9 work packages of the project, having been allocated the amount of 217.235 euro eligible expenses.

### ELECTRON Project

The ELECTRON project ('ELECTRON: rEsilient and seLf-healed EleCTRical pOWer Nanogrid') develops the research theme of building and testing a complex platform that includes risk analysis, detection and mitigation of power system intrusion through cyber-attacks, improvement of power system component confidentiality, cyber training and certification, and mitigation of the effects of cyber-attackers.



The ELECTRON project proposes a series of advanced technology demonstrators, supported through four main pillars:

- ✓ risk assessment,
- ✓ detecting and limiting the effects of power system penetration,
- ✓ Improving power system confidentiality, certification and training in cyber security,
- ✓ developing the ability to restore power service after an attack.

In this context the project will contain several ideas as follows:

- Additional and effective protection for both Internet of Things (IoT) and legacy assets (i.e. both hardware and software entities) of the Power System ecosystem,
- detecting and limiting potential intrusions against devices connected to the mains,
- implementing a scheme for continuous risk assessment, thus calculating the risk level of each asset involved,
- improving the confidentiality of communications between components of the Advanced Measurement Infrastructure (AMI),
- Testing the effectiveness of the privacy-preserving platform to prevent potential cryptanalysis attacks against IAM communications .

The project is structured in 10 work packages, the amount allocated to the Company in this project is 245.000 euro eligible expenses.

According to the "Grant Agreement" no. 101021936 and the Consortium Agreement, 34 partners are involved in the project, Transelectrica being involved in 9 work packages. The project implementation period is 36 months.

#### **CARMEN (Carpathian Modernization of Energy Network) Project of Common Interest**

C.N.T.E.E. "Transelectrica" - S.A., Delgaz Grid S.A. and Elektroenergien Systemen Operator EAD, the Bulgarian Transmission and System Operator, as active Partners in the Project, will apply for grant funding by submitting a single application under the call/calls for proposals to be launched in 2024 through the Connecting Europe Facility (CEF).

In the framework of the CARMEN Project, C.N.T.E.E. "Transelectrica" - S.A., if the application to be submitted in the framework of the call/calls for project proposals through CEF is approved, will be able to benefit from non-reimbursable funds for the following Investment Objectives:

- "Optimization of voltage regulation and power quality parameters by installing FACTS equipment in Gutinaș, Suceava and Roșiori stations;
- "Modernization and increase of the transmission capacity of the 220 kV OHL: Fântânele - Ungheni, Dumbrava - Stejaru and Gutinaș - Dumbrava";
- "National Synchrophasors Platform, connected to the International Synchrophasors Data Exchange Platform (IPDE);

- "Installations for the regulation of active power flows in order to limit congestion in the RET";
- EMS SCADA module - Automatic voltage and reactive power regulation system.

*Positive effect expected through the achievement of the investment objective:*

The main objectives of the project are to modernise and digitalize the electricity transmission and distribution network, helping to improve:

- the stability and capacity of the grid to integrate renewable energy by upgrading equipment in operation;
- coordinated voltage regulation in transmission and distribution networks;
- quality and cost-efficiency of customer service;
- Network security and flexibility by introducing Demand Side Management technology;
- network management through data exchange and implementation of Smart Grid functionalities;
- interconnection with the transmission infrastructure by increasing the security, flexibility and quality of the distribution network in the region;
- monitoring the status of the interconnected system in real time through active and reactive power flows on both interconnection and internal lines.

The benefits anticipated from the implementation of the Project can be highlighted in three major categories:

#### ➤ Economic and societal benefits:

- Reduce operating and maintenance costs;
- Reducing electricity losses;
- Increasing the efficiency of services by implementing smart grid technologies;
- Increased interconnectivity in terms of security, availability and flexibility of national and European transmission and distribution infrastructure;
- Increase the level of observability of the cross-border network and operational capacity at dispatcher level.

#### ➤ Benefits for customers / prosumers:

- Improving the quality indicators of the electricity network;
- Implementation of Demand Side Management technology to analyse and optimise electricity consumption;
- Increase the capacity to take up renewable energy, including from prosumers;

- Distribution network automation through SCADA integration and implementation of primary voltage and reactive power regulation.
- Environmental benefits:
  - Reducing emissions by modernising and digitalizing electricity transmission infrastructure;
  - Ensuring renewable energy take-up capacity;
  - Implementation of non-polluting, state-of-the-art Best Available Technologies;
  - Increase the long-term sustainability of the network by replacing technically worn primary equipment.

The CARMEN project has been included in the Union's first list of Projects of Common Interest (PCI) and Projects of Mutual Interest (PMI) under the revised TEN-E Regulation (EU) No 2022/869, which was adopted by the European Commission on 28 November 2023.

## 10.2. Platform

### FSKAR platform

Following the application of Regulation (EU) No 1485/2017 laying down guidelines for the operation of the electricity transmission system and Regulation (EU) No 2195/2017 laying down guidelines for balancing the electricity system, common settlement rules for intentional energy exchanges and common settlement rules for unintentional energy exchanges have been developed and approved by the Transmission System Operators at ENTSO-E level.

The new set of common rules for the settlement of intentional energy exchanges and unintentional energy exchanges provides for a financial settlement between the Transmission System Operators and the System Operators, thus implicitly eliminating the bilateral compensations in kind, which Transelectrica had been recording separately in the Revenue and Expenditure Budget with the Party Responsible for Balancing Unplanned Exchanges as a result of energy trading on the Day-Ahead Market.

The FSKAR calculation methodology, called Accounting and Financial Settlement of  $k\Delta f$ , ACE and Ramping period has been implemented from 1 June 2021.

The Settlement Centres at Amprion Germany and Laufenburg Switzerland transmit the results to each Transmission System Operator in the form of daily files containing the intentional and unintentional exchanges (quantities - prices) calculated for the respective Transmission System Operator for each 15-minute settlement interval.

The established price is the weighted average of prices from trading on the Day-Ahead Markets in all ENTSO-E Member States, expressed in Euro/MWh.

In accordance with the Approval Decisions, at the level of ENTSO-E members, Transmission System Operators have developed at the Coordinated Computing Centre - Amprion a Transmission System Operator imbalance platform called the FSKAR platform.

JAO has been designated as the operator for the monthly energy billing service resulting from intentional and unintentional exchanges. Billing is done in Euro, CET hours.

### CMM Platform

On 01.03.2021 the Contract on the common service provider for the CMM platform (Capacity Management Module) entered into force.

During 2020, the ENTSO-E Market Committee approved the development of an IT platform, called CMM, to calculate and harmonise available capacities on interconnection lines between member countries in the PICASSO, IGCC, TERRE and MARI projects.

At the same time, ACER Decision No 02/2020 for the Framework for the implementation of the European platform for balancing energy exchange for frequency restoration through automatic activation and ACER Decision No 03/2020 for the Framework for the implementation of the European platform for balancing energy exchange for frequency restoration through manual activation, approved that Transmission System Operators shall implement a cross-border capacity management function to calculate in a coordinated way the availability of this capacity and the transmission of values to the platforms where standard balancing products are traded.

The development and operation of the CMM will be carried out in accordance with the principles and provisions set out in the Master Contract for European Balancing Platforms of 01.07.2020.

Currently the CMM platform has been developed at the Czech transmission and system operator ČEPS and technically commissioned by the end of 2023. The platform manages the cross-border power exchange capacity of transmission system operators in Europe. The main focus of the platform is interfacing with the European balancing energy exchange platforms TERRE, MARI, PICASSO and IGCC.

### IGCC Platform - International Grid Control Cooperation

The IGCC project is the reference project and the starting point for the creation of the Single European Imbalance Netting Platform with the aim of reducing



balancing energy costs (the current secondary balancing reserve/the future automatically activated reserve for frequency restoration).

The implementation framework for the European Imbalance Clearing Platform was approved by ACER on 24 June 2020 by Decision No 13/2020.

The IGCC platform operates with secondary regulation reserve (step-up and step-down) or with frequency restoration reserve with automatic activation and has the main objective of reducing the counter-actions of the member operators' regulators, thus resulting in an optimised use of the regulation reserve, secondary/frequency restoration reserve with automatic activation, at the overall level; the process is basically a way of optimising this regulation.

In line with the provisions of Regulation (EU) 2019/2017, the IGCC platform currently includes all transmission system operators in the European Union, plus EMS Serbia (non-EU country), which has chosen to join the platform in order to benefit from imbalance compensation, alongside the other EU TSOs. Three Continental European TSOs have observer status - NOS BiH Bosnia and Herzegovina, CGES Montenegro and MEPSO North Macedonia.

On 1 December 2021, Transelectrica's RFP-TEL frequency regulation block was connected to the TransnetBW Germany servers, thus integrating Transelectrica's local IGCC module to the INPF (Imbalance Netting Process Function) located in Wendlingen (main server) and Esslingen (backup server) Germany.

With this joining, the Company has complied with the legal obligations established by Commission Regulation (EU) 2017/2195 of 23 November 2017 establishing a guideline for balancing the electricity system (Article 22).

As a result of the implementation of this project, the amount of energy avoided at activation within the IGCC imbalance compensation platform compensated in 2023 was 246.2 GWh (import) in terms of power increase and 389.5 GWh (export) in terms of power reduction. The benefit obtained from participation in this mechanism was approximately €109 million, which represents a cost reduction resulting in the Balancing Market benefiting all market participants in Romania.

**MARI Platform - European Platform for Balancing Energy Exchanges from Manually Activated Frequency Restoration Reserves (European MARI project)**

In accordance with Article 20 of *Commission Regulation (EU) 2017/2195 of 23 November 2017 laying down guidelines on balancing the electricity system*, all TSOs shall develop and operate a European platform for the exchange of balancing energy from manually activated frequency restoration reserves ("MARI Platform").

As of 1 January 2018, Transelectrica has become a full member of the European project MARI (Manually Activated Reserves Initiative), a project that deals with the implementation and operation of the common platform used for the Manual Frequency Restoration (MRR) service.

The MARI platform is currently operational as of October 2022 with TSO in Germany, Austria and the Czech Republic.

**PICASSO Platform - European platform for balancing energy exchanges from frequency restoration reserves with automatic activation**

In accordance with Article 21 of *Commission Regulation (EU) 2017/2195 of 23 November 2017 laying down guidelines on balancing the electricity system*, all TSOs shall develop and operate a European platform for the exchange of balancing energy from frequency restoration reserves through automatic activation ("PICASSO Platform").

As of 01 October 2018, Transelectrica has become a full member of the European project PICASSO (Automatic Activated Reserves Initiative), a project that deals with the implementation and operation of the common platform used for the Automatic Frequency Restoration Service (AFR).

The platform currently has a total of 30 transmission and system operators, of which 26 are members - ADMIE Greece, APG Austria, Elia Belgium, ESO - EAD Bulgaria, Swissgrid Switzerland, CEPS Czech Republic, 50Hz Germany, Amprion Germany, TenneT DE Germany, TransnetBW Germany, Energinet Denmark, RTE France, HOPS Croatia, MAVIR Hungary, Terna Italy, CREOS Luxembourg, TenneT NL Netherlands, Transelectrica Romania, PSE Poland, REN Portugal, ELES Slovenia, REE Spain, SEPS Slovakia, Fingrid Finland, Svenska Kraftnät Sweden, Statnett Norway, respectively 4 observer members - AS Augstsprieguma tīkls - Latvia, Litgrid AB - Lithuania, Elering AS - Estonia and MEPSO North Macedonia.

The PICASSO platform is currently operational as of June 2022 with TSO in Germany, Austria, Czech Republic and Italy.

### 10.3. Memberships

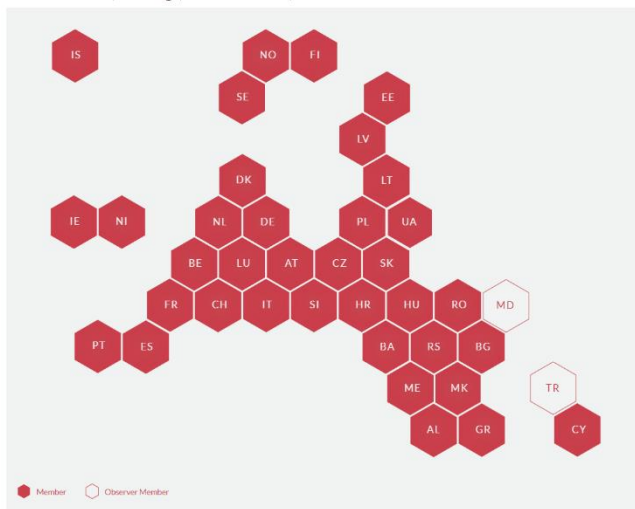
#### ENTSO-E - European Network of Transmission System Operators for Electricity

ENTSO-E aims to promote the integration of the electricity market within the European Union, creating market rules and secure electricity supply based on technical network and electricity market codes.

All transmission system operators shall cooperate at Community level through the ENTSO for Electricity in order to promote the completion and functioning of the internal market in electricity and cross-border trade, and to ensure the optimal management, coordinated operation and sound technical evolution of the European electricity transmission network.

The responsibilities and modus operandi of the Association (Statutes, Internal Rules of Procedure and Rules of Procedure for consultation of other parties) are approved at European Commission level on the basis of the opinion of ACER.

In December 2023, Ukrenergo, the Ukrainian TSO, became Member of ENTSO-E.



#### SECI - South East Cooperation Initiative

The SECI TSP project was funded until October 2017 by USAID, and since November 2017 the SECI TSP project has become a special project within ENTSO-E, functioning as a sub-group of the Continental South East Regional Group (CSE RG).

The SECI TSP project involves 10 countries/companies: Albania - OST; Bosnia and Herzegovina - NOS BiH; Slovenia - ELES; North Macedonia - MEPSO; Romania - Transelectrica; Serbia - EMS; Montenegro - EPCG, Greece - IPTO, Italy - TERNA and Kosovo - KOST.

#### CIGRE - International Council of Large Electricity Systems

CIGRE (Conseil International des Grands Reseaux Electriques) - is an international technical-scientific body whose basic objective is to develop knowledge in the field of high-voltage grids and to exchange information between member countries on: the generation and transmission of high-voltage electricity; the construction and operation of connection and transformer stations and their component equipment; the construction, insulation and operation of high-voltage lines; the interconnection of systems and the operation and protection of interconnected systems.

CIGRE is considered to be the most important professional organisation in the electricity sector, with work within the organisation covering 16 areas of activity, all of which are of major interest to the Company's business.

The company is a member of CIGRE and our specialists are active in the organisation. Active participation of the Company and its representatives has many advantages: free access to all CIGRE publications via e-cigre, access to ELECTRA magazine, participation of young specialists in the work of the NGN (Next generation Network).

CIGRE membership offers a wide range of benefits incentives, participation, problem-solving and professional development opportunities. Participation can involve formal positions in the global knowledge programme and access to a range of collaborative online tools used by the community. Under CIGRE's new strategy, the work extends across all links in the energy system from producers, to consumers, to renewables, to electricity storage, etc.



At the same time, since January 2023 the "Women in Energy" forum has been established. CIGRE WiE Romania's mission will be to inspire and motivate women working in the energy sector by facilitating links with similar programmes and international leaders, as well as by increasing the skills of its members in achieving professional goals. The first steering committee leading the work is represented by two ladies working in the energy sector within Transelectrica- National Energy Dispatcher.

#### AIR - Association of Romanian Investors in the Republic of Moldova

AIR is a non-governmental, apolitical, non-profit and public benefit association, created as a "union of legal

persons" in accordance with the Constitution of the Republic of Moldova and the Civil Code of the Republic of Moldova. The Company's participation in this Association has the following advantages and permits:

- facilitating cooperation with the homologous operator and other electricity companies in the Republic of Moldova,
- a better identification of the possibilities of exploiting the expertise of the Company in the development, operation and maintenance of electricity transmission networks and related telecommunication networks and process IT, as well as in the implementation of European legislation for transmission and system operators, by carrying out lucrative activities within the energy sector in the Republic of Moldova,
- the possibility of promoting, together with the members of the Association, legislative initiatives in the interest of Romanian investors.

The Association is constituted and operates on the basis of the principles of freedom of association, legality, transparency, equal rights of all members, free expression of opinion by all members and their access to any information related to the Association's activity, self-administration and self-management.



# Financial Report





## 11. Stand-alone financial results 2023

The Company's total operating revenues for the period January-December 2023 decreased by 25% compared to the same period of the previous year (4,718 million lei in 2023 compared to 6,286 million lei in 2022), in the context of the significant decrease in revenues from zero-profit activities.

Total operating expenses (including depreciation) decreased by 21% compared to the same period last year (4,484 million lei in 2023 compared to 5,692 million lei in 2022).

**Segment of activities with allowed profit:** Within this segment, the most significant increase was recorded in the revenues from transmission and other energy market revenues (1,988 million lei in 2023 compared to 1,930 million lei in 2022), in the context of a 3% decrease in the quantity of electricity delivered to consumers, at the same time as the increase in the average tariff approved by ANRE.

Compared to the previous year, mainly due to the reduction of revenues from interconnection capacity allocation as well as revenues from OTC capitalization, at the end of 2023 there was a 10% decrease in operating revenues from profit allowed activities, from 2,090 million lei in 2023 to 2,319 million lei in 2022.

**Revenues from the allocation of interconnection capacity** in the amount of 343 million lei decreased (-56 million lei) compared to 2022.

The use of net revenues from the allocation of interconnection capacity is carried out in accordance with the provisions of the updated ANRE Order Figure 28 Net result (million lei)

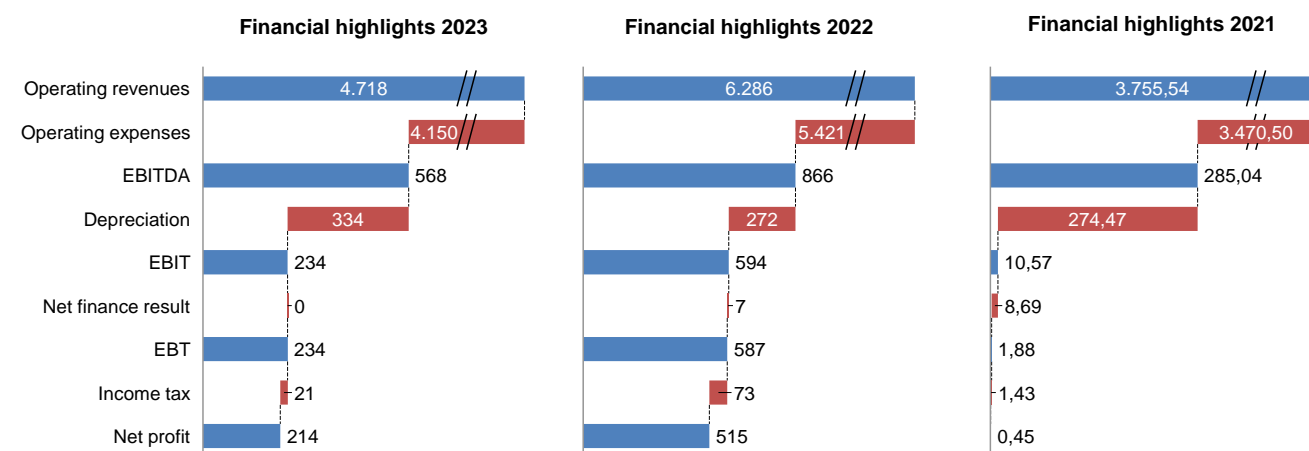
no.171/2019 and EU Regulation no. 943 of 05 June 2019 on the internal electricity market, being a source of financing investments for the modernisation and development of interconnection capacity with neighbouring systems.

**The net revenue from the allocation of interconnection capacities** (net of corporate income tax and legal reserve) shall be used to make investments in the electricity transmission system to maintain or increase interconnection capacities.

As of 30 September 2022, the Company shall apply the provisions of GEO no. 119/2022, whereby the additional costs for the purchase of electricity made between 1 January 2022 and 31 March 2025 to cover its own technological consumption, compared to the costs recognised in the regulated tariffs, shall be capitalised on a quarterly basis.

The company recorded **revenues from the capitalization of OTC** in the amount of 13.7 million lei (non-monetary income) significantly lower in 2023 compared to 2022 when they were in the amount of 338.5 million lei.

The cost of energy purchase to cover own technological consumption (OTC) is 519 million lei for 2023, 308 million lei lower than in the previous year (-37%), in the context of a net amount of OTC of 999 GWh, slightly higher than the amount of 959 GWh of 2022, but lower average purchase prices on all markets (Bilateral Contracts Market, Day-Ahead Market, Intraday Market and Balancing Market) compared to 2022.



**Segment of zero-profit activities:** In the area of zero-profit activities, there was a significant decrease of 35% in revenues and costs in the balancing market during 2023 compared to 2022. This segment

accounted for 56% of the total operating revenue recorded in 2023, of which, the largest amount is represented by the balancing market.

Expenses from non-profitable activities also decreased, mainly due to lower costs in the balancing market.

Please note that the balancing market is used by Transelectrica to ensure the real-time balancing of consumption with production, to guarantee the safe and stable operation of the NES and to manage any restrictions within the NES.

Taking into account the current organisation of the balancing market, OPCOM as ODPE (Balancing Market Settlement Operator) was responsible for setting the closing quantities and prices on the balancing market until September 2023,

Transelectrica being involved in the balancing activity, as follows:

- The National Energy Dispatcher contracts the electricity needed to balance the production-consumption balance on the balancing market;
- The OMEPA measurement directorate is responsible for measuring the actual quantities.
- ODPE from October 2023.

The monthly non-zero balances (revenue surplus/deficit) resulting from this activity will be compensated by ex-post tariff correction (negative/positive correction) applied by ANRE to the tariff in the years following the one in which they were recorded.

### 11.1. Stand-alone profit and loss account

Mil. Law	2023	2022	2021	23/22
Charged energy volume (TWh)	50.39	52.18	56.35	▼ (3%)
<b>ALLOWED PROFIT ACTIVITIES</b>				
<b>Operating revenues</b>	<b>2,090</b>	<b>2,319</b>	<b>1,310</b>	<b>▼ (10%)</b>
Transmission and other revenues on the electricity market	1,988	1,930	1,253	▲ 3%
Other revenues	102	389	57	▼ (74%)
<b>Operating expenses</b>	<b>1,382</b>	<b>1,474</b>	<b>1,051</b>	<b>▼ (6%)</b>
System operating expenses	640	902	576	▼ (29%)
Repairs and maintenance expenses	115	108	97	▲ 6%
Personnel expenses	348	306	244	▲ 14%
Other expenses	278	158	133	▲ 76%
<b>EBITDA</b>	<b>708</b>	<b>845</b>	<b>259</b>	<b>▼ (16%)</b>
Depreciation	334	272	274	▲ 23%
<b>EBIT</b>	<b>374</b>	<b>573</b>	<b>(16)</b>	<b>▼ (35%)</b>
<b>ZERO PROFIT ACTIVITIES</b>				
<b>Operating revenues</b>	<b>2,628</b>	<b>3,967</b>	<b>2,445</b>	<b>▼ (34%)</b>
System services revenues	359	488	623	▼ (26%)
Balancing market revenues	2,269	3,479	1,823	▼ (35%)
<b>Operational costs</b>	<b>2,768</b>	<b>3,946</b>	<b>2,419</b>	<b>▼ (30%)</b>
System services expenses	499	467	610	▲ 7%
Balancing market expenses	2,269	3,480	1,810	▼ (35%)
<b>EBIT</b>	<b>(140)</b>	<b>21</b>	<b>26</b>	<b>▼ n/a</b>
<b>ALL ACTIVITIES (PROFIT ALLOWED AND ZERO PROFIT)</b>				
Operating revenues	4,718	6,286	3,756	▼ (25%)
Operational costs	4,150	5,421	3,471	▼ (23%)
<b>EBITDA</b>	<b>568</b>	<b>866</b>	<b>285</b>	<b>▼ (34%)</b>
Depreciation	334	272	274	▲ 23%
<b>EBIT</b>	<b>234</b>	<b>594</b>	<b>11</b>	<b>▼ (61%)</b>
Financial result	0,3	(7)	(9)	▲ n/a
<b>EBT</b>	<b>234</b>	<b>587</b>	<b>2</b>	<b>▼ (60%)</b>
Income tax	21	73	1	▼ (72%)
<b>Net profit</b>	<b>214</b>	<b>515</b>	<b>0.45</b>	<b>▼ (58%)</b>
Net earnings per share	2.91	7.02	0.01	▼ (58%)

### Profit- allowed activities

#### Volume of energy charged

In the period January-December 2023, the total amount of electricity charged for electricity market services (50.39 TWh) decreased by 3% compared to the same

period in 2022 (the difference between the two periods was -1.8 TWh).

## Operating revenue

The segment of activities with allowed profit recorded a 10% decrease in revenues (2,090 million lei in 2023 compared to 2,319 million lei at the end of 2022) due to the reduction in revenues from the capitalization of OTC and revenues from the allocation of interconnection capacity.

For the year 2023, the Company recorded **revenues from capitalization of own technological consumption (OTC)** in the amount of 13.7 million lei, significantly lower than in 2022 (338.5 million lei in 2022), representing additional OTC calculated as the difference between the net cost of OTC acquisition and the cost of OTC included in the regulatory tariff.

Table 26: Income from profit-allowed activities

Million lei	2023	2022	2021		23/22
<b>Operating revenue</b>	<b>2,090</b>	<b>2,319</b>	<b>1,310</b>	▼	<b>(10%)</b>
<b>Transmission and other revenues on the electricity market</b>	<b>1,988</b>	<b>1,930</b>	<b>1,253</b>	▲	<b>3%</b>
Revenues from transmission tariffs	1,545	1,401	1,152	▲	10%
Revenues from allocating the interconnection capacity	343	399	65	▼	(14%)
Other transmission revenue	100	130	36	▼	(23%)
Energy exchanges	0.00	0.15	0.83	▼	n/a
<b>Other revenues</b>	<b>102</b>	<b>389</b>	<b>57</b>	▼	<b>(74%)</b>

In the period January-December 2023 the **revenues from interconnection capacity allocation** decreased from 399 million lei in 2022 to 343 million lei in 2023 due to the following:

- *Level of utilisation of available interconnection capacity by traders in the electricity market,*
- *The market for the allocation of interconnection capacity is fluctuating, with prices changing according to demand and the need for electricity market participants to purchase interconnection capacity,*
- *Implicit allocations, in which capacity and energy are allocated simultaneously, are strongly influenced by variations in the price of electricity on European exchanges,*
- *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 mechanism for allocating interconnection capacity consists of annual, monthly, daily and intra-day auctions. Auctions on the Romania-Serbia border, long-term auctions on the borders with Hungary and Bulgaria and daily auctions on the border with

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 ANRE, applicable over the amortisation period of those costs and are recognised as a separate component.

It should be noted that the income from the capitalisation of OTC is of a non-monetary nature, and its collection will be made by the Company in instalments through the transmission tariff over the next five years (2024-2028) in accordance with the relevant legislative provisions.

Moldova are explicit - only transmission capacity is auctioned, while daily (borders with Hungary and Bulgaria) and intra-day (borders with Hungary and Bulgaria) auctions 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 a source of financing investments for the modernisation and development of interconnection capacity with neighbouring systems.

## Income from OTC transactions

They decreased by 41% compared to the previous year (-33 million lei) as a large part of the required

OTC was purchased on the long-term markets through the MACEE mechanism and bilateral contracts, and prices on the short-term markets decreased compared to the previous year, with negative price intervals.

#### Income from Inter TSO Compensation (ITC)

These revenues were higher (13.2 million lei) in 2023, compared to the same period in 2022 (4.1 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 15.06.2023, the tariff for trade with perimeter countries has changed from 1.2 EUR/MWh to 3 EUR/MWh, leading to an increase in revenue compared to the same period last year. This was compounded by the fact that in February and March 2022, trade with Ukraine was severely curtailed due to

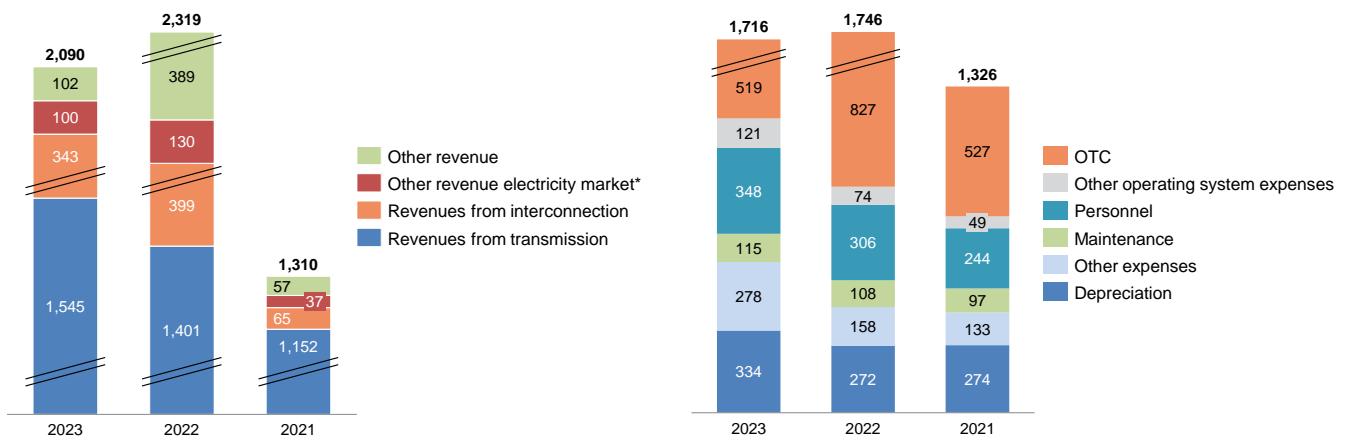
the onset of armed conflict in the region and trade with Moldova only started in October 2022.

In addition, in June 2023 there were (exceptionally) revenues of EUR 1,031,634 (estimated at RON 5,137 million) from the monthly settlement, due to electricity flows transited in all countries participating in the mechanism.

#### Income from Emergency energy assistance to neighboring

In the year 2023, the income from damage aids amounted to 31.8 thousand lei. Emergency aid was granted to Ukraine (May, June, July, August, November, December), the Republic of Moldova (August, December) and Serbia (May), to ensure the energy necessary to cover domestic consumption in these countries, due to armed conflicts on the territory of Ukraine, or accidental group shutdowns in neighbouring countries, etc.

Figure 29: Revenues and Expenses from activities with profit allowed (million lei)



\* ITC, reactive energy, OTC transactions, energy exchanges, emergency assistance

Table 27: Costs from profit allowed activities

Thousand lei	2023	2022	2021		23/22
<b>Operating expenses</b>	<b>1,382</b>	<b>1,474</b>	<b>1,051</b>	▼	<b>(6%)</b>
<b>System operating expenses</b>	<b>640</b>	<b>902</b>	<b>576</b>	▼	<b>(29%)</b>
Expenses on own technological consumption	519	827	527	▼	(37%)
Expenses on congestions	0.1	0.3	2	▼	(74%)
Expenses on electricity consumption in PTG substations	38	40	25	▼	(5%)
Expenses regarding the functional system services	0.00	0.03	4	▼	n/a
Expenses on Inter TSO Compensation (ITC)	83	34	19	▲	n/a
OPCOM administration expenses	0.36	0.14	0.22	▲	n/a
<b>Repairs and maintenance expenses</b>	<b>115</b>	<b>108</b>	<b>97</b>	▲	<b>6%</b>
<b>Personnel expenses</b>	<b>348</b>	<b>306</b>	<b>244</b>	▲	<b>14%</b>
<b>Other Expenses</b>	<b>278</b>	<b>158</b>	<b>133</b>	▲	<b>76%</b>
<b>Depreciation</b>	<b>334</b>	<b>272</b>	<b>274</b>	▲	<b>23%</b>
<b>Operating expenses inclusive of depreciation</b>	<b>1,716</b>	<b>1,746</b>	<b>1,326</b>	▼	<b>(2%)</b>

Operating expenses from activities with allowed profit (including depreciation) realized in 2023 decreased by

2% compared to the same period of the previous year (1,716 million lei from 1,746 million lei).



System operating costs

On the segment of activities with allowed profit, the operating costs of the system decreased by 29% (640 million lei in 2023 compared to 902 million lei in 2022), mainly influenced by the considerable reduction in OTC expenses.

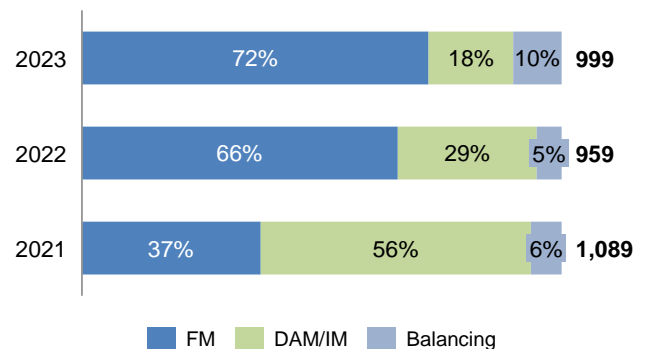
Expenses on OTC

In the period January-December 2023 the costs for energy purchase to cover own technological consumption were 519 million lei, 37% lower (-308 million lei) compared to 2022, due to the following:

- Due to its characteristics, the TPC in the Electricity Transmission Grid (ETG) is strongly dependent on weather conditions, the structure of electricity generation and consumption at national level, the distribution of electricity flows in the internal transmission network and on interconnection lines with neighbouring power systems, and its value is very little to no controllable in an interconnected and coupled regional power market;
- following the provisions of GEO 153/2022, Transelectrica purchased electricity to cover 75% of the quantity of the OTC forecast validated by the Centralised Electricity Purchase Mechanism (MACEE), at a regulated purchase 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 fall in consumption of quantities traded on the short-term markets and in energy prices on these markets.

All markets have seen lower average prices than in 2022, and the (net quantity) purchase mix shows the following components in the three periods analysed:

Figure 30: Procurement mix by quantities purchased from markets (GWh)



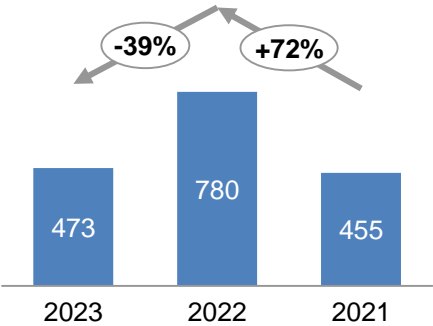
At the same time, taking into account the provisions of GEO no. 153/2022, Transelectrica will purchase

electricity to cover the Own Technological Consumption (OTC) through the Centralized Electricity Purchase Mechanism provided in the Annex to the GEO for the period 01.01.2024 - 31.03.2025.

Thus, for the year 2023, the Company has concluded a contract for the purchase of a quantity of 714,402.3MWh, representing 75% of the validated consumption forecast.

For the year 2024, the quantity purchased is to be 761,310 MWh, with the proviso that the allocation may be updated on a monthly basis according to the additional quantity forecast, in accordance with the Centralised Electricity Purchase Mechanism (GEO 153/2022).

Figure 31: Average total (net) OTC price on markets (RON/MWh)



The average price was calculated on net value (purchases-sales)

Expenses on electricity consumption in RET stations decreased by 5% in 2023 compared to 2022 (37.7 million lei in 2023 compared to 39.6 million lei in 2022).

In order to carry out the electricity transmission activity in the stations and to operate the National Electricity System in safe conditions, Transelectrica must purchase electricity to cover the consumption related to internal services in the high-voltage stations under the management of the Company.

Expenses on Inter TSO Compensation (ITC)

In 2023 these expenses were 49 million lei higher compared to the same period of the previous year and represent the monthly payment obligations/collection charges for each transmission system operator (TSO) that are established under the mechanism for compensation/settlement of the effects of the use of the electricity transmission network (RET) for electricity transits between TSOs that have joined this mechanism within ENTSO-E.

Operating result - activities profit allowed

Taking into account the European and national legislative regulations on the electricity market, the current situation on the electricity market in 2023 led

to a result of 374 million lei, down 35% compared to the previous year, the reduction being mainly due to: - lower revenues from the allocation of interconnection capacity (-56 million lei) and from revenues from OTC transactions (-33 million lei),

- the variation of certain expenses items such as: increase in ITC expenses (+49 million lei), increase in

depreciation expenses (+63 million lei), as well as other expenses related to the recording of expenses for the revaluation of fixed assets, losses on receivables and sundry debtors, expenses related to taxes and duties, expenses related to goods, etc.

## Zero-profit activities

Table 28 Summary of revenue from zero-profit activities

Mil. lei	2023	2022	2021	23/22
<b>Operating revenues</b>	<b>2,628</b>	<b>3,967</b>	<b>2,445</b>	▼ (34%)
System services revenues	359	488	623	▼ (26%)
Balancing market revenues	2,269	3,479	1,823	▼ (35%)

**Revenues from zero-profit activities** decreased by 34% (-1,339 million lei) compared to the same period of the previous year, from 3,967 million lei in 2022 to 2,628 million lei in 2023, mainly due to the decrease of -1,210 million lei in revenues on the balancing market and the decrease in revenues from system services (-129.3), due to the decrease in the tariff approved by ANRE.

The segment of **zero-profit activities** also recorded a decrease in costs by 30% (-1,178 million lei) from 3,946 in 2022 to 2,768 million lei in 2023, mainly due to lower expenses on the balancing market.

**The balancing market** was mainly influenced by the following aspects:

- national regulations on the electricity market, namely GEO No 153 of 11 November 2022 for the amendment 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, amendment of GEO No 119/2022 for the amendment 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 amendment and

completion of certain regulatory acts in the field of energy;

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

**Balancing Market Revenue/Balancing Market Expenses** decreased by 35% in 2023 compared to 2022.

For the year 2024, it is expected that the evolution of national electricity production and consumption, the European context of electricity market developments and the way in which contracting in the pre-balancing markets is carried out will have a significant impact on the evolution of revenues/costs in the balancing market.

Table 29: Summary of expenses from zero-profit activities

Mil. lei	2023	2022	2021	23/22
<b>Operational costs</b>	<b>2,768</b>	<b>3,946</b>	<b>2,419</b>	▼ (30%)
System services expenses	499	467	610	▲ 7%
Balancing market expenses	2,269	3,480	1,810	▼ (35%)

**System services** are purchased by the Company from producers in order to ensure the maintenance of the safety level in operation of the NES 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 procurement of system services shall be carried out on a competitive basis through daily tenders in accordance with the provisions of Regulation (EU)

2019/943 of the European Parliament and of the Council of 5 June 2019.

In 2023, the contracting of technological system services under the regulated regime was carried out only for reactive energy, according to ANRE Decision no. 1078/2020, being provided by the Hydroelectric Power Production Company "Hidroelectrica" SA.

During 2023, **revenues from system services** decreased by 26% compared to the same period last year (359 million lei in 2023 compared to 488 million lei in 2022), due to the decrease in the tariff approved by ANRE for these services, while reducing the amount of electricity delivered to consumers by 3%.

The amount of **expenses on system services** in 2023 increased compared to the same period in 2022, the difference between the two periods being 32 million lei.

The value of the STS procurement costs was mainly determined by the following factors:

- system service purchase prices in the competitive market have remained around values:
  - ✓ the average purchase price of the secondary regulation reserve at 79,86 lei/hMW;
  - ✓ average purchase price of fast tertiary reserve, power increase to 37,84 lei/hMW;
  - ✓ average purchase price of fast tertiary regulation reserve, power reduction to the value of 16,11 lei/hMW.
- the manifestation during 2023 of a high level of system service market concentration for secondary reserve (SR) system services.

For the year 2024, it is estimated that a significant impact on the evolution of costs for the purchase of system services through daily and one-way auctions,

at NPG CO. 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.

As of 01 April 2024, the ANRE Order on approving the terms and conditions for balancing, the ANRE President's Order no. 127/08.12.2021 approving the Regulation on terms and conditions for balancing service providers and frequency stabilization reserve providers and the Regulation on terms and conditions for balancing parties and amending and repealing

certain orders of the President of the National Energy Regulatory Authority published in the Official Gazette no. 1196 of 17 December 2021, with subsequent amendments and additions, which defines the new types of reserves to be purchased by Transelectrica in accordance with the requirements of the European codes.

These are the Frequency Stabilisation Reserve (symmetrical band), the Frequency Restoration Reserve with automatic and manual activation, and the Replacement Reserve.

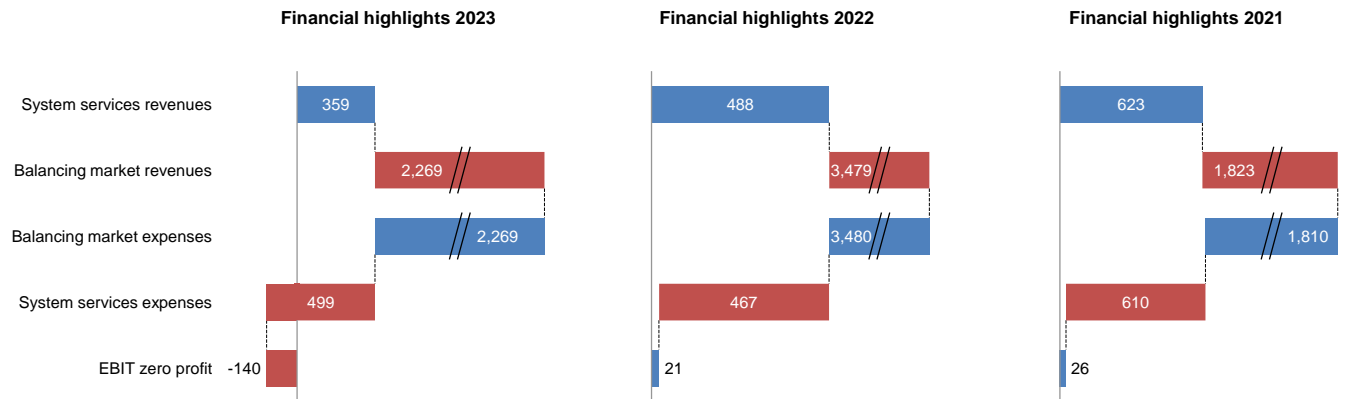
These reserves will be qualified as standard reserves, based on ANRE Order no. 89/2021 on the approval of technical qualification for the provision of system services.

The amount of system services actually procured will be adjusted by UnO-DEN based on the results of analysis of NES operation over time horizons closer to the day of operation.

These regulations will also have a significant impact on the development of the balancing market in 2024.

Operating result - zero profit activities

Figure 32 Results from zero-profit activities (million lei)



EBIT generated by **zero-profit activities** recorded a negative result of 140 million lei. For the system

services activity, according to ANRE regulations, the revenue surplus/deficit compared to the recognized

costs resulting from the performance of 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 regulation period.

## Gross profit Company (EBT)

### Total operating revenue

Total operating revenues in 2023 decreased by 25% compared to the same period of the previous year (4,718 million lei in 2023 compared to 6,286 million lei in 2022), due to the significant decrease in revenues from zero-profit activities, revenues from interconnection capacity allocation, revenues from

OTC capitalization and revenues from exchange rate differences.

### Total operational expenses

Total operating expenses (including depreciation) in 2023 decreased by 21% compared to the same period of the previous year, 4,484 million lei in 2023 compared to 5,692 million lei in 2022.

## Financial result

The net financial result recorded in the period January-December 2023 is positive in the amount of 0.3 million lei, mainly due to the increase in interest income and influenced by the evolution of the exchange rate of the national currency in relation to foreign currencies (euro) in which the Company has

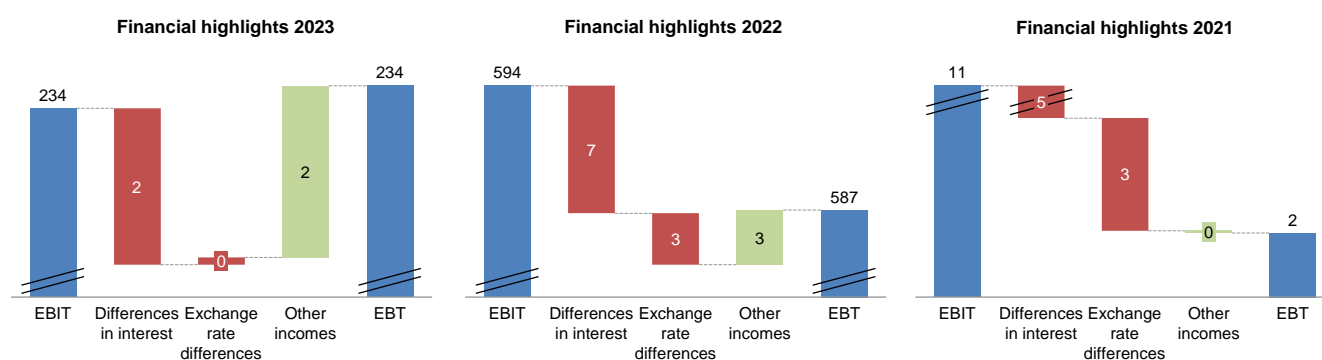
contracted bank loans to finance investment programs.

The share of foreign exchange income/expense in total financial income/expense is high and is significantly influenced by the high volume of transactions related to the market coupling business segment.

Table 30 Exchange rate development as at 31 December

Lei	2023	2022	2021	23/22
1 EUR	4.9746	4.9474	4.9481	▲ 0.5%

Figure 33 Financial results (million lei)



## Net result

The evolution of electricity production and consumption at national level, the European context of evolution of the electricity market led to a result of 214 million lei in 2023, a decrease of 58%, the reduction being mainly due to:

- lower revenues from the allocation of interconnection capacity, as well as from OTC transaction and contingency aid revenues,
- the variation of certain expense items such as: increase in ITC expenses, increase in expenses for system services, increase in certain expense items for services performed by third parties (recording

expenses for revaluation of fixed assets, losses on receivables and sundry debtors, expenses for taxes and duties, expenses for implementation of pan-European codes, expenses for goods, etc.), as well as increase in expenses for depreciation (of which 68 million lei represent expenses for amortization of intangible assets - additional OTC).



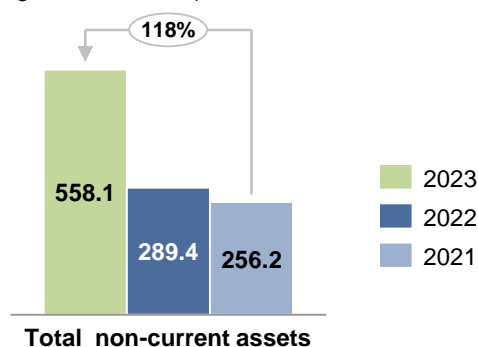
## 11.2. Balance sheet - financial position

Mil. lei	2023	2022	2021	23/22
<b>Non-current assets</b>				
Tangible assets	5.416	4.002	3.815	▲ 35%
Assets representing rights of use under a lease - buildings	14	22	30	▼ (36%)
Intangible assets	282	338	7	▼ (16%)
Financial assets	86	86	82	▼ n/a
<b>Total</b>	<b>5.798</b>	<b>4.447</b>	<b>3.933</b>	<b>▲ 30%</b>
<b>Current assets</b>				
Inventories	51	42	40	▲ 21%
Trade and other receivables	2.116	3.340	2.996	▼ (37%)
Profit tax recoverable	0	4	21	▼ n/a
Cash and cash equivalents	519	315	252	▲ 65%
<b>Total</b>	<b>2.686</b>	<b>3.702</b>	<b>3.309</b>	<b>▼ (27%)</b>
<b>TOTAL ASSETS</b>	<b>8.484</b>	<b>8.149</b>	<b>7.242</b>	<b>▲ 4%</b>
<b>Equity capital</b>				
Share capital	733	733	733	▼ n/a
Reserves	2.027	939	988	▲ n/a
Retained earnings	2.430	2.196	1.634	▲ 11%
<b>Total shareholders' equity</b>	<b>5.190</b>	<b>3.869</b>	<b>3.355</b>	<b>▲ 34%</b>
<b>Non-current liabilities</b>				
Long term borrowings	32	56	79	▼ (43%)
Other loans and assimilated debts - Non-current building lease liabilities	6	15	23	▼ (56%)
Other non-current liabilities	879	617	621	▲ 43%
<b>Total</b>	<b>918</b>	<b>687</b>	<b>723</b>	<b>▲ 34%</b>
<b>Current liabilities</b>				
Trade liabilities	2.242	3.372	3.034	▼ (34%)
Short-term borrowings	25	92	25	▼ (73%)
Other loans and assimilated debts - Current building lease liabilities	9	8	8	▲ 2%
Other current liabilities	100	120	98	▼ (17%)
<b>Total</b>	<b>2.376</b>	<b>3.593</b>	<b>3.164</b>	<b>▼ (34%)</b>
<b>Total liabilities</b>	<b>3.294</b>	<b>4.281</b>	<b>3.887</b>	<b>▼ (23%)</b>
<b>TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES</b>	<b>8.484</b>	<b>8.149</b>	<b>7.242</b>	<b>▲ 4%</b>

## Assets

**Fixed assets** recorded in 2023 compared to December 2022 an appreciation in percentage of 30% (+ 1,350 million lei), mainly due to the recording of the result of the revaluation of assets registered in the Company's assets and the increase in the value of tangible assets in progress, adjusted with the recording of depreciation of tangible and intangible assets.

Figure 34 Value of fixed assets entered in the accounts (excluding VAT, million lei)



The value of fixed assets recorded in the accounts in 2023 is 558.4 million lei (289.4 million lei in the same period of 2022), an increase of 269 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 mil lei;
- Modernization of 400/220/110/20 kV Munteni Station - 47,5 ml lei;
- Modernization of 220/110/20 kV Arefu Station - 39,7 million lei;
- Refurbishment of 220/110/20 kV Ungheni Station - 31,8 million lei;
- Modernization 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 mil lei;

- Relocation of 220 kV networks for Bucharest Ring Road km 0+000 - km 100+900 - 10 mil lei;
- Extension of 400 kV Gura Ialomiței Station with two cells: 400 kV Cernavodă 2 and 3 OHL - 6,8 mil lei;
- 220 kV double circuit Ostrovu Mare - RET (H.CA no. 17/2007) - 4,2 million lei.

Purchases of tangible and intangible assets in 2023 amount to 438.9 million lei, down compared to the same period in 2022 when purchases amounted to 461.9 million lei.

At the same time, the balance of tangible assets in progress according to the financial position as at 31 December 2023, in the amount of 993 million lei, is represented by projects in progress, the most significant being listed below:

- 400 kV d.c. Gutinaș - Smârdan - 216,7 mil lei;
- Switching to 400 kV voltage of the Porțile de Fier - Reșița - Timișoara - Săcălaz - Arad - Phase I - 400 kV line s.c. Porțile de Fier - (Anina) - Reșița - 153,7 mil lei;
- Switching to 400 kV voltage of the Porțile de Fier - Resita - Timisoara - Săcălaz - Arad axis - Phase I - 400/220/110 kV Resita Station - 76.5 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 at South Medgidia Station - 63,8 mil lei;
- Upgrading of 220/110/20kV Baru Mare Station - 60 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 mil lei;
- Refurbishment of 220/110 kV Filești Station - 43,6 million lei;
- Increasing the transmission capacity of the 220kV Ștejaru - Gheorgheni - Fântânele LEA - 32.6 million lei;
- Refurbishment of 400/110/20 kV Smârdan Station - 32,1 mil lei;
- Modernization of 220/110/20 kV Arefu Station - 31 million lei;
- Refurbishment of the 400/110 kV Pelicanu Transformer Station - 24,7 million lei;
- Electricity metering and data management system for electricity metering on the wholesale market - 15.3 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 mil lei;

As at 31 December 2023, the Company has recorded in its accounting records the result of the revaluation report carried out by the company Appraisal&Valuation, the valuation and consulting division of NAI Romania, an independent appraiser authorized by the National Union of Authorized Appraisers of Romania (ANEVAR).

The assets subject to valuation were:

- land and tangible assets classified in Group 1 - *Buildings* and Group 2 - *Technical installations, means of transport* registered in the Company's private assets;
- - assets belonging to the public domain of the State and concessioned to the Company under Concession Contract No 1/2004.

#### **Fixed assets relating to rights to use leased assets - buildings**

Leasehold assets - buildings represent the right to use the premises leased by the Company in the Platinum office building as defined by IFRS 16 - Leases. From 01.10.2020 the lease agreement valid for a period of 5 years came into force.

As of 31 December 2023, the book value of the right of use of the premises leased by the Company in the Platinum office building is in the amount of RON 13.9 million.

#### **Intangible assets - Additional OTC**

As of 30 September 2022, the Company shall apply the provisions of GEO no. 119/2022 for the amendment and completion of GEO no. 27/2022 and approved by Law no. 357/13.12.2022, whereby the additional costs with the purchase of electricity made in the period from 1 January 2022 to 31 March 2025, in order to cover its own technological consumption and technological consumption, respectively, compared to the costs included in the regulated tariffs, shall be capitalized quarterly. Thus, capitalized costs are amortized over a period of 5 years from the date of capitalization and are remunerated at 50% of the regulated rate of return approved by the National Energy Regulatory Authority applicable over the amortization period of those costs and are recognized as a separate component.

For the year 2023, the Company capitalized the amount of 13.7 million lei as additional OTC calculated as the difference between the net cost of OTC acquisition and the cost of OTC included in the regulatory tariff, while recording depreciation expenses for the period in the amount of 68.04 million lei.

As at 31 December 2023, the net book value of intangible assets resulting from the capitalisation of the additional OTC amounts to 270.2 million lei.

### Financial assets

Financial assets as at 31 December 2023 recorded a slight decrease of 0.23 million lei compared to 31 December 2022, mainly represented by the sale of the shares held by the Company in Southeast Electricity Network Coordination Center (SEleNe CC) Societe Anonyme, together with the receipt of their consideration in the amount of 0.24 million lei.

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

The company is further affiliated with the following entities:

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

### ***TSCNET (TSCNET Services GmbH)***

It has been set up to serve Transmission System Operators (TSOs) in the Central-East-West 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 purchase transaction in the company.

By Resolution No. 9 of the EGMS 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.

### Current assets

Current assets as at 31 December 2023 (2,686 million lei) decreased by 27% 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 RON 648 million (RON 1,745 million at 31 December 2023 compared to RON 2,394 million at 31 December 2022). The most significant developments were:

- customers from operational activity which due to the decrease in energy consumption generated a lower balance of receivables from operational activity (1,004 million lei as of 31 December 2023 compared to 1,696 million lei as of 31 December 2022).

The main outstanding customers on the electricity market are IBEX, Ciga Energy SA, Cinta Energy SA, Electrica Furnizare SA, OPCOM, MAVIR, Hidroelectrica, RAAN, JAO, PPC Energie SA. Their share is 71.72% of total trade receivables.

- customers - balancing market which, due to the increase in the volume of transactions in the balancing market in 2023 compared to the same period in 2022, also led to an increase in the balance of customers in contracts concluded for this type of activity (594 million lei on 31 December 2023 compared to 564 million lei on 31 December 2022).
- customers - support scheme, which recorded an increase of 9%, mainly due to the increase in the amount invoiced for the collection of the monthly contribution.

As at 31 December 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 HGR no. 1215/2009, "the main tasks being the monthly collection of the cogeneration contribution and the monthly payment of the bonuses".

As at 31 December 2023, the Company records receivables in the amount of 144 million lei, represented by invoices issued in relation 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 21.2 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), from CET Govora (13.7 million lei), and Electrocentrale București (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 31 December 2023 in the amount of 213 million lei mainly include:

- sundry debtors (RON 111.4 million), of which:
  - late payment penalties calculated for defaulting customers in the amount of 90.1 million lei (of which 35.15 million lei are penalties related to the support scheme).

The highest late payment penalties were recorded by the customers Romelectro (37 million lei), RAAN (16.9 million lei), CET Govora (9.6 million lei), Electrocentrale București (9.4 million lei), OPCOM (3.3 million lei), Total Electric Oltenia (3.3 million lei), ICPE Electrocond Technologies SA (1 million lei).

- compensation owed by suppliers for non-delivery of electricity: Arelco Power (RON 0.99 million), Enol Grup (RON 2.54 million) and Next Energy Partners (RON 8.39 million).
  - 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.
- amounts received in the form of subsidies (49.1 million lei), of which 49 million lei related to connection contracts to the RET;
- expenses recorded in advance in the amount of 9.5 million lei mainly represented by internal and international dues (7.5 million lei), insurance policies (0.9 million lei), rent and maintenance of office building (0.8 million lei) miscellaneous services and others;
- other social receivables in the amount of 2 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 31 December 2023 are represented by suppliers debtors for services in the amount of 152 million lei have decreased significantly compared to December 2022 when they were in the amount of 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 117.2 million lei - for ICP and SDAC and 32.8 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.*

The **VAT to be recovered** in the amount of 215.1 million lei relates to the VAT returns for the period September - December 2023 and October 2020, of which 90 million lei has been collected up to the date of this report, representing the value added tax claimed for refund for September and October 2023.

The largest impairment adjustments existing in the balance at 31 December 2023, represent trade receivables and related penalties for Romelectro SA (37.5 million lei), JAO (30 million lei), CET Govora (25 million lei), Arelco Power (RON 14.8 million), Total Electric Oltenia SA (RON 14.2 million), Romenergy Industry (RON 13.5 million), Elsaco Energy (RON 9.3 million), RAAN (RON 8.5 million), Next Energy Partners (RON 8.4 million), OPCOM (RON 8.2 million).



## Equity and liabilities

**Non-current liabilities** in the amount of 918 million lei as of 31 December 2023 increased by 34% compared to the amount of 687 million lei as of 31 December 2022.

### Interest-bearing liabilities

As at 31 December 2023 the amount of non-current borrowings decreased by 43% (-23.7 million lei) compared to 31 December 2022 mainly due to repayments under existing loan agreements.

At the same time, the amount of current borrowings decreased from the balance of 92 million lei in December 2022 to 25 million lei on 31 December 2023.

The company has concluded loan agreements with Banca Comercială Română and Banca Transilvania for a period of 12 months to finance the bonus support scheme for high-efficiency cogeneration and to finance the working capital of the company.

As of December 31, 2023, the line of credit is undrawn.

**Current liabilities** decreased by 34% from 3,593 million lei as at 31 December 2022 to 2,376 million lei as at 31 December 2023, mainly due to the decrease in trade and other liabilities:

- **suppliers on the energy market**, which decreased by 615 million lei and recorded a balance of 1,341 million lei on 31 December 2023 compared to 1,956 million lei on December 2022.

This development was mainly influenced by:

- decrease in *the balance of liabilities related to operating activities* by 746 million lei, which was mainly determined by the payment when due, in 2023, of the payment obligations outstanding on 31 December 2022, mainly resulting from the coupling of electricity markets.

The suppliers on the electricity market are mainly represented by OPCOM, MAVIR, IBEX, Hidroelectrica SA, Joint Allocation Office, Complexul energetic Oltenia SA, CIGA Energy SA, Electrica Furnizare SA, CINTA Energy SA, Engie Romania.

On 31 December 2023, their share of total energy suppliers is about 94.27%.

- *the increase in the balance of "liabilities related to the balancing market"* by 34.3 million lei was due to the increase in the volume of transactions recorded on

the balancing market in the fourth quarter of 2023 compared to the fourth quarter of 2022.

- the increase of *the liabilities related to the support scheme to suppliers (producers)* by 95,5 million lei was due to the increase of the monthly bonus for high efficiency cogeneration from December 2023 to December 2022.

- **suppliers of fixed assets** increased by RON 38.9 million due to the increase in the volume of transactions recorded related to investments in progress,
- **Suppliers other activities** increased by RON 35.1 million, mainly due to liabilities related to services rendered by third parties, not yet due, which have appreciated compared to 31 December 2022,
- **"Other payables"** decreased significantly by 599.3 million lei, from a balance of 1,235.9 million lei as at 31 December 2022 to 637 million lei as at 31 December 2023, on the back of the evolution of *creditor customers*.

The structure of "other liabilities" is as follows:

- *Other creditors amounting* to 312 million lei (decreased by 77.8 million lei compared to 31 December 2022) are mainly represented by the net position of the support scheme for high efficiency cogeneration, liabilities position (294 million lei), contracts for solution studies for connection to the RET (14 million lei), royalty quarter IV 2023 (2 million lei),
- *creditor customers* as at 31 December 2023 in the amount of RON 246 million (decreased by RON 524 million compared to 31 December 2022) and represent amounts received in advance 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), from MAVIR (RON 42.2 million), OPCOM (RON 71.6 million), IBEX (RON 131.3 million) and JAO (RON 0.72 million),
- *the liability for fixed assets related to the rights of use of leased assets - buildings*, according to IFRS 16 - Leases, is in the amount of RON 8.6 million (current liability),
- *other liabilities* in the amount of 62.9 million lei are mainly represented by guarantees of good payment of contracts on the electricity market concluded by Transelectrica in the amount of 38.3 million lei and

VAT not due during the reporting period in the amount of 24.3 million lei.

**Provisions** decreased by RON 3 million at 31 December 2023 (RON 65 million) compared to 31 December 2022 (RON 68 million).

➤ **Equity capital**

The increase in equity was mainly influenced by the impact of the revaluation of tangible assets by

recording the surplus from revaluation reserves in the amount of RON 1,192.5 million and by the recognition in retained earnings of net profit in the amount of RON 214 million.

Thus the equity capital as of 31 December 2023 is 5,190 million lei compared to 3,869 million lei as of 31 December 2022.

Table 31 Cash flow

Thousand lei	2023	2022	2021		23/22
<b>Operational activities</b>					
Cash flows before changes to working capital	630	537	247	▲	93,1
Changes to working capital	76	11	(25)	▲	65,1
Paid interests and taxes	(36)	(70)	(28)	▼	34,0
<b>Net cash from the operational activities</b>	<b>670</b>	<b>478</b>	<b>195</b>	<b>▲</b>	<b>192,2</b>
<b>Investment activity</b>					
Acquisition of tangible and intangible assets	(439)	(462)	(495)	▼	22,9
Collections from the investment activity	125	12	96	▲	112,7
Participation titles held in SELENE CC	0,2	0	0	▲	0,2
Dividends received	2	2	0	▲	0,5
<b>Cash used in investment activity</b>	<b>(312)</b>	<b>(448)</b>	<b>(399)</b>	<b>▼</b>	<b>136,3</b>
<b>Financing activity</b>					
Repayments of non-current borrowings	(24)	(24)	(24)	▼	(0,10)
Current loan repayments	(68)	0	0	▼	n/a
Use of working capital credit line -variation	0	68	0	▼	(67,6)
Building lease payments	(11)	(11)	(11)	▼	(0,01)
Dividends paid	(52)	(0,1)	(64)	▼	(51,9)
<b>Cash used in financing activity</b>	<b>(154)</b>	<b>33</b>	<b>(98)</b>	<b>▼</b>	<b>n/a</b>
<b>Net increase/decrease in cash and cash equivalents</b>	<b>204</b>	<b>63</b>	<b>(302)</b>	<b>▲</b>	<b>141,3</b>
<b>Cash and cash equivalents at 1 January</b>	<b>315</b>	<b>252</b>	<b>554</b>	<b>▲</b>	<b>62,9</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>519</b>	<b>315</b>	<b>252</b>	<b>▲</b>	<b>204,2</b>

Table 32: Indicators of profitability, liquidity, risk and activity

Indicator	Calculation formula	2023	2022	2021
<b>Profitability indicators</b>				
EBITDA in total sales	$\frac{\text{EBITDA}}{\text{Turnover}}$	12%	15%	7%
EBITDA in Shareholders' equity	$\frac{\text{EBITDA}}{\text{Shareholders' equity}}$	11%	22%	8%
Gross profit rate	$\frac{\text{Gross profit}}{\text{Turnover}}$	5%	10%	0%
Rate of return on capital	$\frac{\text{Net profit}}{\text{Shareholders' equity}}$	4%	13%	0%
<b>Liquidity indicators</b>				
Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	1.13	1.03	1.05
Quick ratio	$\frac{\text{Current assets}-\text{Inventories}}{\text{Current liabilities}}$	1.11	1.02	1.03
<b>Risk indicators</b>				
(1) Indebtness ratio *	$\frac{\text{Debt capital}}{\text{Shareholders' equity}}$	1.38%	4.4%	4.0%
(2) Indebtness ratio *	$\frac{\text{Debt capital}}{\text{Committed capital}}$	1.36%	4.3%	3.9%
Interest cover rate %	$\frac{\text{EBIT}}{\text{Interest expenses}}$	29.60	62.33	1.38
<b>Activity indicators</b>				
Clients' turnover	$\frac{\text{Average client balance}^* \times \text{no.days}}{\text{Turnover}}$	79.37	57.88	67.84
Non-current assets turnover	$\frac{\text{Turnover}}{\text{Non-current assets}}$	0.80	1.33	0.94

\* Within the leverage ratio indicators, borrowed capital includes current borrowings, non-current borrowings and other similar current and non-current borrowings/liabilities related to building leases under IFRS16.

\*\*Customers with a contribution to turnover (energy, balancing, other customers, customers with invoices to be drawn up) have been taken into account when calculating the average balance. The values corresponding to customers: uncertain, from the market coupling mechanism, cogeneration scheme and overcompensation, have not been included in the average balance.

## 12. Regulated tariffs for electricity transmission

### General framework

The current model for regulating transmission tariffs in Romania is revenue cap.

The model involves regulating the total revenue allowed to the transmission system operator and includes the objectives of ensuring the necessary prerequisites for the efficient operation of the transmission service and maintaining the financial viability of the operator in order to adequately remunerate financiers and maintain access to financing.

The model contains operational efficiency incentive mechanisms and a financial return framework based on the control of the operator's investments (regulated asset base) and a regulated rate of return based on the operator's estimated average cost of financing.

Tariffs for electricity transmission services are set for regulatory periods. Regulatory periods are multi-year tariff regulation cycles (currently 5 years), during which a tariff calculation methodology is applied (*the methodology currently applied is the one approved by ANRE order no. 171/2019 with subsequent amendments and additions*) and for which a complete set of parameters is pre-established over the horizon of the respective periods for the actual tariff calculation.

Setting tariff parameters on multi-year horizons gives a high level of predictability and visibility of Transelectrica's investments, operational costs and revenues.

Within a regulatory period, tariffs are reviewed annually and remain valid for periods of 12 months from the date of approval (tariff years).

At the same time, it is worth mentioning that the applicable legislation also provides for exceptional conditions which, once met, allow the revision of tariffs during the course of a tariff year.

Differences between forecast and actual values of tariff calculation parameters for a given tariff year are

compensated by ex-post corrections implemented in the tariff in subsequent tariff years or at the beginning of the next regulatory period.

In the case of certain specific components of the regulated cost base that are subject to caps, the overrun of the forecast level of those costs shall not be compensated. Also in the case of certain cost components, the savings achieved are partially retained by Transelectrica.

The set of calculation parameters is approved by ANRE and includes:

- costs of day-to-day operation of the service: controllable and non-controllable operating and maintenance costs, own technology consumption, internal network congestion, costs and revenues related to the financial compensation mechanism for electricity transits within ENTSO-e;
- service development costs: planned investments in the transmission network, depreciation schedule based on regulated service lives, return on invested capital based on a regulated rate of return applied to the regulated asset base;
- the quantity of electricity that can be charged for.

Transmission tariffs are billed on the basis of the quantities of active electricity input/output from the public electricity grids in Romania, excluding imports/exports.

Transelectrica charges a transmission tariff for injection into the public electricity networks (tariff component TG) and for extraction from the public electricity networks (tariff component TL).

The TG does not apply to electricity produced by power plants with a small installed capacity of up to 5 MW. The TG also does not apply to imported electricity. TL does not apply to exported electricity.

### Tariffs valid until 2023

#### Transmission tariff

In accordance with the *Methodology for setting tariffs for the electricity transmission service* approved by Order of the President of ANRE No 171/2019, as subsequently amended and supplemented, the method for determining regulated revenues and calculating regulated tariffs for the electricity transmission service is established, tariffs which also

include the component related to the system functional service.

In view of the above, we present in the table below: the average tariff for electricity transmission service, with the related component:

- of electricity fed into the grid (Tg),
- electricity extraction from the grid (TI).



Table 33: Transmission tariff

Activity	u.m	Tariff applied 1 Apr 2022 - 31 Mar 2023	Tariff applied 1 Apr - 31 Dec 2023, of which:	Main component	Component related to additional costs with OTC (lei/MWh)	Difference (%)
(1)	(2)	(3)	(4)=(5)+(6)	(5)	(6)	(7)=(4)/(3)
<b>Electricity transmission</b>	lei/MWh	<b>28.10</b>	<b>31.20</b>	28.61	2.59	11.03%
Transmission Tariff - the feed-in component	lei/MWh	<b>2.53</b>	<b>4.04</b>	3.35	0.69	59.68%
Transmission Tariff - the component of electricity withdrawal from the grid	lei/MWh	<b>25.57</b>	<b>27.44</b>	25.50	1.94	7.31%

Thus, the factors that have had a significant contribution to the establishment/modification of the tariffs presented in the above table with applicability in the period 1 April 2022 - 31 March 2023 (according to ANRE Order no.33/23.03.2022), respectively in the period 1 April 2023 - 31 December 2023, are detailed as follows:

1) *The modification of tariffs as of 1 April 2022 with extended applicability to the first quarter of 2023 was based on the provisions of GEO no. 27/2022.* Normally, under the 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. Thus, according to art.14, paragraph (1) of the aforementioned Ordinance, on 1 April 2022 ANRE included in the transmission tariff the amount of additional expenses for the purchase 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 brought forward the time of adjustment of the costs of own technological consumption in 2021 compared to the standard timetable for the application of corrections provided for in the ANRE tariff rules according to which annual corrections are applied with a two-year delay.

2) *When setting tariffs for the period 1 April to 31 December 2023,* the component relating to additional costs with OTC was the main element leading to the increase in the average electricity transmission tariff. This component recovered part of the additional costs

with OTC recorded in 2022 compared to the amount foreseen in the tariff approved for that year, according to the capitalisation mechanism established in GEO 119/2022. This mechanism ensures that the difference between the actual value of the OTC cost and the value included in the tariff of the OTC cost in that year is recovered through the transmission tariff in a staggered manner over five years. For the year 2022 this difference amounted to RON 338.5 million. In the year 2023, the tariff recovered a first tranche of this difference of approx. 99 million lei.

The main factors in determining the *main component* of the average electricity transmission tariff are presented below:

- adjustment of the cost of OTC acquisition forecast on the basis of the provisions of Article 80, paragraph (7) of the Methodology: +138.7 million lei;
- use by ANRE of the surplus revenues from the allocation of interconnection capacities obtained by NPG CO. Transelectrica SA, for the purpose of adjusting transmission tariffs in accordance with Article 9(2) and (3) of EU Regulation 1854/2022: - 90.1 million lei;
- results of annual corrections for 2021 (ex-post corrections): -20,2 million lei;
- the additional correction applied by ANRE to ensure the financial neutrality of the TSO in the activity of managing the balancing market according to the provisions of Article 44(1)(i) of EU Regulation 2195/2017: -12.9 million lei;
- the amount of electricity forecast to be withdrawn from the grid between 1 April and 31 December 2023: 38.2 TWh.

#### System service charge (formerly system technology services)

In accordance with the provisions of *the Methodology for establishing the tariff for the purchase of system*

<sup>5</sup> 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 when calculating the tariff, the actual value of the average electricity price for OTC coverage recognized by ANRE was 455.28 lei/MWh.

services, approved by Order of the President of the National Energy Regulatory Authority No 116/2022, the tariff for the system service has been established and is applicable:

Table 34: System service tariff

Activity	u.m	Tariff applied 1 Jan - 31 Dec 2022	Tariff applied 1 Jan - 31 May 2023	Difference (%)	Tariff applied 1 Jun - 31 Dec 2023	Difference (%)
(1)	(2)	(3)	(4)	(5)=(4)/(3)	(6)	(7)=(6)/(4)
<b>System service</b>	lei/MWh	<b>9.32</b>	<b>7.73</b>	-17.06%	<b>6.64</b>	-14.10%

1) **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 related to the first half of 2022: -33.5 million lei;
- non-recognition by ANRE of the full quantities of the secondary regulation reserve requested by NPG CO. Transelectrica SA for 2023.

2) **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 setting the tariff for the purchase 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 purchase prices and/or quantities of purchased system services referred to in Article 2, the TSO is required to calculate, for the first quarter and for the first*

- between 1 January and 31 May 2023, according to ANRE Order no.144/21.12.2022;
- during the period 1 June - 31 December 2023, according to ANRE Order no.67/25.05.2023.

*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/periods, 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 has the obligation to submit to ANRE the request for revision of the tariff for the purchase 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.*

- a) 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.

## 13. Disputes

The most important disputes impacting the Company are presented below:

- **ROMENERGY INDUSTRY**

The subject matter of the case No 2088/107/2016 is 'Bankruptcy - Request for entry on 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 Judgment No. 293/F/2022 of the Alba Court in case No. 2088/107/2016 was rejected. Final. Judgment no. 134/06.04.2023.

- **RAAN**

The subject matter of the file No **9089/101/2013/a140** is an action for claims/contestation against the supplementary schedule of claims against the 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 supplementary 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 supplementary 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 - request for payment**).

Decision Jugment 163/20.06.2019: Admit the plea of revocation. Partly upholds the main action and the related appeal. Orders the defendant to pay the claimant the amount of 16,950,117.14 lei, a claim arising in the course of the proceedings, and orders that it be entered in the creditors' list set up against the debtor RAAN for that amount. Dismisses the remainder of the related claims.

Transelectrica appealed within the legal time limit. The appeal was dismissed as unfounded. Transelectrica has filed an application for review on the grounds of inconsistency of judgments, which is registered under no. 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 application for review is upheld. The next hearing set is 06.10.2022.

At the hearing 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 performance of the other liquidation operations and the following hearings were set for 09.02.2023, 15.06.2023, 05.10.2023, 18.01.2024, 08.02.2024 rescheduled for **06.06.2024**.

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. Trial date 08.11.2021: the case has been adjourned until the final settlement of Cases No 26024/3/2015 and No 28458/3/2017. Decision of 09.05.2022: Rejects the application to resume the case as unfounded. With appeal for the duration of the stay.*

*File 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 unfounded by the ICCJ on 9 December 2021.*

*File No **26024/3/2015** - Re: order the defendant to pay the amount of RON 10 048 628,86. ICCJ decision of 01.03.2022: Admit the appeal lodged by RAAN and refer the case back to the CAB. Definitive. Decision of the CAB: Appeal admitted. Reverses the judgment under appeal in its entirety in the sense that: admits the writ of summons as formulated. Orders the defendant to pay the claimant the sum of 10,048,628.86 lei. With a right of appeal within 30 days of notification. Judgment 1933/12.12.2022*

*File No **28458/3/2017** - Subject-matter of the case: order the defendant to pay a total of RON 2 106 843. At the hearing on 03.03.2022: Dismisses as unfounded the appeal brought by the defendant-appellant Transelectrica against civil decision no. 825/12.05.2021 delivered by the Bucharest Court of Appeal, in contradiction with the appellee-claimant RAAN. Final.*

*File No 28460/3/2017 - Re: order the defendant to pay a total of RON 12,346,063. Decision CAB 27.09.2021: suspends the appeal proceedings until the final settlement of cases no.28458/3/2017, no.26024/3/2015. Decision of 23.05.2022: Rejects as unfounded the request to reopen the case. The appeal is stayed.*

- **CET Govora**

Case no. 2428/2/2014 - in the appeal which is the subject of the writ of summons, the claimant CET Govora requested the annulment of the Decision of the President of ANRE no. 738/28.03.2014, and in the statement 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 sum 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 04.01.2022 respectively, the Plaintiff CET Govora SA requests the admission of the request for clarification of the action filed for the hearing 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 Order of 18.10.2021.

By the application 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 application as amended as unfounded. Dismisses the application for ancillary relief in favour of the claimant as unfounded.

- **MUNICIPALITY OF REȘIȚA**

Case no. **2494/115/2018\*\***, registered on the docket of the Court of Caras Severin.

Subject-matter of the case: By the writ of summons, 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.

Decision of the CS Tribunal: suspends the proceedings on the writ of summons 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.

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.

On the hearing of 22.02.2024, the court adjourns the case to **14.03.2024**, in order to return the file no. 2494/115/2018\*\*, submitted for appeal to the Timisoara Court of Appeal, for when the parties have a term of notice under art. 229 of the Civil Procedure Code, in the presence of their conventional representatives.

- **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

Summary judgment: Grant the appellant's writ of summons for a stay of proceedings. Pursuant to Article 413 para. (1) para. 1 of the Civil Procedure Code, suspends the proceedings until the final resolution of the **casefile no. 1802/2/2018**, pending before the Bucharest Court of Appeal, Administrative and Fiscal Disputes VIII Division. With appeal for the entire duration of the suspension, the appeal to be filed at the District 1 Court of Bucharest. Delivered in open court. Document: Decision - Suspension 17.04.2018.

**File No 1802/2/2018** - At the hearing on 20.10.2020 - summary judgment: the applications 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 the Settlement of Appeals 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 corporation 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 obligations established for the 349 special tax invoices found to be missing from the applicant'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 expenses 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 with regard to the "determination of deductible value added tax lower than that recorded by the applicant, 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 relation to this amount.

- ✓ abolishes the obligation to pay penalties for late payment which have a penal 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 lodged 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 unfounded.

Dismisses as unfounded the application for an order that the costs of the proceedings be paid in the form of a stamp duty. Orders the defendants, jointly and severally, to pay the applicant'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 application.

Transelectrica and ANAF filed an appeal in March 2022. **Decision of 24.05.2022:** Rejects as unfounded the request for clarification and supplementing of the operative part. Admit the application 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 applicant from the contested judgment.

The parties appealed. ICCJ hearing: **13.12.2023.**

On **13.12.2023 ICCJ** stayed its ruling, on 20.12.2023 the court admitted the appeals filed by the Plaintiff Transelectrica, the Defendant General Directorate for the Administration of Large Taxpayers and the Defendant National Agency for Tax Administration against the civil decision no.382 of 20 October 2020, delivered by the Bucharest Court of Appeal - Administrative and Tax Litigation VIII Division. Partially quashed the decision under appeal and, on appeal: dismissed the request for annulment of the decision on the resolution of appeal No 122/13.03.2018 and of the Tax Decision No. F-MC 439/30.06.2017 with regard to: - the non-deductibility of expenses in the amount of 343,629.91 lei, representing "weed removal services" and related VAT; - the non-deductibility of

expenses in the amount of 230.685, representing the value of goods of a promotional and protocol nature and the related VAT; - the obligation to pay penalties for late payment which have a penalty legal regime, calculated for a period of more than 6 months from the date of commencement of the tax inspection. Fixed the amount of the costs to which the Defendants were jointly and severally liable at the amount of 6,000 lei, representing the fee for the expert's report in the field of accounting and taxation. Upheld the other provisions of civil decision no. 382 of 20 October 2020. Upheld the appeals filed by the Plaintiff Transelectrica and the Defendant Directorate-General for the Administration of Large Taxpayers against civil decision no. 134 of 24 May 2022, delivered by the Bucharest Court of Appeal - Administrative and Tax Litigation VIII Division. Partially quashed civil decision No 134 of 24 May 2022 and, on remittal: granted in part the request for clarification and supplement to the operative part of civil decision No 382 of 20 October 2020, brought by the Plaintiff Transelectrica. It ordered to supplement the operative part of the civil decision no.382 of 20 October 2020 with the following: - annulled also the Tax Inspection Report no. . F-MC 222/30.06.2017 insofar as the Tax Decision no. F-MC 439/30.06.2017 was annulled; - annulled the main tax liabilities established for 2005 and the related accessory ones, as the right of the tax body to establish such liabilities was time-barred; - annulled the tax administrative acts regarding the non-deductibility of the expenses with the benefit share of SMART. Removed the references to the amounts of corporation tax and ancillary charges annulled in respect of the 349 tax invoices from both the decision correcting the material error and the main decision. Upheld the other provisions of civil decision No 134 of 24 May 2022. ordered the Appellants - Defendants to pay to the Appellant - Plaintiff Transelectrica the amount of 200 lei in respect of the costs of the appeal. Final. Decision 6169/20.12.2023.

- **CONAID COMPANY SRL**

The subject matter of the file no. **36755/3/2018** is the finding of unjustified refusal to conclude an Addenda to the connection contract RET C154/2012 and claims in the amount of 17.216.093,43 lei, the damage suffered and 100.000 euro, the countervalue of the estimated unrealized benefit.

At the hearing of **03.01.2024**, the TMB admitted the statute of limitation, raised in the statement of defence, and dismissed the claim as time-barred. With appeal within 30 days from the communication. Decision 4/2024

- **OPCOM**

Case No **22567/3/2019** - Subject-matter of the case: action for damages 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 for the financing of 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 non-payment on time of the invoice series TEL 16 AAA no. 19533/29.07.2016.

Suspends the proceedings 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 Admits 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, VI Civil Division. 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 written. After the drafting and communication of Civil Judgment No. 3021/03.12.2021, the Company will be able to appeal against this judgment. Transelectrica has filed an appeal.

Decision of the CAB according to Decision no.1532/12.10.2022: Dismiss the appeal as unfounded. Orders the appellant to pay the respondent the sum of 11,325.21 lei by way of costs. With appeal within 30 days from the communication. Transelectrica has appealed against Civil Decision No 1532/12.10.2022 of the CAB. . On 19.09.2023 at the ICCJ the appeal was admitted, the decision 1532/12.10.2022 was annulled and the case was sent for a new trial to the same court. Definitive. Decision 1640/19.09.2023.

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

On **07.11.2023** TMB solution in brief: the objection of inadmissibility was qualified as a substantive defence.

The claim was dismissed as unfounded. With a right to appeal within 30 days of communication to the parties, Decision 2600/07.11.2023.

#### • GRAND VOLTAGE

File **no.17976/3/2021**, registered before the Bucharest Court of First Instance, concerning an application for a writ of summons, by which the claimant Grand Voltage seeks an order that the defendant NPG Transelectrica SA 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 OHL and the 400 kV Isaccea-Dobruja OHL to the 400 kV Medgidia Sud Stage II-OHL 400kV d.c. Connections Medgidia Sud Station".

Decision of 25.07.2022 in accordance with Decision 1812: dismiss the action as unfounded. With right of appeal within 10 days of notification. The application for appeal shall be submitted to the Bucharest Court - VI Division, under penalty of nullity. The judgment is not redacted.

#### • COURT OF ACCOUNTS

- The subject matter of the file No **1658/2/2014** is 'Annulment of control acts' - Decision No 7/20.02.2014 issued by the Court of Accounts.

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 with regard 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 applicant's action as unfounded. 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 (part of the 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 hearing 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 Division - as unfounded. 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 filed with the Bucharest Court of Appeal, among which **the file no.6581/2/2017** concerning the annulment of the findings in point 6 as well as the measure ordered in point II.9, at the trial date of 31.03.2023: According to the minutes of 29.03.2023, the case no. 6581/2/2017 was versioned in the 12th Administrative and Fiscal Litigation Division of the VIII Administrative and Fiscal Litigation Division under no. **6581/2/2017\*** Summary solution: In order to give the parties the opportunity to submit written conclusions and to deliberate, postpone the judgment to the following dates 31.03.2023, 13.04.2023, 28.04.2023, 12.05.2023.

At the hearing on 26.05.2023, the writ of summons was admitted. Annulled in part Decision No 77/03.08.2017, in so far as it rejected point 6 of Appeal No 26140/17.07.2017, Decision No 8/27.06.2017 in so far as it rejected the findings in point 6 and the measure ordered in point 11.9, and Inspection Report No. 19211/26.05.2017 in respect of the findings in point 3.2. Orders the defendant to pay the claimant's 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. Judgment 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 in point 5.2 and the measure ordered in point II.8, **file no.6576/2/2017** on the annulment of the findings in points 7.1, 7.2 and 8 as well as the measure ordered in point II.10, which became new file no. **2985/1/2021**, in which on 24.11.2022 the ICCJ declared null and void the appeal filed by the Company, final, **file no.6577/2/2017** on the annulment of the findings in point 13 and the measure ordered in point II.13, now **file no.1614/1/2020**, **file no.6578/2/2017**, on the annulment of the findings in

point 9 and the measure ordered in 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 subject matter 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 writ of summons.

Transelectrica filed an appeal dismissed as groundless on **07.03.2024**. Definitive decision no.1319/2024.

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





# **Report on Corporate governance and social responsibility**





# 14. Corporate governance

## Corporate Governance Regulation

With the listing of its shares on the regulated market of the Bucharest Stock Exchange ("BVB"), the Company has adopted the principles of the BVB's Corporate Governance Code. In accordance with the BVB's requirements, Transelectrica has made public to investors the revised Corporate Governance Rules of the Company.

The objective is to improve and strengthen the elements and principles of corporate governance to protect shareholders and their rights and to comply with transparency requirements.

The Corporate Governance Regulation is an extremely important tool for the Company and aims, in particular, to bring together in a single document, in a concise form, the main rules and regulations already in place and applied by the Company. The core elements of this Corporate Governance Regulation are access to information for investors and the protection of shareholders' rights.

The Company has adopted a transparent culture and an effective corporate governance model, the internal supporting documents and the Company's conduct are aligned with the new requirements of the BVB Corporate Governance Code. Reporting obligations in accordance with the new BVB Corporate Governance Code are included in the periodic reporting.

The document is drafted in accordance with the principles set out in the BVB Corporate Governance Code and can be found on the website [www.transelectrica.ro](http://www.transelectrica.ro), under Investor Relations/Corporate Governance/Corporate Governance Code of the Company.

### Other applicable documents

The Company complies with the provisions of primary and secondary legislation pertaining to the capital market, as well as the regulations of the BVB and other bodies, and complies with and applies all the

provisions of the legislation of companies and public enterprises, including internal regulations and documents of the Company relevant to this field, among which:

- Law no.24/2017 on issuers of financial instruments and market operations, republished, as amended and supplemented;
- ASF Regulation No 5/2018 on issuers of financial instruments and market operations, as amended;
- Bucharest Stock Exchange Code BVB Corporate Governance Code;
- Corporate Governance Code and the set of Anti-Corruption Principles developed by AmCham Romania, which are international benchmarks for a healthy business climate;
- Company Law no.31/1990, republished, as amended and supplemented ("Law no.31/1990");
- GEO No 109/2011 on corporate governance of public companies, as amended and supplemented ("GEO No 109/2011");
- The listing commitment, by which Transelectrica, at the Initial Public Offering (in 2006), undertook to respect the rights of security holders and to ensure equal treatment for all security holders of the same type and class;
- The Company's restated Articles of Association ("Articles of Association");
- The Supervisory Board's Rules of Organisation and Functioning, updated;
- Internal rules of the Board, updated;
- The Code of Business Ethics, binding on all structures of the organisation, which sets out the ethical rules of conduct that establish and regulate the corporate values, responsibilities, obligations and business conduct on which the organisation has been built.

Figure 35 Structure of the Supervisory Board on 31 December 2023



## Supervisory Board

(hereinafter also referred to as "SB")

The composition of the Supervisory Board on 31.12.2023 was as follows:

- Cătălin-Andrei Dascăl - Chairman
- Teodor Atanasiu - Member
- Costin-Mihai Păun - Member
- Alexandru-Cristian Vasilescu - Member
- Luminița Zezeanu - Member
- Anca MITU
- Simina-Geanina PISTRU-POPA

According to the Articles of Incorporation, the SB is composed of seven members, appointed for a maximum period of four years and may be dismissed at any time by the General Meeting of Shareholders of the Company ("AGM").

All members are non-executive, the management of the Company being vested, under the law and the Articles of Association, in the Directorate. The members of the SB may meet at any time, but in any case at least once every three months.

The company bears the costs of the professional liability insurance of the SB members. The amount of the sum insured and the insurance premium have been determined by resolution of the AGM.

In 2023, the SB met whenever the interests of the Company required discussions on matters within its competence.

### Election of members of the Supervisory Board by cumulative voting method

At the request of shareholders representing, individually or jointly, at least 10% of the subscribed and paid-up share capital, the Directorate shall convene a mandatory GMS with the election of the members of the SB by cumulative voting.

Any shareholder holding less than 10% of the subscribed and paid-up share capital may make written proposals to the Directorate for the application of the cumulative voting method within 15 days of

the date of publication in the Official Gazette of Romania, Part IV, of the notice of the general meeting of shareholders with the election of the members of the SB on the agenda. In this case, the application of the cumulative voting method for the election of the members of the SB is subject to the vote of the General Meeting of Shareholders.

By the cumulative voting method, each shareholder has the right to allocate his cumulative votes -

obtained by multiplying the votes held by any shareholder, according to the shareholding, by the number of members to form the SB - to one or more persons proposed for election to the Supervisory Board.

In exercising cumulative voting, shareholders may cast all cumulative votes for one or more candidates. Shareholders shall indicate the number of votes cast for each candidate.

If the cumulative voting method is applied, the members of the SB in office on the date of the general meeting will be automatically included on the list of candidates for the election of SB members together with the candidates proposed by the shareholders.

All candidates on the list of candidates will be put to a shareholder vote at the AGM.

Members of the SB in office at the date of the General Assembly who are not reconfirmed by cumulative vote as members of the SB shall be deemed to be removed from office by resolution of the General Assembly.

The term of office of the members of the SB in office on the date of the general meeting of shareholders at which cumulative voting was applied shall continue in the event of their reappointment by cumulative voting.

In the event that two or more persons proposed for election to the SB receive the same number of cumulative votes, the person who has been voted for by a greater number of shareholders shall be declared elected as member.

The criteria for the election of the members of the SB in the event that two or more nominees obtain the same number of cumulative votes cast by the same number of shareholders shall be determined by the general meeting of shareholders and specified in its minutes.

During 2023 the members of the SB were not elected by cumulative voting.

### Remuneration of the Supervisory Board

The members of the Supervisory Board had a fixed monthly gross compensation of 17,926 lei gross/month, according to the AGM Decision no. 6/18 August 2022.

### Powers of the Supervisory Board

The Supervisory Board has the following main tasks:

- exercises control over the way the Directorate runs the Company,
- checks the income and expenditure budget and the investment programme for the financial year submitted for approval to the general meeting of shareholders,
- performs any duties provided for by the special legislation applicable to the administration of public undertakings,
- determines the structure and number of members of the Board,
- appoints and dismisses the members of the Directorate and determines their remuneration,
- verifies that the activity carried out in the name and on behalf of the Company complies with the law, the articles of association and the resolutions of the general meeting of shareholders,
- submit to the general meeting of shareholders at least once a year a report on the supervisory activity carried out,
- represents the Company in its dealings with the Board,
- approves the internal rules of the Directorate,
- verifies the financial statements of the Company,
- verifies the report of the members of the Directorate,
- propose to the general meeting the appointment and dismissal of the financial auditor and the minimum duration of the audit contract,
- approves the Company's transactions with related parties in the cases and under the conditions prescribed by law.

However, in exceptional cases, when the interest of the Company so requires, the Supervisory Board may convene a general meeting of shareholders and certain types of operations may only be carried out with the consent of the Supervisory Board. These are as follows:

- the purchase of products, services and works, irrespective of duration, with a value of more than EUR 5 000 000,
- operations for the provision of transmission service, system services and wholesale electricity market management, operations for the collection of the contribution for high efficiency cogeneration, operations for the payment of the bonus and refund of overcompensation/undue bonus, operations for connection to the RET, for the realisation of coexistence conditions, for the release of the site and execution of these works, technical

consultancy and project management related to these works, sale-purchase operations of the land necessary for the construction of the new installations under the RET connection contracts, as well as the land necessary for the access roads to these installations, operations for the constitution in favour of the Company of rights of use and easements, surface rights, rights of use, rights of affectation in any way on the land affected by the new installations under the RET connection contracts, as well as any other operations to be carried out for the proper conduct of the Company's main activity in accordance with the regulations in force, with a value of more than 10.000.000 euro,

- initiation, settlement, exercise, abandonment of claims, dispute, arbitration, with a value of more than 500.000 euro,
- commitments involving significant obligations on the part of the Company, with the exception of the operations referred to in the first two points, with a value in excess of EUR 5,000,000,
- any act free of charge, including any sponsorships and donations offered by the Company, with an individual value of more than 100,000 lei,
- the establishment or dissolution of secondary offices of the Company, in the country or abroad, (branches, representative offices, agencies or other such units without legal personality),
- changes to the organisational structure (organisation chart) of the Society and to the organisational and operational rules.

At the same time, the members of the Supervisory Board owe a duty of care and loyalty to the Company and shall comply with this duty if, when making a business decision, they are reasonably entitled to believe that they are acting in the best interests of the Company. The Supervisory Board, in exercising its essential powers of control over the manner in which the Directorate conducts the Company and of monitoring the activities carried out on behalf of and on account of the Company, has the right and the duty to determine in relation to the Directorate and the Company the means of control, monitoring and reporting that it deems necessary to fulfil these duties.

Correlatively, the Directorate has the duty to ensure at the Company level the reporting procedures and organisational conditions necessary for the performance of the control and verification tasks entrusted to the Supervisory Board.



### Advisory Committees

As at 31.12.2023, three advisory committees are set up at Supervisory Board level:

- *Audit Committee;*
- *Nomination and Remuneration Committee;*
- *Committee on Investment and Energy Security.*
- *Risk Management Committee*

Decisions in the Advisory Committees shall be taken by majority vote. In the event of a tie, the Chair of the Committee shall have the casting vote.

According to the approved rules of organisation and operation, at least one member of each committee set up must be an independent director within the meaning of company law, legislation and capital market regulations. As regards the audit committee, the majority of the members must be independent directors.

Any member of an advisory committee may convene a meeting of the committee of which he or she is a member. Notice of meetings of advisory committees shall be sent to each member of the committee in writing, by fax or by electronic mail to the e-mail address and fax number of that committee member.

### Tasks of the Supervisory Board committees

The main tasks of the committees of the Supervisory Board according to the area of activity are:

#### **Nomination and Remuneration Committee**

- makes proposals for the position of member of the Supervisory Board and member of the Directorate,
- prepares and makes proposals to the Supervisory Board regarding the selection procedure for members of the Supervisory Board, members of the Company's Directorate and for other management positions,
- makes proposals for the remuneration of the members of the Company's Directorate and other management positions, subject to the general remuneration limits approved by the General Meeting of Shareholders,
- coordinates the appointment process of the members of the Directorate,
- present in the Annual Report the total amount of direct and indirect remuneration of the members of the Directorate and the Supervisory Board.

### Audit Committee

The Audit Committee assists the Supervisory Board in fulfilling its responsibilities in the areas of financial reporting, internal control and risk management.

Audit Committee tasks related to financial reporting and statutory audit:

- monitors the financial reporting process at Company level,
- monitors the statutory audit of the annual financial statements and the annual consolidated financial statements,
- regularly reviews the effectiveness of financial reporting,
- verify and monitor the independence of the statutory auditor or audit firm and in particular, the provision of additional services to the audited entity,
- make recommendations to the Board on the appointment of the external auditor (statutory auditor or audit firm) of the Company on the selection, appointment, re-appointment and replacement of the external auditor and the terms and conditions of the external auditor's remuneration,
- monitor the independence and objectivity of the external auditor, in particular by monitoring the rotation of partners in the audit firm,
- receive and consider the external auditor's report on the key issues arising from the statutory audit and, in particular, on significant deficiencies in internal control over financial reporting,
- assists the Board in monitoring the credibility and integrity of the financial information provided by the Company, in particular by reviewing the relevance and consistency of the accounting standards applied by the Company (including consolidation criteria).

Audit Committee's tasks in the area of managerial internal control:

- monitor the effectiveness of the Company's internal control, internal audit, where applicable, and risk management systems,
- regularly reviews the effectiveness of the internal control and risk management system adopted by the Company,
- ensures that the audit reviews carried out and the audit reports produced as a result thereof are in accordance with the audit plan approved at Company level,
- propose to the Board the control, verification and reporting procedures necessary for the

exercise of its essential powers of control over the manner in which the Directorate manages the Company, as well as for the verification of the activity carried out in the name and on behalf of the Company,

- verifies compliance with non-financial reporting obligations at Company level,
- performs the duties provided for in Article 65 of the Law no.162/2017 on statutory audit of annual financial statements and consolidated annual financial statements and amending certain normative acts.

#### **Committee on Investment and Energy Security**

- consulting and monitoring the implementation of the Company's Medium, Short and Long Term Strategy and Investment Plan,
- advising and consulting with the members of the Supervisory Board, the members of the Directorate and the executive management of the Company, within the framework of and in relation to the Company's Strategy and ROF, without prejudice to the responsibility of the members of the Supervisory Board, the members of the Directorate and other persons who under Applicable Law have responsibility for the management and supervision of the Company,
- consulting and monitoring the implementation of actions on maintaining and increasing energy security related to the Company's activities.

#### **Risk Management Committee**

It is a new committee established following the amendment of the Government Emergency Ordinance no.109/2011.

#### **The work of the SB committees in 2023**

Eight (8) meetings of the *Nomination and Remuneration Committee* were held in 2023

Proposals and recommendations were made for the appointment of provisional members of the Directorate, in accordance with the provisions of GEO no.109/2011 on corporate governance of public companies.

In 2023, 6 (six) *Audit Committee* meetings were held, during which the Interim Financial Statements for the financial year 2022 were audited, the Income and Expenditure Budget for 2023 and the estimates for 2024-2025 were audited. The Report of the Audit Committee of the Supervisory Board of NPG CO. Transelectrica SA for the year 2022 on the Company's internal control and significant risk management systems was prepared and the stand-

alone/consolidated financial statements of the Company for the year 2022 were verified, accompanied by the Report of the Financial Auditor.

#### **Directorate**

Composition of the Directorate on 31.12.2023:

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

#### **Organisation of the Directorate**

Members of the Directorate are appointed and dismissed by the Supervisory Board. One of the members of the Directorate is appointed by the Supervisory Board as Chairman of the Directorate (alternatively also referred to as the Chief Executive Officer of the Company), who convenes and chairs the meetings of the Directorate and is also responsible for the proper organisation of the work of the Directorate as a collective management body, in order to fulfil the duties and responsibilities incumbent on it, respectively, under the applicable law and the Articles of Association.

The number of members shall be determined by the SC, provided that the number of members shall not be less than three and not more than seven, which number shall always be odd. One member of the Directorate shall be appointed Chairman of the Directorate (alternatively also referred to as the Chief Executive Officer or Chief Executive Officer - "CEO" - of the Company).

#### **Remuneration of the Directorate**

From 1 January 2023 to 31 December 2023 the members of the Directorate had a fixed gross monthly allowance of 55,050 lei gross/month.

#### **Powers and duties of the Board**

The Directorate shall perform all acts necessary and useful for the achievement of the Company's object of activity, with the exception of those reserved by law to the Supervisory Board and the General Meeting of Shareholders, the management of the Company being exclusively incumbent upon it under the Applicable Law.

The Directorate exercises its powers under the control of the Supervisory Board and has the duty:

- provide the Supervisory Board, at least every three (3) months, with written reports on the Company's management, the Company's business and the possible evolution of the Company;

- to ensure at the Company level the reporting procedures and organisational conditions necessary for the performance of the control and verification tasks entrusted to the Supervisory Board.

The Directorate manages the Company, approves all operations at the Company level, other than those provided for by the General Meeting of Shareholders and represents the Company in relation to third parties and in court.

The main duties of the Directorate, carried out under the supervision of the Supervisory Board (SB), are:

- establishes the Company's strategy, development policies, accounting policies and financial control system and approves financial planning,
- approves, with the agreement of the SC, the organisational structure (organisation chart) of the Company and its organisational and operational rules,
- submits annually to the General Meeting of Shareholders the report on the Company's activity, the financial statements for the previous year, the draft budget and the investment programme of the Company for the current year,
- conclude legal acts with third parties in the name and on behalf of the Company, in compliance with the provisions of the Articles of Association relating to joint signature and in compliance with the matters reserved to the competence of the general meeting of shareholders or the Supervisory Board,
- hires and fires, determines the duties and responsibilities of the Company's personnel in accordance with the Company's personnel policy,
- negotiates the Collective Labour Agreement at Company level, as well as its Addenda, together with the employees' representatives,
- perform all acts and take all measures necessary and useful for the management and fulfilment of the Company's object of activity, except those reserved by law or by the Articles of Association to the General Meeting of Shareholders and the Supervisory Board.

In this regard, the Directorate approves operations at the Company level, other than those provided for in the AGM, with the obligation to obtain the approval of the SB for the types of operations for which the law or the Articles of Association provide for such approval,

- approves the mandates of the Company's representatives in the general meetings of the shareholders of the Company's subsidiaries and informs the Directorate, on a quarterly basis, of the mandates granted to them,
- approves with the agreement of the SB the establishment or closure of secondary offices (branches, representative offices, agencies or other such establishments without legal personality),
- approves the conclusion by the Company of legal acts in the nature of a partnership contract governed by the Civil Code when the result is not an entity with a separate legal personality as well as approving the Company's participation as a member in domestic or international organisations,
- exercise any power provided by law or delegated by the general meeting of shareholders pursuant to law,
- performs any duties provided for by the special legislation applicable to the administration of public undertakings,
- carry out the decisions of the general meeting of shareholders.

The Directorate shall inform the General Meeting of Shareholders at least twice a year of the following types of operations:

- the purchase of products, services and works of any duration with a value of more than EUR 5 000 000,
- the initiation, settlement, exercise, abandonment of claims, dispute, arbitration, with a value exceeding 500.000 euro,
- Commitments involving significant obligations on the part of the Company, amounting to more than EUR 5,000,000,
- borrowings, regardless of duration, under €50,000,000,
- guarantees for borrowings, below 50.000.000 euro.

The Directorate is required to obtain the approval of the Supervisory Board for certain types of operations, and for these types of operations the Directorate is only able to approve the operation in question after obtaining the Supervisory Board's approval.

In the event of a refusal, the Directorate may also request the consent of the Ordinary General Meeting of Shareholders, which will decide in accordance with the law.

## General Meeting of Shareholders

The AGM is Transelectrica's governing body, which decides on the Company's business and economic policy. It may be ordinary or extraordinary, its specific powers being set out in the Articles of Association.

With the listing of its financial instruments on the regulated market administered by the BVB, the Company undertook the obligation to respect the rights of the holders of the financial instruments issued and to ensure their fair treatment.

Thus, all holders of financial instruments of the same class of securities are treated equally, with all financial instruments of the same type and class giving holders equal rights.

Each share confers rights on the holder as set out in the Articles of Association:

- voting rights in the AGM (one share = one vote),
- the right to elect and be elected to governing bodies,
- the right to participate in the distribution of profits (dividend entitlement).

Ownership of the share certifies de jure adherence to the Articles of Association.

All shareholders have the right to attend the AGM, to exercise their voting rights and to express their views during the debates.

The Ordinary General Meeting of Shareholders has the following duties and powers:

- discusses, approves or amends the annual financial statements on the basis of reports submitted by the Directorate, the Supervisory Board and the financial auditor,
- approves the distribution of profits and sets the dividend,
- elects and dismisses members of the Supervisory Board,
- appoints and dismisses the financial auditor and sets the minimum duration of the financial audit contract,
- sets the general remuneration limits for members of the Directorate,
- sets the remuneration for the current year of the members of the Supervisory Board,
- shall pass judgement on the management of the members of the Directorate and the members of the Supervisory Board, evaluate their work and discharge them, in accordance with the law,
- decides on legal action against members of the Directorate and members of the Supervisory

Board, as the case may be, for damages caused to the Company,

- establishes the revenue and expenditure budget and the investment programme for the financial year submitted for approval,
- decides on any matter within its competence under the applicable law,
- examines the Supervisory Board's reports on its work,
- decide on the pledge or lease of one or more units of the Company.

The Extraordinary General Meeting of Shareholders meets whenever it is necessary to take a decision on the following matters:

- change the legal form of the Company,
- relocation of the Company's headquarters,
- change of the Company's object of activity,
- increasing the share capital of the Company,
- reducing the Company's share capital or replenishing it by issuing new shares,
- merger with other companies,
- splitting the Company,
- early dissolution of the Company,
- conversion of shares from one category to another,
- conversion of registered shares into bearer shares or bearer shares into registered shares,
- conversion of bonds from one class into another class or into shares,
- the bond issue,
- the conclusion of acts of acquisition, disposal, exchange or pledging of assets in the category of fixed assets of the Company, the value of which exceeds, individually or cumulatively, during a financial year, 20% of the total book value of the fixed assets of the Company less receivables,
- any amendments to the Articles of Association or any other resolution for which AGM approval is required.

In addition to the powers and duties mentioned above or by law, the Extraordinary General Meeting of Shareholders decides on the following matters:

- the making by the Company as a lender of any borrowings or obligations of any kind,
- the establishment of, or participation in the establishment of, separate legal entities with a proprietary or non-proprietary purpose, as well as participation in the share capital of other companies,



- the taking out of borrowings with a duration of 5 years or more, the value of which is equal to or greater than EUR 50 000 000,
- the provision of guarantees with a value equal to or greater than EUR 50,000,000,
- setting the minimum sum insured and the maximum amount of the insurance premium for the professional liability insurance of members of the Supervisory Board and members of the Directorate respectively.

The company makes every effort to facilitate the participation of shareholders in AGM meetings, encourages dialogue between shareholders and members of the Supervisory Board and/or members of the Directorate and the full exercise of their rights. The General Meeting of Shareholders is the actual mechanism for exercising all shareholder rights. The notice of the AGM becomes public within 24 hours from the time of convening the AGM on the BVB website, on the Company's website [www.transelectrica.ro](http://www.transelectrica.ro) and on the ASF website, and in the Official Gazette within 4 days and in the press within 5 days of the convocation. Similarly, the materials subject to debate are published, according to the agenda and the legal deadlines. Each notice of the AGM includes the location, date and time of the first convocation, the address of the place where the meeting will be held and the date, time and place of the second convocation.

The notice of the AGM shall explicitly state the subjects to be debated and the reasons for them. The rules of organisation and conduct for each AGM and the procedures for attending the meetings shall be explicitly set out directly in the notice so that all shareholders wishing to attend are aware of them.

The company encourages shareholder participation at AGMs and takes every measure to facilitate this. The materials submitted for debate are published on the [www.transelectrica.ro](http://www.transelectrica.ro) Investor Relations / AGM section, shareholders are encouraged to ask questions on agenda items.

The access of shareholders entitled to attend the AGM is allowed by simply proving their identity, in the case of individual shareholders, with their identity card or, in the case of legal entities and represented individual shareholders, with the proxy given to the individual representing them.

For shareholders who are unable to attend, the Company provides the opportunity to vote:

- a) by proxy, on the basis of a special power of attorney;
- b) by mail;

c) remote.

At the AGM, shareholders will also be able to vote by electronic means, in accordance with Law 455/2001 on electronic signatures, as amended and supplemented, and in accordance with ASF regulations. The relevant forms (postal voting form and special proxy form), in both Romanian and English, are also posted on the website [www.transelectrica.ro](http://www.transelectrica.ro) Investor Relations/AGA section.

Decisions adopted at the AGM are disseminated on the day of the meeting, by means similar to those previously presented for convening the meeting. Voting results are published on the Company's website no later than 15 days after the date of the AGM.

In order to provide shareholders with relevant information in real time, the Company has set up its own website, [www.transelectrica.ro](http://www.transelectrica.ro) a special section called Investor Relations, which is easily accessible and constantly updated. The page is structured in such a way that it contains all the information needed by security holders: including information on the AGM. The AGM is convened by the Directorate whenever necessary, in accordance with the law. In exceptional cases, when the interest of the Company so requires, the Supervisory Board may also convene the AGM.

AGM meetings are held in Romanian.

### Internal control

Within the Company, internal control is the set of policies and procedures designed and implemented by management and personnel to achieve overall objectives.

Transelectrica has an internal management control system whose design and implementation allow the Company's management to ensure both the reasonable management of financial resources in order to achieve general and specific objectives and their use in conditions of legality, regularity, effectiveness, efficiency and economy.

The mission of the internal management control activity is to ensure the internal administrative control within the Company in order to carry out, at an appropriate level of quality, the tasks of the Company, established in accordance with its own mission, in conditions of regularity, effectiveness, economy and efficiency.

The managerial internal control system includes self-monitoring mechanisms and the application of

objectives to increase its effectiveness is based on risk assessment.

The scope of internal management control is given by the business objectives of the component organisational sub-units and consists of:

- to carry out internal control of activities at Company level and in its organisational units;
- participation in detailed investigation committees, fraud investigation and proposal of sanctions according to the field of competence;
- preventing conflicts of interest in the management of company funds according to the area of competence;
- promoting fair competition and antitrust policies by identifying, deterring and sanctioning anti-competitive agreements according to its area of competence.

The main objectives of internal control are the execution of systematic, ethical, economical, efficient and effective operations, the fulfilment of accountability obligations, compliance with applicable laws and regulations, the protection of resources against loss and damage through waste, abuse, mismanagement, errors, fraud, irregularities, monitoring, coordination and methodological guidance of the implementation and development of the internal/managerial control system.

Operational Procedures are developed for specific activities and are reviewed as often as necessary. In this way, operations, processes and activities are periodically reviewed to ensure that they comply with current rules, policies, procedures or other requirements.

The internal management control system operates with a variety of procedures, means, actions, provisions, which concern all aspects of Transelectrica's activities. These are established and implemented by the management to enable it to have good control over the functioning of the Company as a whole, as well as over each individual activity/operation.

### **Internal public audit**

The company has organised its internal public audit activity through its own structure since 2004. According to the Organizational and Functional Structure in force and in accordance with Law no. 672/2002 on internal public audit, the "Internal Public Audit" (API) structure is subordinated to the Supervisory Board.

At the Company level, the audit activity is carried out on the basis of its own rules, endorsed by the

superior hierarchical body (General Secretariat of the Government) with no. 1911/11.06.2014. Of the five subsidiaries of the Company, only three have their own internal public audit activity (Opcom SA, Smart SA, Teletrans SA), while Formenerg SA and Icemenerg Service SA do not have their own internal public audit activity, which is carried out by the Internal Public Audit (API) structure of the Company.

### **Role**

- providing advice and assurance on the effectiveness of risk management, control and governance systems, contributing to the achievement of added value and providing recommendations for improvement;
- assisting the Company's management in achieving its objectives and providing objective and detailed assessments of the legality, regularity, efficiency, economy and effectiveness of the activities and operations carried out.

### **Regulations and principles governing the activity**

- Law No 672/2002 on internal public audit, as amended;
- the general rules on the exercise of the internal public audit activity (GD no.1086/2013);
- the Code of Ethical Conduct for Internal Auditors, which aims to create the ethical framework for the internal audit profession;
- The internal audit charter establishes the position of the internal audit structure within the public entity, defines the scope of activity of public internal audit, the rights and obligations of internal auditors;
- organisational independence within the Company, so as not to be subject to interference of any kind, from the setting of audit objectives, to the actual performance of the specific work of the assignment, to the communication of its results;
- individual objectivity, competence, professional awareness and continuous professional development of auditors;
- the integrity, confidentiality and political neutrality of internal auditors.

### **Planning of public internal audit activity**

Annual planning is based on the "Multi-annual Public Internal Audit Plan, following analysis of the associated risks and requests from the members of the Supervisory Board.

Given that the risks associated with the activities are generated by the economic and social environment in which the Company's activities are carried out, there is a need to periodically reassess the risks in order to monitor their dynamics.

Also, in order to carry out an informed risk analysis, but also to reduce the degree of subjectivity of the risk analysis, it is considered necessary to use well-defined risk analysis criteria, with an explanation of how the risk analysis is actually carried out and how the risk score is determined.

The risk analysis criteria used in annual and multiannual planning are:

- the probability of the risk occurring;
- the severity of the consequences of the event (level of impact).

### **Public internal audit activity**

In 2023, 22 public internal audit missions were carried out in the Company, of which 20 were assurance and 2 were evaluation missions.

These covered the following areas:

- two evaluation missions, to SMART and OPCOM;
- financial-accounting, in five missions carried out;
- human resources, in four missions carried out;
- specific functions in ten missions carried out;
- a mission in other areas.

No advisory missions were carried out during the year.

For the audit work carried out in 2023, a report has been prepared and submitted to the superior body (Secretariat General of the Government).

In view of the Methodological Rules on the exercise of the Company's internal public audit, the results of the implementation, the progress made in the implementation of the recommendations reported by the audited entity/structure are periodically reviewed. Progress in the implementation of recommendations is reported annually to the Company's management and to the internal public internal audit team of the superior body.

During 2023, 59 recommendations were made, including:

- 18 recommendations implemented by the deadline;
- 3 recommendations implemented after the deadline;
- 3 recommendations partially implemented (under implementation);

- 35 unimplemented recommendations for which the implementation deadline has not been exceeded;

At the level of the internal public audit structure of the Company, the Quality Assurance and Improvement Programme has been developed and the last update was carried out on 10.12.2020.

In accordance with the provisions of point 2.3.7. of Annex No. 1 to GD No. 1086/2013, a quality assurance and improvement programme (QAPP) shall be drawn up at the level of the internal public audit structure for all aspects of internal audit, allowing for continuous monitoring of its effectiveness.

The internal audit quality assurance and improvement programme should ensure that the internal audit work is carried out in accordance with the rules, guidelines and Code of Ethical Conduct for Internal Auditors and contribute to improving the work of the public internal audit capability.

Internal public audit through assurance and advisory engagements adds value to activities and supports management in maintaining effective internal control and achieving established objectives.

The vision of the internal public audit activity considers:

- ensuring continuous, uniform and quality-standard training required to obtain national certification for internal auditors,
- the need for permanent methodological collaboration and guidance between the internal public audit structure at the highest hierarchical level (General Secretariat of the Government) and the Internal Public Audit of the Company.

The internal public audit, through the activities it carries out, adds value both by assessing the internal control system and analysing the risks associated with auditable activities, and by the recommendations contained in the report drawn up and submitted to ensure the achievement of the Company's objectives. These recommendations have led the audited structures to refine their activities and improve their internal control system, so that significant progress has been made from one audit to the next.

Monitoring activities are geared towards the added value created by internal public audit in supporting the achievement of the Company's objectives.

Considering the involvement of the personnel of the audited structures and their managers in the actions to implement the recommendations issued, it can be

said that the internal public audit supported the personnel by reviewing the way of working and applying the legal provisions, better organizing the work and permanent collaboration in making the work done more efficient.

### Declaration of compliance with the BVB Corporate Governance Code

Provisions of the Code		Respects	Partially complies (Reason for non-compliance)
<b>Section A - Responsibilities [of the Supervisory Board]</b>			
A.1.	TEL must have internal Supervisory Board (SB) rules of procedure that include the terms of reference/responsibilities of the SB and key TEL management functions, and that apply, among other things, the General Principles in Section A.	TEL's SB carries out its activity on the basis of the legislation in force, of the Articles of Association, of the <u>Rules of Organization and Functioning of the SB</u> and decides on matters concerning the Company's activity, except for those which, according to the law, are within the competence of the AGM or other corporate bodies.	
A.2.	Provisions for the management of conflicts of interest should be included in the SB Regulation. In any case, SB members must notify the SB of any conflicts of interest that have arisen or may arise and refrain from participating in discussions (including by not attending, unless not attending would prevent the formation of a quorum) and from voting on a resolution on the matter giving rise to the conflict of interest in question.	These aspects are also stipulated in detail in the Rules of Functioning and Organisation of the SC; The members of the SB have been appointed by the OGMS in compliance with the provisions applicable to listed companies and are selected in accordance with the provisions of Government Emergency Ordinance No 109/2011 on corporate governance of public companies ( <i>see explanations A.4.</i> ). All seven SB members have completed and submitted declarations of independence. In addition, the selection of candidates for a seat on the SB is made in compliance with the provisions of Article 40 of the Constitutive Act in application of Article 34 of Law no. 123/2012; All seven SB members have completed and submitted declarations of independence. <b>Details - in the Annual Report Corporate Governance section</b>	
A.3.	The SB must consist of at least five members.	SC of seven members <b>Details - in the Annual Report Corporate Governance section</b>	
A.4.	No less than two non-executive members of the SB must be independent. Each independent member of the SB must make a declaration at the time of his/her nomination for election or re-election, as well as at the time of any change in his/her status, indicating the basis on which he/she is considered to be independent in character and judgement.	All seven SB members have completed and submitted declarations of independence. Recruitment process related to the procedure regulated by GEO 109/2011, candidates are required to submit an affidavit of independent status, (attached to the application documentation);	
A.5.	Other relatively permanent professional commitments and duties of a member of the SC, including executive and non-executive positions on the SB of not-for-profit companies and institutions, must be disclosed to shareholders and potential investors prior to appointment and during his/her term of office.	Details - in the Declarations of Interests posted on the Company's website, Human Resources section; <a href="https://www.transelectrica.ro/web/tel/declaratii-de-avere">https://www.transelectrica.ro/web/tel/declaratii-de-avere</a> ;	
A.6.	Any member of the SB must disclose to the SB information concerning any relationship with a shareholder who directly or indirectly holds shares representing more than 5% of all voting rights. This obligation relates to any relationship that may affect the member's position on matters decided by the SC.	The information is required from any CS member at the date of appointment by signing the declaration of compliance with the provisions of Article 40 of the Constitutive Act in application of Article 34 of Law no. 123/2012;	
A.7.	TEL must designate a Secretary of the SB responsible for supporting the work of the Council.	The composition of the SB Secretariat was designated by SB Decision No 46/2022 and the persons who worked in the Secretariat in 2023 were: Ionela Chelu and Irina Răcănel.	



Provisions of the Code		Respects	Partially complies (Reason for non-compliance)
A.8.	The corporate governance statement will inform whether an evaluation of the Board has taken place under the leadership of the Chairman or the nominating committee and, if so, will summarise the key actions and resulting changes. TEL must have a CS evaluation policy/guideline covering the purpose, criteria and frequency of the evaluation process.		Partially implemented - The CS activity is reviewed by the shareholders at the AGM every six months, based on the Activity Report presented. For the year 2023 Transelectrica did not have a policy for the evaluation of the activity of the SB members
A.9.	The corporate governance statement should contain information on the number of meetings of the BoD and committees during the last year, the attendance of directors (in person and in absentia) and a report by the BoD and committees on their activities	In 2023, the Supervisory Board held 23 meetings, at which all or a majority of the members were present or represented as appropriate. 6 meetings of the Audit Committee and 8 meetings of the Nomination and Remuneration Committee were held. <b>Details of activity - in the Annual Report Corporate Governance section</b>	
A.10.	The corporate governance statement must include information on the exact number of independent members of the SC.	<b>All seven SB members have completed and submitted declarations of independence.</b>	
A.11.	The TEL SB shall establish a nominating committee of non-executive members, which shall lead the procedure for nominations of new members to the SB and make recommendations to the SC. The majority of the members of the Nomination Committee must be independent.	The Nomination and Remuneration Committee formulates proposals for the position of member of the SB and member of the Directorate, develops and proposes to the SB the procedure for the selection of members of the SC, members of the Directorate and for other management positions, formulates proposals for the remuneration of members of the Directorate and other management positions. The organisation, functioning and tasks are laid down in the CS ROF. <b>Details - in the Annual Report Corporate Governance section</b>	
<b>Section B - Risk management and internal control system</b>			
B.1.	The SB must set up an audit committee of which at least one member must be an independent non-executive director. A majority of the members, including the chairperson, must have demonstrated that they have appropriate qualifications relevant to the functions and responsibilities of the committee. At least one member of the audit committee must have proven and appropriate audit or accounting experience. In the case of Premium Category companies, the audit committee must consist of at least three members and a majority of the audit committee members must be independent.	The Audit Committee assists the Board in fulfilling its responsibilities in the areas of financial reporting, internal control and risk management. Detailed duties and responsibilities are stipulated by the CS ROF. All seven SB members have completed and submitted declarations of independence. <b>Details - in the Annual Report Corporate Governance section</b>	
B.2.	The chair of the audit committee must be an independent non-executive member.	By the date of the Annual Report, the Chairman of the Audit Committee, Mrs Zezeanu Luminița, has made a declaration that she is independent.	
B.3.	As part of its responsibilities, the audit committee must carry out an annual assessment of the internal control system.	Details in the Audit Committee's Annual Report - AGM material to the meeting to approve the Annual Financial Statements, published in the AGM section of the Company's website.	
B.4.	The assessment should consider the effectiveness and comprehensiveness of the internal audit function, the adequacy of risk management and internal control reports presented to the Board's audit committee, the timeliness and effectiveness with which executive management addresses deficiencies or weaknesses identified through internal control, and the presentation of relevant reports to the Board.	Details - in the Audit Committee Report in the AGM section on the Company's website, i.e. <a href="https://www.transelectrica.ro/web/tel/aga">https://www.transelectrica.ro/web/tel/aga</a> ,	

Provisions of the Code		Respects	Partially complies (Reason for non-compliance)
B.5.	The Audit Committee must assess conflicts of interest in relation to the company's and its subsidiaries' transactions with related parties.	According to the Constitution of the National Electricity Transmission Company "Transelectrica"-SA, the competence limits of the Directorate, the Board of Statutory Auditors and the AGM concerning operations at TEL. The SB is required to follow the implementation at the Company level of approval and implementation procedures for transactions concluded by the Company, or its subsidiaries, with stakeholders, as defined by capital market legislation and regulations, as well as best practices to ensure substantial procedural fairness of transactions with stakeholders (self-dealing), using for this purpose the criteria established or recommended by capital market legislation and regulations.	
B.6.	The Audit Committee should assess the effectiveness of the internal control system and the risk management system.	Details - in the Report of the Audit Committee of the SB on internal control and significant risk management systems for the year 2023 (Material related to the annual meeting of the OGMS/29.04.2024 having on the agenda the approval of the Annual Financial Statements)	
B.7.	The Audit Committee shall monitor the application of legal standards and generally accepted internal auditing standards. The Audit Committee shall receive and evaluate the reports of the Internal Audit Team.	Details - in the Report of the Audit Committee of the SB on internal control and significant risk management systems for the year 2023 (Material related to the annual meeting of the OGMS/29.04.2024 having on the agenda the approval of the Annual Financial Statements)	
B.8.	Whenever the Code mentions reports or reviews initiated by the Audit Committee, these should be followed by regular (at least annual) or ad-hoc reports to be subsequently submitted to the Council.	Details - in the Report of the Audit Committee of the SB on the internal control and significant risk management systems for the year 2023 (Material related to the annual meeting of the OGMS/29.04.2024 having on the agenda the approval of the Annual Financial Statements)	
B.9.	No shareholder may be given preferential treatment over other shareholders in connection with transactions and agreements entered into by the company with shareholders and their affiliates.	The company shall ensure equal treatment for all holders of securities of the same type and class and shall provide them with all necessary information to enable them to exercise their rights.	
B.10.	The CS must adopt a policy to ensure that any transaction of TEL with any of its closely held companies which equals or exceeds 5% of TEL's net assets (as per the last financial report) is approved by the CS following a binding opinion of the CS audit committee and properly disclosed to shareholders and potential investors, to the extent that such transactions fall within the category of events subject to reporting requirements.	For the approval of certain types of operations, according to Art. 21 para. (3) and (5) of the Constitution requires the consent/approval of the SC. Also, in order to fulfil the reporting obligations under Art. 144 lit. B paragraph (4) of ASF Regulation no. 5/2018 on issuers of financial instruments and market operations, in conjunction with the provisions of art. 92 <sup>^</sup> 3 of Law 24/2017 on issuers of financial instruments and market operations, TEL's financial auditor performs a semi-annual analysis of transactions with affiliates. The auditor's report is sent to the BVB and ASF and is also published on the TEL website in the Investor Relations / Current Reports section.	In addition, the SB envisages the drafting of a separate document during 2024 on the <i>Policy on significant transactions with related parties</i>
B.11.	Internal audits must be carried out by a structurally separate division (internal audit department) within TEL or by engaging an independent third party.	The internal public audit activity at the Company level is carried out by its own audit structure, thus complying with the requirement established by Law no. 672/2002 on internal public audit - art. 10 paragraph (1), republished with subsequent amendments and additions. According to the Organisation Chart, there are such organisational entities within TEL, namely Internal Public Audit, Integrated Management Department, Control Directorate	
B.12.	In order to ensure that the core functions of the internal audit department are fulfilled, it must report functionally to the BoG through the audit committee. For administrative purposes and as part of management's obligations to monitor and mitigate risks, it should report directly to the CEO.	According to the organisational and operational regulations of the organisational entities involved;  <b>Details - in the Annual Report of the Corporate Governance section</b> and in the Report of the Audit Committee of the SB on internal control and significant risk management systems for the year 2023 (Material related to the annual meeting of the OGMS/29.04.2024 having on the agenda the approval of the Annual	

Provisions of the Code		Respects	Partially complies (Reason for non-compliance)
		Financial Statements)	
<b>Section C - Fair Reward and Motivation</b>			
C.1.	TEL must publish on its website the remuneration policy and include in the annual report a statement on the implementation of the remuneration policy during the annual period under review.	In accordance with the regulations in force, the Company informs the General Meeting of Shareholders annually through the Nomination and Remuneration Committee Report. Details - in the Annual Report Corporate Governance section, including on the Company's website the mandate agreement is published, AGM/Corporate Governance section;	
<b>Section D - Adding Value through Investor Relations</b>			
D.1.	TEL must organise an Investor Relations service - indicating to the general public the responsible person(s) or organisational unit. In addition to the information required by law, TEL must include on its website a section dedicated to Investor Relations, in Romanian and English, with all relevant information of interest to investors, including:	Transelectrica has specialised organisational entities for both Investor Relations and Shareholder Relations ( <a href="#">contact</a> ). Dates and information can be found at <a href="https://www.transelectrica.ro/web/tel/relatii-investitori">https://www.transelectrica.ro/web/tel/relatii-investitori</a> ,	
D.1.1	Main corporate regulations: articles of association, procedures for general meetings of shareholders;	<i>Please refer to the TEL website, <a href="https://www.transelectrica.ro/regulament-de-guvernanta-corporativa">https://www.transelectrica.ro/regulament-de-guvernanta-corporativa</a>, and the AGM Procedure is present in each Convener/Completion of Convener, Investor Relations/AGM section.</i>	
D.1.2	Professional CVs of TEL governing body members, other professional commitments of SB members, including executive and non-executive positions on boards of companies or non-profit institutions;	Public documents on the TEL website, in the Investor Relations/Corporate Governance/Supervisory Board and Directorate - <i>Biographical Notes and CVs</i> section; ( <a href="https://www.transelectrica.ro/web/tel/guvernanta-corporativa">https://www.transelectrica.ro/web/tel/guvernanta-corporativa</a> ).	
D.1.3	Current reports and periodic reports (quarterly, half-yearly and annual) - at least those referred to in point D.8 - including current reports with detailed information on non-compliance with this Code;	Relevant documents can be consulted on the TEL website, Investor Relations section, Current Reports and Periodic Reports tab, link: <a href="https://www.transelectrica.ro/web/tel/relatii-investitori">https://www.transelectrica.ro/web/tel/relatii-investitori</a> ;	
D.1.4	Information relating to general meetings of shareholders: agenda and information materials; procedure for electing Board members; arguments supporting the proposed candidates for election to the Board, together with their professional CVs; shareholders' questions on agenda items and the company's replies, including resolutions adopted;	The documents are available on the TEL website, Investor Relations/AGA section, link: <a href="https://www.transelectrica.ro/web/tel/aga">https://www.transelectrica.ro/web/tel/aga</a> ,	
D.1.5	Information on corporate events, such as the payment of dividends and other distributions to shareholders, or other events leading to the vesting or limitation of a shareholder's rights, including deadlines and principles applied to such transactions. Such information will be published in a timeframe that allows investors to make investment decisions;	The documents are available on the TEL website, Investor Relations section, link <a href="https://www.transelectrica.ro/web/tel/relatii-investitori">https://www.transelectrica.ro/web/tel/relatii-investitori</a> ;	
D.1.6	Name and contact details of a person who will be able to provide relevant information on request;	<a href="mailto:relatii.investitori@transelectrica.ro">relatii.investitori@transelectrica.ro</a> , Shareholder: Mihaela GRAMA - contact number: +40.21.303.59.48 Investor relations: Adrian ȘUȚA - contact number: +40.21.303.56.67, public data and on the TEL website, link: <a href="https://www.transelectrica.ro/web/tel/contact-ri">https://www.transelectrica.ro/web/tel/contact-ri</a> ,	
D.1.7	TEL presentations (e.g. investor presentations, quarterly results presentations, etc.), financial statements (quarterly, half-yearly, annual), audit reports and annual reports.	The documents are available on the TEL website, Investor Relations section, link: <a href="https://www.transelectrica.ro/web/tel/rapoarte-periodice">https://www.transelectrica.ro/web/tel/rapoarte-periodice</a> ,	
D.2	TEL will have a policy on the annual distribution of dividends or other benefits to shareholders, proposed by the Directorate and adopted by the Supervisory Board, in the	The distribution of the Company's profits is carried out in accordance with the provisions of GEO 64/2001 on the distribution of profits to national companies, national	

	Provisions of the Code	Respects	Partially complies (Reason for non-compliance)
	form of a set of guidelines that TEL intends to follow regarding the distribution of net profit. The principles of the annual shareholder distribution policy will be published on TEL's website.	companies, commercial companies with full or majority state capital, as well as autonomous companies. The shareholders approved on 28 March 2016 a policy on the annual distribution of dividends	
D.3	TEL will adopt a policy in relation to forecasts, whether they are made public or not. Forecasts refer to quantified conclusions of studies aimed at determining the overall impact of a number of factors over a future period (so-called assumptions): by its very nature, this projection has a high level of uncertainty, and actual results may differ significantly from the forecasts originally presented. The forecasting policy will determine the frequency, time period and content of the forecasts. If published, forecasts may only be included in annual, half-yearly or quarterly reports. The forecast policy will be published on the Company's website.	The Company's activity is regulated by the National Energy Regulatory Authority.	.
D.4.	The AGM rules must not limit the participation of shareholders in the AGM and the exercise of their rights. Changes to the rules will take effect at the earliest from the next AGM;	TEL respects all the rights of holders of issued financial instruments and ensures their fair treatment, regardless of the number of shares held, and continuously strives to achieve effective, active and transparent communication in order to ensure that shareholders exercise their rights in a fair manner;	
D.5.	The external auditors will be present at the general meeting of shareholders when their reports are presented at these meetings.		
D.6.	the AC will present to the annual general meeting of shareholders a brief assessment of the internal control and significant risk management systems and opinions on matters to be decided by the general meeting	OGMS material for the meeting of 29 April 2024 - Report of the Audit Committee of the SB on internal control and significant risk management systems for the year 2023	
D.7.	Any specialist, consultant, expert or financial analyst may attend the shareholders' meeting on the basis of a prior invitation from the Board. Accredited journalists may also attend the general meeting of shareholders, unless the Chairman of the Board decides otherwise.	Accredited journalists may also attend the general meeting of shareholders provided that they send prior information to the Directorate.	
D.8.	The quarterly and half-yearly financial reports will include information in both Romanian and English on key factors influencing changes in the level of sales, operating profit, net profit and other relevant financial indicators, both quarter-on-quarter and year-on-year.	Relevant documents can be found on the TEL website, Investor Relations/Regular Reports section, link <a href="https://www.transelectrica.ro/web/tel/relatii-investitori">https://www.transelectrica.ro/web/tel/relatii-investitori</a> ;	
D.9.	TEL will hold at least two meetings/teleconferences with analysts and investors each year. Information presented on these occasions will be published in the investor relations section of TEL's website on the date of the meetings/teleconferences.	According to TEL's annual Financial Communication Calendar, approved and sent to the capital market institutions, BVB and ASF, the Company has scheduled four meetings in 2023 with financial analysts, investment consultants, brokers and investors to present financial results • ( <a href="https://www.transelectrica.ro/web/tel/calendar-financiar">https://www.transelectrica.ro/web/tel/calendar-financiar</a> )	
D.10	If TEL supports different forms of artistic and cultural expression, sports activities, educational or scientific activities and considers that their impact on the innovative character and competitiveness of TEL is part of its mission and development strategy, it will publish a policy on its activity in this field.	The document can be consulted on the TEL website, section About us/ Corporate Social Responsibility, link: <a href="https://www.transelectrica.ro/web/tel/responsabilitate-sociala-corporativa">https://www.transelectrica.ro/web/tel/responsabilitate-sociala-corporativa</a> Information related to this section can be accessed by consulting the documents in the 2023 Annual Periodic Report.	



15. Corporate Social Responsibility

Corporate social responsibility policy

Any modern organisation is measured not only by its economic performance, the quality of its management and its communication policy, but also by its contribution to the social life of the community to which it belongs.

Social Responsibility is a management process through which the Company wants to contribute to the development of a sustainable and successful Romanian society.

Social responsibility towards the community is as important as success in business, and that is why the Company has been considering during 2023 to link its Corporate Social Responsibility policy with the social issues of the community where it operates, getting involved in solving social problems and supporting increased access to education in disadvantaged areas.

The company takes into account the interests of society and is responsible towards employees, shareholders, the community and the environment.

Social responsibility is an integral part of the company's business strategy and contributes to strengthening its market position and maintaining its reputation.

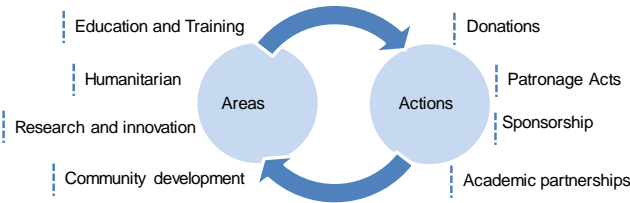
Figure 36: CSR policy - stakeholder dialogue



CSR areas and actions

Social Responsibility is a management process through which Transelectrica wishes to contribute to the development of a sustainable and efficient Romanian society. Our vision in Corporate Social Responsibility is to promote national values such as innovation, team spirit, respect for diversity and commitment. These underpin our performance.

Through its corporate social responsibility policy, the Company focuses on the following areas and actions contained in a long-term strategy:



Education and training

Objective: To support young people studying in the field of energy for their educational and professional development.

For Romanian society, young people are the most important value. We are active in the university environment through partnerships with student associations and other initiatives.

- We collaborate with energy faculties by equipping research laboratories and providing scholarships to students.
- We offer energy students the opportunity to participate in Transelectrica's work in the form of technical visits to the company.

Humanitarian actions

Objective: to sponsor Associations that support people with medical needs, from disadvantaged areas and low-income families or in need of long-term medical treatment.

People are at the heart of our concerns and we always try to help the disadvantaged.

Among those who can benefit from our support are associations that come to their aid.

Environment

Objective: To ensure the protection and improvement of the quality of the environment and to promote activities that result in selective collection for recycling.

Corporate social responsibility could also be seen as based on personal social responsibility, on the care and willingness of each individual to build his or her existence in close connection with the environment, in the context of finding oneself in the values promoted by the company.

Our environmental policy embodies a commitment to conducting all our specific activities in a responsible manner, giving due consideration to environmental impact and sustainable development.



This includes environmental protection and environmental protection is a prerequisite for sustainable development. Existing requirements and demands at EU level require a new approach to global environmental issues, in terms of environmental impacts and pressures and all the consequences of socio-economic development. Specifically, we want corporate social responsibility actions to have as a main component, regardless of their final direction, environmental aspects and ways to significantly reduce the environmental impact of our activities.

### **Social responsibility towards employees**

*The Company's objective regarding social responsibility towards employees involves providing support to both Company employees and their families in the event of major health problems.*

### **Corporate volunteering**

*Objective: To carry out voluntary actions to solve community problems.*

Employer-supported volunteering is any effort by the Company to encourage its employees to participate in volunteer activities in the community and to support them in their involvement efforts.

The Company's executive management encourages and supports the participation of employees as volunteers in various actions and fundraising campaigns and proposes concrete projects in which

they offer their time and dedication to improve employee relations through team activities.

### **Project eligibility criteria**

Transelectrica will support only those projects or organisations that can ensure the achievement of the objectives set out in the Corporate Social Responsibility strategy mentioned above.

At the same time Transelectrica wants to support projects/organisations with which it shares the same values and which prove to be beneficial to society.

Company sponsorships CANNOT be accessed by:

- Political parties or organisations whose activity is assimilated to that of a political party;
- Public institutions, except educational institutions (school, kindergarten, university, etc.), museums, hospitals and other cultural and health institutions based in Romania;
- Natural or legal persons subject to a conflict of interest;
- Profit-making organisations/institutions;
- Natural or legal persons who have been declared in a previous sponsorship situation;
- Beneficiaries who are undergoing or are in the process of undergoing judicial reorganisation, dissolution, liquidation or whose activity has been suspended;
- Beneficiaries/organisations that have been convicted of a criminal offence;
- Beneficiaries/organisations that have been found to be in breach of a previous funding and/or donation and/or sponsorship contract with Transelectrica;
- Persons affiliated or whose relatives up to the third degree are affiliated with political parties or any other organisation whose activity is similar to theirs.

In accordance with Article XIV of GEO no. 2/2015, for the amendment and completion of certain normative acts and other measures, it is provided that the economic operators referred to in Article 1 of Government Ordinance no. 26/2013 on strengthening financial discipline at the level of certain economic operators in which the State or territorial administrative units are the sole or majority shareholders or directly or indirectly hold a majority stake, approved with additions by Law no. 47/2014 (category to which the Company belongs), which grant donations and sponsorships in cash, in accordance with the legislation in force, shall comply with the following ceilings when granting them:

- at least 40% of the approved amount in the health and medical field;
- at least 40% of the approved amount in the education, teaching, social and cultural fields for equipment, services, actions or any other activities related to these fields, including national programmes;
- a maximum of 20% of the approved amount for other actions and activities, including those supplementary to the first points.

### Sponsorship policy

The sponsorship criteria established by the Company are:

- **Transparency:** Sponsorship must be transparent, the beneficiary must be known and the purpose for which it will be used must be disclosed and verifiable;
- **Purpose:** The amount donated must contribute to a purpose relevant to the sector described above;
- **Cost:** The cost required to implement the project/action subject to sponsorship must be justified and detailed;
- **Reputation/trustworthiness of the beneficiary:** As far as possible, an integrity assessment of the beneficiary will be carried out;
- **Strategic framework for sponsorships:** sponsorships must be in line with Transelectrica's strategy;
- **Benefit to the Company:** The Recipient must provide Transelectrica with opportunities for visibility and reciprocity in business with financial impact;
- **Previous relations with Transelectrica:** Positive previous experience positively influences the assessment of the new application.

The sponsorship or donation is evaluated by the Company according to the evaluation criteria.

- The grantee must submit a concise report to the Corporate Social Responsibility Service after the completion of the Donation/Sponsorship process, mentioning all tangible results implemented by the grantee.
- The company should generally monitor the following:
  - Compliance with the written contract and company policies;
  - Achieving sponsorship or donation targets;
  - Good management and record keeping;
  - Submission of reports;
  - Benefits to the Company and the community.

All sponsorship/donation requests must be made in writing and addressed to the Corporate Social Responsibility Service, including the following details:

- Name of organisation/beneficiary, telephone number, address and contact person;
- The purpose of the action/programme/event for which support is requested, including background information;
- Amount needed;
- Results to be achieved through the support provided;
- Benefits resulting from the support.

Transelectrica, as part of public life, therefore has certain duties towards society.

Community involvement is necessary not only to ensure our commercial success, but also to gain the respect of the communities in which we operate, contributing to the development of a sustainable and successful Romanian society.

This is why the projects we choose to get involved in must go beyond the business area and get as close as possible to the needs of people and the environment in order to actively participate in improving the quality of life and living standards.

Our commitment is to support strategic partnerships in these areas and to persuade, by example, employees, customers or even business partners to join us.

### Main CSR projects in 2023

In 2023, we have chosen to continue our involvement in areas such as: education and training, humanitarian and environmental actions, and employee responsibility.

The total amount for sponsorship, patronage, corporate social responsibility, scholarships, etc. was 4,657,700 lei, according to the approved amended expenditure and income budget for 2023.

Expenses for the year 2023, have been distributed to the following areas:

- Medical and health: 1.927.000 lei
- Education, teaching, social and sport: 1.550.700 lei
- Other activities: 1.180.000 lei.

The company decided to grant financial aid amounting to 1,600,000 lei to 57 people diagnosed with various medical conditions, to cover treatment expenses.

In 2023, Transelectrica continued the social responsibility actions initiated in recent years and got involved in new programs, becoming increasingly visible and constant, being alongside associations,



non-governmental organizations and energy/technical educational establishments.

In order to support education and encourage young people to pursue a career in the energy sector, Transelectrica has offered monthly scholarships to 14 students, with a total allocated in 2023 of 181,300 lei, and this scholarship program will continue in 2024.

The total value of sponsorship contracts in the fields of education, teaching, social and sport in 2023 was 1,550,700 lei.

Consequently, Transelectrica, as part of public life, has certain duties towards society. Community involvement is necessary not only to ensure our commercial success, but also to gain the respect of

the communities in which we operate, contributing to the development of a sustainable and successful Romanian society.

In 2024 Transelectrica will implement the CSR policy in order to achieve the set objectives, supporting disadvantaged groups and young people with prospects, while taking into account the quality of education and environmental impact.

As in the previous year, another priority for 2024 is to support the young generation by getting involved in professional development through scholarships for both students and students with outstanding results in energy-related educational establishments and by equipping the research laboratories of the faculties or schools.

## Environmental responsibility

Environmental protection is an important objective for the Company in order to achieve sustainable and sustainable development. Thus, the environmental protection policy is an integral part of the general policy, with the objectives of maintaining an efficient environmental management system, preventing and reducing pollution, complying with national and European legal requirements and sustainable development.

The environmental objectives for 2023 aimed at maintaining a high performance environmental management system, preventing and reducing pollution so that the impact of the electricity transmission network on the environment is within national and European requirements. The objectives were achieved through preventive and corrective actions included in the annual environmental management programme.

In order to achieve its objectives, the Company has taken measures to reduce the environmental impact of both its operating activities and its maintenance and investment activities, which involved construction and assembly work, so that no particular environmental protection problems were reported in 2023.

### Description of the environmental impact of RET

High-voltage electrical installations consisting mainly of overhead power lines and transformer and connection stations are installations that can have a significant impact on the environment due both to the technical complexity of the installations and to the land areas occupied and the lengths of tens or even hundreds of kilometres, usually over several counties.



Under normal operating conditions of RET installations, no pollutants are discharged into the environment. Certain polluting chemicals may be accidentally released into the environment in the event of equipment leaks, incorrect operation, damage or during construction and maintenance work.

Identification and assessment of environmental aspects for technology and construction are carried out from the first design phase. On this basis, the environmental management plan (for construction, operation and decommissioning of the facility) is developed, including the programme of measures for pollution prevention and impact mitigation and the monitoring programme of environmental factors.

In terms of type of impact, the environmental aspects related to construction and operation-maintenance are divided into the following:

- **physical effects** that have as their modes of manifestation (effects):



- soil damage through the opening of new access roads, excavations and excavations
  - occupancy of land with site organisation, including warehouses
  - damage to flora through systematic clearing of vegetation
  - wildlife damage (habitat fragmentation, electrocution, etc.)
  - affecting birds (by building aerial obstacles in the flight path)
  - generation of waste (porcelain, glass, concrete, metals, waste oil, packaging, debris, etc. )
  - the impact on the population and wildlife through noise from machinery, means of transport, etc.
  - the effects on the population and wildlife of the noise caused by the corona effect from high-voltage installations
  - occupancy of land with LEA routes and station locations
  - danger of electrocution or burns from contact or falling LEA near or crossing roads, railways, water, buildings, etc.
  - fire hazard due to damage to insulation or accidental touching of conductors by objects or dry vegetation
  - the effects on the population and wildlife of noise and vibration caused by the operation or vibration of RET elements
  - sound and light effects of the corona phenomenon
  - disturbances of radio and television systems caused by the electromagnetic field
  - electromagnetic field influences on telecommunications installations or other electrical networks at their junctions and approaches
  - the effects of electromagnetic fields on living things.
- **chemical ones** among which can be listed:
- pollution of soil and/or water by accidental spills of fuel, oil and other chemicals
  - air pollution by:
    - emissions of combustion gases (SOx, COx, NOx, VOC, particulate matter) from heating installations or means of transport
    - sulphur hexafluoride (SF6) emissions - accidental leaks during gas handling or due to equipment leaks
    - dust emissions due to construction-assembly works
    - emissions of volatile organic compounds from paints and thinners, etc.
    - ozone and nitrogen oxides - corona effect at high voltage
    - sulphuric acid vapour - from batteries.
- **socio-economic** ones such as the disruption of social activities, including population displacement
- **visual and psychological** ones by affecting the landscape and the fear caused by the proximity and the visual and sound effects of the RET.
- In terms of environmental impact, in 2023:
- there were no accidental pollution incidents with significant environmental impact;
  - there were no environmental complaints;
  - 78.71% of the waste generated was disposed of/recovered and the rest was stored.

### Impact indicators

Table 35: Area occupied by power lines and stations

Entity	Without safety zone [m2]		With safety zone [m2]	
	Stations	LEA	Stations	LEA
<b>Total 2023</b>	3,988,066	2,893,289	7,137,572	551,176,743
<b>Total 2022</b>	3,988,066	2,893,289	7,137,572	551,176,743

### Sources of soil, groundwater and land pollution

From the normal operation of the RET installations, no noxious substances are discharged to the ground, groundwater or land. Accidental pollution may occur due to leaks/leaks from equipment containing hazardous substances or insulating oil or faults in oil

regeneration/feed/discharge systems in/from equipment.

Oil/fuel spills from machinery and vehicles may also occur during construction and maintenance work (oil spilled into the environment has been contained with absorbent, biodegradable soil).

## Sources of air pollution

### Direct emissions

No significant quantities of pollutants are released into the atmosphere during the construction, maintenance and normal operation of RET installations.

During construction, maintenance and normal operation of RET installations, the following emissions to the atmosphere may occur: particulate matter - during construction work, combustion gases - from vehicles, generators and thermal power plants, negligible ozone (Corona effect), sulphur hexafluoride - due to equipment leaks or improper handling of the gas.

In the event of fire or explosion, combustion gases (SO<sub>x</sub>, CO<sub>x</sub>, NO<sub>x</sub>, VOC, particulate matter, etc.) may result.

High-voltage LEAs generate ozone and nitrogen oxide pollution of the atmosphere as a result of corona discharges around active conductors, especially in rainy weather. The additional contribution of these pollutants to the existing background is not major and cannot lead to exceedances of the legal information threshold values, beyond which there is a risk to human health.

### Wastewater sources

No technological wastewater results from the electricity transmission process. Wastewater generated on the site of RET installations is *domestic wastewater* from human activity (discharged directly into the city sewer or drained and transported to a municipal wastewater treatment plant or disposed of locally in micro-wastewater treatment plants and discharged to land or groundwater), *rainwater* collected in the tanks of oily equipment and in the chimneys of concrete platforms for the storage of

Table 36: Waste management

Year	Waste generated (t)	Waste recovered (t)	Waste disposed (t)	Stored waste (t)	Waste management indicator: waste disposed of, recovered/waste generated
2023	6,061.9	2,117.5	2,653.8	1,290.6	78.7%
2022	10,174.6	7,622.1	1,887.4	665.2	93.46 %
2021	10,519.6	854.7	9,280.2	384.6	96.3%

### Noise pollution

During the construction period, noise may be produced due to the execution of works and the operation of equipment and vehicles. During operation noise pollution is due to noise from operation, vibration

waste and equipment (may contain oil from leaks) which is mechanically cleaned in water-oil separators and discharged into the city sewer or drained and transported to a municipal waste water treatment plant or discharged to land or to groundwater in compliance with the maximum permissible limits for pollutants discharged into the environment.

### Waste generation

There is no direct waste from electricity transmission. Waste results from construction, maintenance and human activity. The quantities of waste vary from year to year, depending on the volume of investment and maintenance work.

The waste generated was disposed of/valued with authorised companies.

### Electromagnetic field generated by RET installations

Transformer/connector stations and 220kV and 400kV overhead power lines have relatively limited impact on neighbourhoods, existing only around RET installations. A large part of the disturbance effects are due to electrical induction (in ungrounded metal objects or structures) and interference phenomena (radio interference).

The design solutions adopted for the construction of high-voltage power lines and stations ensure adequate protection against the effects due to exposure of living organisms to the electromagnetic field and reduce the impact of these installations on the environment.

According to studies carried out by specialist institutions in the vicinity of 220kV and 400kV overhead lines, the electric field strength decreases with distance, so that at a distance of about 25 - 30 m from the line axis, the field strength is zero.

of RET installations or corona discharges in the space around active conductors.

The noise level produced by the Corona effect at a distance of 25 m from the active conductor varies between 53 dB in rainy weather and 33 dB in fine weather.

### Impact on wildlife

The impact on wildlife is significant, especially on birds, manifested by collision or electrocution by RET installations in migration corridors or protected areas.

The main migration corridors of the various types of birds have been identified in the Banat, Dobrogea and Danube Delta areas.

- **Impact on vegetation**

The impact on vegetation is determined by the permanent or temporary occupation of land and the removal of vegetation exceeding a certain height from the safety zones of the RET installations to avoid the occurrence of fires. This impact can only be significant in protected areas.

### Measures to prevent and/or limit environmental impacts.

The main measures carried out during 2023 to prevent and/or limit environmental impacts were in relation to:

- *the execution of the works of:*
  - construction or maintenance of sewerage networks for domestic waste water and/or rainwater;
  - installation of water-oil separators on oil equipment tanks and storage platforms;
  - construction of concrete platforms for temporary storage of equipment and waste;
  - maintenance of equipment with oil or SF<sub>6</sub> to prevent leaks;
  - painting overhead power line (OHL) poles in colours appropriate to the landscape;
  - Clearing/maintaining safety corridors for LEA;
  - restoration/rehabilitation of land to its original state after completion of works.
- *procurement of services concerning:*
  - monitoring the quality of wastewater from the Company's plants and premises and proposing solutions to reduce pollution as required by environmental and water management permits;
  - collection, sorting, transport and recovery/disposal of waste.
- *development of environmental management plans for maintenance, refurbishment/modernisation projects.*

Total environmental protection expenses, included in operating, maintenance and investment costs, were 3.9 million lei (approximately 0.8 million euro).

### Compliance with legal requirements



# 3.9 million lei

## Environmental protection

The objects under the Company's management (272 objects: transformer and connection stations, overhead power lines, headquarters, etc., authorised or in the process of being re-authorised) operate in accordance with the legal requirements for environmental protection, with a 99.6% authorisation rate (9 authorisations). Maintenance and investment works executed during 2023 were carried out in compliance with legal and regulatory requirements (environmental permits and/or agreements and water management permits, where applicable).

The waste generated was managed according to legal requirements and disposed of/valorised with licensed companies, and fees were paid to the Environment Fund for stationary source emissions. The measures ordered by the regulatory and control authorities in the field of environmental protection and water management were fully complied with, with the Company monitoring environmental factors (air, water, soil, noise, electromagnetic field, waste) throughout 2023 as required by the environmental and water management regulatory documents.

All environmental information has been reported correctly and on time in accordance with legal, regulatory and control requirements.

### Proposed activities year 2024

The main services and works to prevent and/or limit environmental impacts proposed for 2024 include:

- cleaning services and periodic technical inspection of oil product separators in power stations;
- services for updating the technical documentation required for the renewal of water management permits for Transelectrica SA objectives;
- maintenance and repair services for biological wastewater treatment plants;
- collection, transport and recovery/disposal services for waste resulting from the works (WEEE, insulation waste, etc.);
- works to restore the natural environment affected by the works carried out in the Company's objectives;
- works to maintain safety lanes for the LEA;
- maintenance and repair works to prevent loss of SF<sub>6</sub> ;

- construction or maintenance work on sewerage networks for domestic and/or storm water;
- studies and research on wastewater quality monitoring at the Company's plants and sites.



*Tariverde 400.110 kV station*





# Annexes

## Annex 1 – Articles of Association amended in 2023

- According to EGMS Decision no.1/26.01.2023
  - It was approved to amend, with effect from 1 March 2023, Annex No. 1 to the Articles of Association by replacing the terms *Units*, *Unit* and *Unit* with the terms *Branches*, *Branch* and *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 2 - Appointment/revocation acts issued in 2023

### Directorate

- According to SB Decision no.15/19.04.2023
  - Members of the Supervisory Board, pursuant to Art. 64<sup>2</sup> paragraph (1) of GEO no.109/2011 on corporate governance of public companies, as amended, have decided to extend the term of office for 2 months, starting on 25.04.2023 and ending on 24.06.2023, the mandates of the following provisional members of the Directorate: Gabriel Andronache, Ștefăniță Munteanu, Cătălin-Constantin Nadolu, Florin Cristian Tătaru and Bogdan Toncescu, but not later than the completion of the selection procedure in accordance with the provisions of GEO 109/2011 on corporate governance of public companies, as amended and supplemented.
- According to SB Decision no.16/24.04.2023
  - The members of the Supervisory Board took note of the resignation of Mr. Gabriel Andronache from the mandate of provisional member of the Company's Directorate, the position occupied until the present date being vacant as of April 24, 2023, the Directorate will carry out its activity with the members in office on this date.
- According to SB Decision no.24/20.06.2023
  - The members of the Supervisory Board took note of the fact that on 24 June 2023 the mandates of the provisional members of the Company's Directorate ended by term of office and decided to appoint as provisional members of the Directorate Ștefăniță Munteanu, Cătălin Constantin Nadolu, Florin Cristian Tătaru and Bogdan Toncescu, with a term of office of 4 months starting on 25 June 2023.06.2023 with the possibility of extension, for justified reasons, for a further two months, but the term of office will not exceed the date of financing of the selection procedure for the members of the Company's Directorate, under the terms of GEO no.109./2011.
- According to SB Decision no.39/24.10.2023
  - The members of the Supervisory Board took note of the fact that on 24 October 2023 the terms of office of the provisional members of the Directorate, Ștefăniță MUNTEANU, Cătălin Constantin NADOLU, Bogdan TONCESCU and Florin Cristian TĂTARU, expired and decided to appoint them for a period of 5 months starting from 25.10.2023 with the possibility of extension, for justified reasons, for another two months, but the term of office shall not exceed the date of completion of the selection procedure for the members of the Directorate of the Company, under the terms of GEO no.109./2011 of Ștefăniță MUNTEANU, Cătălin Constantin NADOLU, Bogdan TONCESCU and Florin Cristian TĂTARU.

## Supervisory Board

- According to OGMS Decision no.2/16.02.2023
  - approved the appointment of the following members of the Supervisory Board of the Company 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 SB Decision no.8/24.02.2023
  - The members of the Supervisory Board elected Mr Dascăl Cătălin Andrei as Chairman of the Supervisory Board.
- According to OGMS Decision no.6/19.06.2023
  - approved the appointment of the following members of the Supervisory Board of the Company 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
- According to SB Decision no.26/20.06.2023
  - The members of the Supervisory Board elected Mr Cătălin-Andrei DASCĂL as Chairman of the Supervisory Board.
- According to OGMS Decision no.9/18.10.2023
  - approved the appointment of the following members of the Supervisory Board of the Company for a five-month term of office, starting on 22 October 2023, with the possibility of extension, once only, for another two months, for justified reasons: Atanasiu Teodor, Dascăl Cătălin-Andrei, Păun Costin-Mihai, Vasilescu Alexandru-Cristian, Zezeanu Luminița, Mitu Anca, Borotea Adrian Remus.
- According to SB Decision no.37/24.10.2023
  - The members of the Supervisory Board elected Mr Cătălin-Andrei DASCĂL as Chairman of the Supervisory Board.
- According to SB Decision no.42/30.10.2023
  - The members of the Supervisory Board took note that, in accordance with the notification of Mr. Adrian Remus Borotea, he did not expressly accept the mandate of provisional member of the Supervisory Board according to the AGM Decision no.9/18.10.2023.
  - in accordance with the provisions of Article 153<sup>7</sup> paragraph (1) of the Companies Act no.31/1990, republished as amended and supplemented and Article 18 paragraph (6) of the Articles of Association, the members of the Board appointed as a provisional member of the Supervisory Board Mrs. Simona-Geanina Pistru-Popa.
- According to OGMS Decision no.1/28.02.2024
  - approved the appointment as members of the Supervisory Board of the Company, with a term of office of 4 years from 01.03.2025 until 29.02.2028 of the following: Păun Costin-Mihai, ATANASIU Teodor, Vasilescu Alexandru-Cristian, Zezeanu Luminița, Dascăl Cătălin-Andrei, Orlandea Dumitru-Virgil and Rusu Rareș Stelian.

## Annex 3 - Major contracts concluded by the company in 2023

REPORT according to HEGMS no. 4/29.04.2015 on contracts signed in 2023 for the purchase of goods, services and works, the value of which exceeds 500.000 Euro/purchase (for the purchase of goods and works) and 100.000 Euro/purchase (for services) respectively

No.	Contract Number	Object of the Contract	Duration	Value		Contract Type	Legal Basis	Procurement Procedure
			Months	Thousand Lei	Thousand Euro			
0	1	2	3	4	5	6	7	8
1	C 198/2023	Maintenance services in the field of telecommunications, information technology, process computing and cyber security at NPG CO. Transelectrica SA	36	139	0.00	Services	Law 99/2016 + GD 394/2016	Negotiation without prior invitation
2	C 93/2023	Increasing the operational reliability of the Argeş-Aâlcea grid area, building the 400 kV Arefu station and installing a 400 MVA, 400/220 kV HV	20	72	0.00	Works	Law 99/2016 + GD 394/2016	Open tender
3	C 348/2023	LEA 220 kV double circuit Ostrovu Mare - RET - stage 1	24	41	0.00	Works	Law 99/2016 + GD 394/2016	Open tender
4	C 67/2023	Installation of an embedded fibre optic protection conductor on the 400 kV Roşiori - Mukacevo OHL (execution/design)	12	5	0.00	Works	Law 99/2016 + GD 394/2016	Open tender
5	SB 2/2023	Maintenance services of OHL crossing lanes in areas with tree vegetation (STT Sibiu)	36	2	0.00	Services	Law 99/2016 + GD 394/2016	Open tender
6	BA 1/2023	Maintenance services of OHL crossing lanes in areas with tree vegetation (STT Bacau)	36	2	0.00	Services	Law 99/2016 + GD 394/2016	Open tender
7	C 358/2023	Professional liability insurance services for the position of member of the supervisory board and the Directorate of NPG CO. Transelectrica SA (including chairmen)	12	811	0.00	Services	Law 99/2016 + GD 394/2016	Simplified procedure
8	C 161/2023	Subcontract No 2 to Framework Agreement No C 245/ 2021 'Mobile telephony and mobile Internet services'.	15	737	0.00	Services	Law 99/2016 + GD 394/2016	Reoffer
9	C 357/2023	Repair and maintenance services for the integrated security system - UNO-DEN premises (LOT 1)	36	624	0.00	Services	GEO 114/2011	Restricted tender
10	TM 1/2023	Refurbishment of the 110 kV Arad station and the transition to 400 kV voltage of the Porțile de Fier-Anina-Resița-	12	595	0.00	Services	Law 99/2016 + GD 394/2016	Open tender



No.	Contract Number	Object of the Contract	Duration	Value		Contract Type	Legal Basis	Procurement Procedure
			Months	Thousand Lei	Thousand Euro			
0	1	2	3	4	5	6	7	8
		Timișoara-Săcălaz-Arad axis. 400 kV Arad station (stage iii) (design)						
11	BC 13/2023	Specialized security, monitoring and intervention services for STT Bucharest objectives	36	16,574	0.00	Services	Law 99/2016 + GD 394/2016	Open tender
12	PT 27/5871/2023	Specialized services of guard, monitoring, intervention and intervention in special situations at STT Pitesti objectives	36	10,371	0.00	Services	Law 99/2016 + GD 394/2016	Open tender
13	C 507/2023	Upgrading to reduce the effects of galloping on the 400kV Bucharest South - Gura Ialomiței line	12	2,633	0.00	Works	Law 99/2016 + GD 394/2016	Open tender
14	C 531/2023	Technical support services associated with oracle licences	36	1,893	0.00	Services	Law 99/2016 + GD 394/2016	Open tender
15	C 584/2023	Disinfection services by dry spraying, disinsectisation and pest control at the premises and territorial transmission stations belonging to NPG CO. Transelectrica SA - lot 8 - STT Timisoara	36	1,059	0.00	Services	Law 99/2016 + GD 394/2016	Open tender
16	TC 09C10/2023	Maintenance services for OHL crossing lanes passing through areas with tree vegetation (STT Constanta)	36	992	0.00	Services	Law 99/2016 + GD 394/2016	Open tender
17	C 398/2023	Services to assess the influence of electricity transmission network installations on air quality by monitoring emissions of air pollutants	36	645	0.00	Services	Law 99/2016 + GD 394/2016	Simplified procedure
18	C 587/2023	Disinfection services by dry spraying, disinsectisation and pest control at the premises and territorial transmission stations belonging to NPG CO. Transelectrica SA - lot 3 - STT Constanta	36	591	0.00	Services	Law 99/2016 + GD 394/2016	Open tender
19	C 586/2023	Disinfection services by dry fogging, disinsectisation and pest control at the premises and territorial transmission stations belonging to NPG CO.	36	575	0.00	Services	Law 99/2016 + GD 394/2016	Open tender

No.	Contract Number	Object of the Contract	Duration	Value		Contract Type	Legal Basis	Procurement Procedure
			Months	Thousand Lei	Thousand Euro			
0	1	2	3	4	5	6	7	8
		Eranselctrica SA - lot 2 - STT Bacău						
20	C 585/2023	Disinfection services by dry spraying, disinsectisation and pest control at the premises and territorial transmission stations belonging to NPG CO. Transelectrica SA - lot 7 - STT Sibiu	36	508	0.00	Services	Law 99/2016 + GD 394/2016	Open tender
21	C 698/2023	Installation of two modern means of reactive power compensation in 400/220/110/20 KV Sibiu South and 400/220/110/20 KV Bradu stations	36	260,234	0.00	Works	Law 99/2016+ HG 394/2016	Open tender
22	C 726/2023	Increasing the degree of safety in supplying consumers in the southern area of Bucharest connected to the 400/ 220/ 110/ 10 KV Bucharest South station	24	59,196	0.00	Works	Law 99/2016+ HG 394/2016	Open tender
23	C 676/2023	Optimization of the operation of the existing 400 KV power lines in the SEN, used in interconnection and for power evacuation from the Cernavoda nuclear power plant and renewable energy plants in Dobrogea, by installing on-line monitoring systems (smart grid type).	28	-	6,025	Supply	Law 99/2016+ HG 394/2016	Open tender
24	C 673/2023	Extension of SCADA functions - implementation of new functions and software changes in the ems - SCADA information system	18	6,559	0.00	Services	Law 99/2016+ HG 394/2016	Negotiation without prior invitation to a competitive tendering procedure (NFIP)
25	C 697/2023	Increasing the transmission capacity of the 400 KV Bucuresti Sud - Pelicanu OHL (8 km)	12	6,018	0.00	Works	Law 99/2016+ HG 394/2016	Simplified procedure
26	C 645/2023	Maintenance of the power quality monitoring system	36	3,381	0.00	Services	Law 99/2016+ HG 394/2016	Open tender

No.	Contract Number	Object of the Contract	Duration	Value		Contract Type	Legal Basis	Procurement Procedure
			Months	Thousand Lei	Thousand Euro			
0	1	2	3	4	5	6	7	8
27	CR 771/2023	Cleaning services at STT Craiova offices and 5 electrical stations	24	517	0.00	Services	Law 99/2016+ HG 394/2016	Simplified procedure
28	C 993/2023	Upgrading to 400 kV of the 220 kV Brazi Vest - Teleajen - Stâlpu - lot 1 and extension of the 400/220 kV Brazi Vest station - lot 2	40	161,456	0.00	Works	Law 99/2016+ HG 394/2016	Open tender
29	BC 23/2023	Maintenance services of the OHL crossing lanes in areas with tree vegetation managed by STT Bucharest	36	2,143	0.00	Services	Law 99/2016+ HG 394/2016	Open tender
30	CJ 962/2023	Maintenance services for the corridor crossing of OHLs passing through areas with tree vegetation	36	1,760	0.00	Services	Law 99/2016+ HG 394/2016	Open tender
31	C 807/2023	Anti-malware solution and support services within NPG CO. Transelectrica SA (framework agreement)	48	952	0.00	Services	Law 99/2016+ HG 394/2016	Open tender
32	C 919/2023	RCA and CASCO insurance services for vehicles owned by NPG CO. Transelectrica SA (existing fleet)	12	753	0.00	Services	Law 99/2016+ HG 394/2016	Simplified procedure
33	CR 1011/2023	400/220/110 kV Urechești station refurbishment (design)	12	750	0.00	Services	Law 99/2016+ HG 394/2016	Open tender

## Annex 4 - List of Transelectrica subsidiaries

- Society for Maintenance Services of the Electricity Transmission Network "SMART" SA - J40/ 8613/2001 - Bucharest, General Gheorghe Magheru Boulevard no. 33, sector 1, code 010325, [www.smart-sa.ro](http://www.smart-sa.ro);
- Electricity and Gas Market Operator "OPCOM" SA - J40/ 7542/2000 - Bucharest, 16-18 Hristo Botev Boulevard, sector 3, code 030236, [www.opcom.ro](http://www.opcom.ro);
- Society for Telecommunications and Information Technology Services in Electric Transmission Networks "TELETRANS" SA - J40/12511/2002 - Bucharest, 16-18 Hristo Botev Boulevard, Sector 3, code 030236, [www.teletrans.ro](http://www.teletrans.ro);
- Company "FORMENERG" SA - J40/ 2265/ 2002 - Bucharest, Gheorghe Șincai Boulevard no. 3, sector 4, code 040311, [www.formenerg.ro](http://www.formenerg.ro);

### List of persons related to the company

Company subsidiaries:

- SMART
- OPCOM
- TELETRANS
- FORMENERG

## Annex 5 - Significant transactions

All contracts concluded with affiliated persons with a value greater than 50,000 euro were reported through Current Reports, as required by law.

Taking into account the information included in the Current Report, having as subject "Contract concluded with the subsidiary OPCOM S.A.", disseminated on 21 December 2022 through capital market institutions, pursuant to Article 108 of Law no. 24/2017 in conjunction with Article 2091 of Regulation no. 5/20181, the Company submitted on 4 January 2024 updated information for the year 2024 on the contract that "Transelectrica" S.A. concluded with OPCOM S.A. for the purchase of electricity to cover its own technological consumption requirements (OTC) for the year 2024, through the Centralised Electricity Purchase Mechanism (MACEE) provided for in the Annex to GEO no. 153/2022.

Details of this contact can be found on the Company's website under Investor Relations/Current Reporting.



## Annex 6 - Disputes

As of 31.12.2023, the Company was involved in the following disputes, with a value greater than 100,000 euro (497,460 lei at BNR exchange rate):

No.	File No.	Court	Parties to the dispute and capacity	Subject of the file	Amount in dispute	Current status of the dispute
1	<b>41911/3/2014</b>  <b>41911/3/2014*</b>	Bucharest Tribunal   CAB  ICCJ	Plaintiff: Transelectrica Defendant I. SB Gallup Organization Romania SRL Defendant II. Stelian Baicusi and others	Claims	4.958.587,72 lei	Dismisses the appeals as groundless. Orders the appellant-plaintiff to pay to the respondent-appellant Gallup Organization Romania SRL the sum of 6,250 lei in costs (representing reduced lawyer's fees). With appeal within 30 days from communication. Delivered in public hearing today, 18.12.2017. Document: decision 2269/2017 18.12.2017 TEL filed an appeal on 26.03.2018. The case is in the filter procedure at the ICCJ Dismisses, as groundless, the appeal filed by the Defendant The Gallup Organization Romania SRL against decision no. 2269 of 18 December 2017 of the Bucharest Court of Appeal - Fifth Civil Section. Admits the appeal filed by the Plaintiff National Power Grid Company Transelectrica SA against the same decision. Partially quashes the decision, with regard to the appeals filed by the Plaintiff National Electric Power Transmission Company Transelectrica SA and the defendants Adrian Băicuși, Mihaela Măciuceanu against the decision no. 6508 of 17 October 2016 of the Bucharest Court - Civil Section VI, with reference to the decision given to the subsidiary application. Upholds the other provisions of the contested decision. Orders the Plaintiff National Power Grid Company Transelectrica SA to pay 10,000 lei in costs on appeal to the Defendant Gallup Organization Romania SRL, reduced in accordance with Article 451 para. 2 Code of Civil Procedure. Definitive. CAB's decision in brief: Dismisses the main appeal and cross-appeal as groundless. With appeal within 30 days of communication. The appeal shall be filed with the Bucharest Court of Appeal, Fifth Section Decision 1560/2019 09.10.2019
2	<b>2177/99/2012/a40</b> <b>2177/99/2012</b>	Iasi Tribunal	CET SA Iasi - debtor in insolvency Transelectrica SA - Creditor	Insolvency proceedings	the amount of <b>1.935.308,24 lei</b> registered in the creditors' list	Dismisses the appeals brought by the appellants. Grants a hearing for inspection on 21.05.2019 The decision in brief: the judicial reorganization plan of the debtor S.C. CET S.A. (IAȘI THERMAL HEATING POWER PLANT), with registered office in Iași, Calea Chișinăului nr.25, is dismissed, registered with the ORC under No J22/677/2002, CUI 14718982 Pursuant to Article 107(1)(B) of Law No 85/2006 on insolvency proceedings, the general bankruptcy proceedings are opened against S.C. CET S.A. (IAȘI THERMAL HEATING POWER PLANT), established in Iași, Calea Chișinăului No 25, registered with the ORC under No J22/677/2002, CUI 14718982. Pursuant to Article 107(1)(B) of Law No 85/2006 on insolvency proceedings, the general bankruptcy proceedings are opened against S.C. CET S.A. (IAȘI THERMAL HEATING POWER PLANT), established in Iași, Calea Chișinăului No 25, registered with the ORC under No J22/677/2002, CUI 14718982. 2 of the Law on Insolvency Proceedings, provisionally appoints as liquidator the judicial administrator MANAGEMENT REORGANIZARE LICHIDARE IAȘI S.P.R.L. with registered office in Iași, str.Aleea Nicolina, nr.82, jud.Iași, registered with the Register of Professional Companies under no. 0120/31.12.2006, who will carry out the duties provided for in art. 25 of the Law. Pursuant to the provisions of Article 107(1) of the Act, the following persons are entitled to apply for registration 2 of the Law on Insolvency Proceedings, orders the dissolution of the debtor company and the withdrawal of the debtor's management rights. Sets the maximum deadline for handing over the management to the judicial liquidator, together with the list of acts and operations carried out after the opening of the proceedings on 21.03.2014. Orders the notification of the opening of bankruptcy proceedings to the debtor, creditors and the Trade Register Office of the Iasi Court, for the purpose of making the mention, by publication in the Insolvency Proceedings Bulletin. Sets the deadline for filing claims arising in the

No.	File No.	Court	Parties to the dispute and capacity	Subject of the file	Amount in dispute	Current status of the dispute
						<p>course of the proceedings at 25.04.2014. Sets the hearing for verifying claims arising in the course of the proceedings, drawing up, displaying and communicating the supplementary schedule of claims at 26.05.2014. The deadline for filing objections to claims arising in the course of the proceedings shall be at least 10 days before 24.06.2014. Sets the hearing settling objections to claims arising in the course of the proceedings at 24.06.2014. Sets the deadline for drawing up and posting the final consolidated statement of claims at 24.06.2014. Pursuant to Article 113 of the Law on Insolvency Proceedings, orders the sealing of the debtor's assets, the seizure of the real estate, the shares and the performance of other liquidation operations. Document: Interim decision 17.09.2014 .</p> <p><b>Hearing for continuation of the procedure:</b> Grants a hearing on 12.06.2024 for the continuation of the disputes to which the debtor is a party and for the recovery of claims</p>
3	9089/101/201	Mehedinti Tribunal	RAAN - debtor in bankruptcy Transelectrica SA - Creditor	bankruptcy proceedings	Application for registration in the creditors' list with the amount of 89.360.986,06 lei.	<p>Transelectrica SA was entered in the debtor RAAN's list with the amount of 11,264,777.30 lei, in the category of claims resulting from the continuation of the debtor's activity, the amount requested by our company being 89,360,986.06 lei, while the amount of 78,096,208.76 lei was not entered in the preliminary list of creditors, on the grounds that "it has not been recorded as due in RAAN's accounting records. Moreover, the request for the amount of 78.096.208,76 lei is belatedly formulated, being related to the period 2011 - 2013, which is why the statement of claim should have been submitted at the opening of the insolvency proceedings, namely on 18.09.2013. We filed an objection to the List. Admits in part the main action and the related appeal. Orders the Defendant to pay the Plaintiff the sum of 16,950,117.14 lei, a claim arising during the proceedings, and orders its inclusion in the creditors' list established against the debtor RAAN with this amount. Dismisses the joined claims</p> <p>Decision in brief: On the basis of Art. 139 Civil Procedure Code. Joins the present case to file No 9089/101/2013/a140. Definitive. Delivered in public hearing, today 14.02.2019. Document: final order (divestment) 14.02.2019</p> <p><b>Hearing for continuation of the procedure: 6.06.2024</b></p>
4	6473/111/2013	Bihor Tribunal	SC Electrocentrale Oradea - debtor in insolvency Transelectrica SA - Creditor	insolvency proceedings	Application for registration in the creditors' list with the amount of 641.673,13 lei	<p>Pursuant to Article 107 para. 1 lit. B ) of the Law on Insolvency Procedure, orders the opening of the bankruptcy proceedings of the debtor SC Electrocentrale S.A. Provisionally appoints CITR- Filiala Bihor SPRL with registered office in Oradea, Roman Ciorogariu str. no. 24, which will perform the duties provided for in art.25 of the law, whose remuneration will be established later, according to the statement. Pursuant to Article 107(2) of the Insolvency Procedure Act, orders the dissolution of the debtor company and the withdrawal of the debtor's right of administration. Sets the maximum deadline for handing over the management to the liquidator, together with the list of acts and operations carried out after the opening of the proceedings on 18 January 2018. Pursuant to Articles 61 and 109 of the Insolvency Proceedings Act; Orders the notification of the opening of the proceedings to the debtor, the creditors and the Trade Register Office of the Bihor Court, through the Insolvency Proceedings Bulletin, in order to make the mention pursuant to Article 61 of the Insolvency Proceedings Act. Sets the deadline for filing claims arising in the course of the proceedings at 26 February 2018. Sets the deadline for the verification of claims, drawing up, display and communication of the supplementary list of claims at 16 March 2018. Sets the deadline for the settlement of any objections on 28 March 2018 and for the publication of the final consolidated statement of claims on 11 April 2018. Sets a date for the hearing of the case for 11 April 2018, room 66, at 9 a.m. Orders the liquidator to set the date of the creditors' meeting and to convene the debtor's creditors. Orders the liquidator to send notices to all creditors. Orders that the decision be notified to the courts within whose jurisdiction the debtor has its registered office and to all banks where it has opened accounts. Pursuant to Article 113 of the Insolvency Proceedings Act, orders the sealing of the debtor's assets and</p>

No.	File No.	Court	Parties to the dispute and capacity	Subject of the file	Amount in dispute	Current status of the dispute
						the performance of other liquidation operations. Enforceable. With an appeal within 30 days from the date of communication to be filed with the Bihor Court. Document: interim decision 14/2018 10.01.2018 Hearing: 06.02.2019 - Decision type: Adjourns the case Decision in brief: Inventory and recovery of the debtor's assets Document: minutes of the proceedings 06.02.2019 Hearing 17.04.2019 - Decision type: Law 85/2006 on Insolvency Decision in brief: Admits the claim filed by the creditor Vinter loan against the judicial liquidator CTR - Bihor SPRL Subsidi. Resets the creditor within the time limit for filing the statement of claim. Orders the judicial liquidator to examine the creditor's statement of claim. Enforceable. With an appeal within 30 days from the communication to be filed with the Bihor Court. Document: interim decision 483/2019 17.04.2019 <b>Trial date 22.05.2024</b>
5	<b>873/1259/2008</b>	Arges Court	Creditor: Transelectrica Debtor: SC Termoficare 2000 Pitesti SA	Insolvency procedure Transelectrica has filed a request to be registered as a creditor in order to recover the debt	Entry in the creditors' list with the amount of 3.903.604,27 lei	Decision type: Close the liquidation (Article 118 of the law) Decision in brief: Admits the claim made by the judicial liquidator to close the insolvency proceedings of the debtor. Orders the closure of the insolvency proceedings of the debtor TERMOFICARE 2000 S.A. and its removal from the commercial register. Relieves the liquidator, to the extent provided for by law, of any duties or liabilities in relation to the proceedings, the debtor and his assets, creditors, holders of preferential rights, shareholders or associates. Orders notification of the decision closing the proceedings: - to the REGIONAL DIRECTORATE GENERAL OF PUBLIC FINANCE PLOIESTI - ARGES COUNTY ADMINISTRATION OF PUBLIC FINANCE, - to the TRADE REGISTER OFFICE, with a view to making the entry, - to the OFFICE FOR CADASTRE AND LAND REGISTRATION, with a view to noting, if appropriate, the closure of the proceedings, - to all creditors, by publication in the BPI. Enforceable. With appeal within 10 days of notification of the decision. Delivered in public hearing today 25.10.2022 Document: Decision 481/2022 25.10.2022 Decision in brief: Dismisses the appeal as groundless. Irrevocable. Document: Decision 497/2023 02.05.2023
6	<b>4328/110/2013</b>	Bacau Tribunal	CET SA Bacau - debtor in insolvency Transelectrica SA - Creditor	insolvency proceedings	Application for registration in the creditors' list with the amount of 1.484.636,78 lei	Hearing for continuation of the procedure: 28.03.2024
7	<b>29322/3/2014</b>	Bucharest Tribunal	SC ENNET GRUP SRL- debtor in insolvency NPG CO. Transelectrica SA - Creditor	insolvency proceedings	Application for registration in the creditors' list with the amount of 3.277.527,03 lei	Hearing for continuation of the procedure: 29.04.2024
8	<b>1867/90/2010</b>	Valcea Tribunal	SC Total Electric Oltenia SA	insolvency proceedings - joint stock companies - at the request of the debtor	Listed in the list of creditors 14.085.415,27	Decision in brief: To continue the proceedings with a view to recovering the assets of the debtor. Hearing: 17.04.2024
9	<b>47478/3/2012</b> <b>170/3/2014</b> <b>47478/3/2012*</b> <b>/a1</b>	Bucharest Tribunal	SC PETPROD SRL Transelectrica SA - creditor	insolvency proceedings - joint stock companies - on the debtor's request	30.047.752,90 lei	Approves the final activity report. Pursuant to Art. 132 para. 2 of Law no. 85/2006, closes the insolvency proceedings against the debtor S.C. PETPROD S.R.L. Orders the deregistration of the debtor's company from the Bucharest Trade Register. On the basis of Article 135 of Law 85/2006, this decision closing the proceedings will be notified to the Directorate General of Public Finance Bucharest and the Trade Register Office Bucharest, in order to be recorded. Pursuant to Article 136 of Law 85/2006, discharges the judicial liquidator and all persons assisting him from all duties and responsibilities. With the right to appeal within 7

No.	File No.	Court	Parties to the dispute and capacity	Subject of the file	Amount in dispute	Current status of the dispute
						days of notification. Delivered in public hearing today, 31.10.2023. Document: Decision 4708/2023 31.10.2023
10	36755/3/2018	Bucharest Tribunal	A:Conaid CompanySRL P: Transelectrica	Claims and finding of unjustified refusal to conclude an Addendum of contract for connection of RET C154/2012	17.216.093,43 lei, damage suffered and 100.000 euro, estimated unrealized benefit	Dismisses the claim for an increase in the expert's fee made by exp. Chirilă Adelaida Adriana, as groundless. Admits the plea of limitation of the substantive right of action, raised in the statement of defence. Dismisses the claim as time-barred. With appeal within 30 days of communication. The appeal is filed with the Bucharest Court, Civil Section VI. Pronounced by making the decision available to the parties by the court registry, today, 03.01.2024. Document: Decision 4/2024 03.01.2024
11	8207/62/2011	Brasov Court	CET SA Brasov - debtor in insolvency Transelectrica SA - Creditor	insolvency proceedings	Registered in the creditors' list with the amount of 4.303.741,44 lei	Decision in brief: In order to collect the auction price of the assets auctioned by the Municipality of Brasov, under the conditions approved by the creditors, to continue the steps to recover the assets remaining in the debtor's assets, to continue the steps to solve the company's environmental problems and to solve the disputes to which CET Brasov SA is a party, sets the <b>term for control at 12.04.2024.</b>
12	926/62/2019	BV Court	C: Transelectrica D: ICCO Energ SRL	Request for registration in the creditor's account	1.422.119,64 lei	The claim was registered in the TP published on 15.05.2019. According to the reorganization plan voted by the Creditors' Meeting on 27.08.2020 the reorganization plan was voted, which provides that unsecured creditors will receive 0 lei. The plan was confirmed by the syndic judge by interim decision no. 796/09.11.2020, and the syndic judge's decision was appealed by the creditors. Date for decision: 23.02.2021. The creditors' appeal was dismissed. According to art. 140 para. 1 of Law no. 85/2014, if the reorganization plan fails and bankruptcy is entered, the situation established by the final list of all claims against the debtor provided for in art. 112 para. (1), deducting the amounts paid during the reorganisation plan. According to Article 59 paragraph 3 of Law no. 85/2014, for the continuation of the reorganization plan, the term for control in the Council Chamber is 13.09.2022, at 10.30 a.m. The activity report must be filed at least 5 days before the deadline, under penalty of a fine.
13	7566/101/2014  26024/3/2015	Mehedinti Tribunal  Craiova Court of Appeal  Bucharest Tribunal	Plaintiff:RAAN Defendant: Transelectrica	Claims Amount of 10,048,628.86 lei	10.048.628,86 lei	Decision in brief: Admits the action. With appeal within 30 days of notice. Delivered in public hearing today, 04.02.2015. Document: Decision 16/2015 04.02.2015 Appeal declared Decision type: Order retrial to the first instance or to the competent court Decision in brief: Allow the appeal. Annuls the decision and refers the case to the Bucharest Court - Civil Section VI. Final. Document: Decision 509/2015 30.06.2015 TB's Decision in brief: Dismissed the claim as groundless. With appeal within 30 days of notice. Delivered by making the decision available to the parties through the court registry today, 04.02.2020. Document: decision 166/2020 04.02.2020 RAAN appealed. Decision in brief: Dismisses the appeal as groundless. Final. Delivered in public hearing. Document: decision 1839/2020 09.12.2020 RAAN filed an appeal, deadline for judgement 1.03.2022CJCA decision of 01.03.2022: Admits the appeal filed by RAAN and send the case for a new judgement to the CAB. Decision in brief: Admits the appeal. Reverses the contested decision in its entirety in the sense that: Admits the request as formulated. Orders the Defendant to pay the Plaintiff the sum of 10,048,628.86 lei. With the right to appeal within 30 days from the communication.



No.	File No.	Court	Parties to the dispute and capacity	Subject of the file	Amount in dispute	Current status of the dispute
		CAB ICCJ				Delivered in public hearing, today 12.12.2022. Document: Decision 1933/2022 12.12.2022 The amount has been enforced. Transelectrica has filed an appeal, which is in the process of being filtered and appealed against. Hearing: 10.04.2024
14	25250/3/2020	Court Bucharest	Plaintiff: ELECTROMONTAJ SA Defendant: NPG CO. TRANSELECTRICA SA	Execution of administrative contract. Claims - GEO no.114/2018	253.890 lei + VAT	Grants in part the request. Orders the Defendant to pay the Plaintiff the sum of 253,890.5 lei, plus VAT, representing the additional costs incurred for the work carried out under works contract No 32/19.03.2018 during the period 01.01.2019 - 27.05.2020. Orders the Defendant to pay to the Plaintiff the sum of EUR 1,577.81 by way of costs, consisting of the lawyer's fee of EUR 10,000 (censored) and the countervalue of the court stamp duty of EUR 5077.81 (calculated by reference to the admissible amount of the claims). Dismisses the remainder of the application as groundless. With a right of appeal within 30 days of notification. The appeal shall be filed with the Bucharest Court, Civil Section VI. Delivered by making the decision available to the parties by the court registry, today, 11.07.2023. Document: Decision 1830/2023 11.07.2023. The parties have appealed. Court date:04.04.2024
15	2088/107/2016	Court of Alba	D: ROMENERGY INDUSTRY SRL C: Transelectrica P:	Insolvency procedure Law 85/2014	16.475.047,45 lei	TEL is registered with the amount of 16475047,45 lei to the creditor's account in file no. 2088/107/2016. Decision in brief: sets a hearing on 19.09.2022, for the continuation of the bankruptcy proceedings, through the recovery of assets and the recovery of claims. The liquidator shall draw up and file: - on the 15th of each month, for the previous month, the monthly activity reports referred to in para. 1 of art. 59 Law 85/2014; - for the verification term, 5 days before the date, the summary report at 120 days, provided for in the final part of para. 3 of art. 59 Law 85/2014. Deadline on 12.12.2022 Based on Art. 175 para. 2 of Law no. 85/2014, closes the bankruptcy proceedings concerning the debtor ROMENERGY INDUSTRY S.R.L. Orders the debtor company to be deregistered from the Trade register. Pursuant to the provisions of Article 180 of the Law, the bankruptcy judge and the liquidator are discharged from any duties or responsibilities with regard to the proceedings, the debtor and its assets, creditors and associates. This decision will be notified in accordance with Article 179 of Law no. 85/2014 to the Trade Register Office of the Alba Court and to the Regional General Directorate of Public Finances of Brasov - County Administration of Public Finances of Alba, as well as to the creditors, the latter by publication in the Insolvency Proceedings Bulletin. With a right of appeal within 7 days of notification by the BPI, to be filed with the Alba Court. Delivered by making the decision available to the parties by the court registry, according to art. 402 Code of Civil Procedure 2010 on 12.12.2022. Procedure for the resolution of appeals against the closure decision. Decision in brief: Dismisses the appeal against Decision No. 293/F/2022 delivered by the Court of Alba in case No. 2088/107/2016. Definitive. Delivered by making the decision available to the parties by the court registry, today 06.04.2023.. Document: Decision 134/2023 06.04.2023
16	627/107/2016	Court of Alba	A:Transelectrica P:ROMENERGY INDUSTRY SRL	claims	1.748.339,29 Lei	Decision in brief: Suspended the case under Article 75 of Law 85/2014.Doc: Decision - Suspension 21.09.2016
17	7226/3/2016	Bucharest Tribunal	Defendant: Energy Holding Plaintiff: Transelectrica	Claims	1.073.561,72 lei	Granta in part the application for a restricted and amended writ of summons. Orders the Defendant to pay the Plaintiff the sum of RON 1050000 as the price of the services rendered according to the tax invoice No 6080 of 23.11.2015 and the sum of RON 14129,79 as late payment penalties. Orders the Defendant to pay the Plaintiff the sum of 14 916,48 lei by way of costs. With appeal within 30 days of notification. The appeal is lodged with the Bucharest Court, Civil Division VI. Document: Decision 5375/2016 16.09.2016. We have filed an appeal.

No.	File No.	Court	Parties to the dispute and capacity	Subject of the file	Amount in dispute	Current status of the dispute
						Suspended. Reopened for the termination of the file pursuant to Article 75 of the insolvency law. Hearing for decision:26.06.2018 Decision in brief: admits the appeal. Annuls in part the decision under appeal. Dismisses the action for payment of the sum of RON 7573.96 in late payment penalties contained in invoice No 3590/27.02.2016 and the sum of RON 1857.97 in late payment penalties contained in invoice No 17773/17.02.2016. With right of appeal within 30 days of notification. The application for appeal shall be submitted to the Bucharest Court of Appeal - Civil Section VI under penalty of nullity. Delivered in public hearing today, 26.06.2018.
18	3694/3/2016	Bucharest Tribunal	Plaintiff: RAAN Defendant: Transelectrica	Claims	15.698.721,88 lei	Decision in brief: Dismisses the application as groundless. Appeal within 30 days of notification. The request for appeal shall be filed with the Bucharest Court, Civil Section VI. Delivered in public hearing today, 11.06.2020. Document: Decision 630/2020 11.06.2020 Hearing: 08.11.2021 Grants the application for a stay of proceedings. Pursuant to Article 413(2) of the EC Treaty, the Court of First Instance may stay the proceedings. 1, para. 1 of the Code of Civil Procedure, <b>suspends the appeal until the final resolution of Cases No. 26024/3/2015 and No. 28458/3/2017.</b> With the right to appeal throughout the suspension. The application for appeal shall be submitted to the Bucharest Court of Appeal, Civil Section VI. Delivered in public hearing, today, 08.11.2021.Document: Decision - Suspension 08.11.2021 Decision in brief: Dismisses the request to reopen the case as groundless. Document: minutes of the proceedings - Suspension 09.05.2022
19	<b>1396/90/2016</b> 2428/2/2014	Valcea Tribunal	Transelectrica - creditor CET Govora - debtor	1.Application for registration in the creditor's estate in TP <u>2</u> .By the appeal which is the subject of the application, the Plaintiff <u>CET Govora</u> seeks the annulment of ANRE Decision No 738/28.03.2014.	28.200.440,31 lei	NPG CO. Transelectrica SA was entered in the Preliminary List with a total claim of 28,200,440.31 lei, according to the request formulated by our company. We mention that the claim in the amount of 21,962,243.71 lei, representing the principal debt and penalties related to invoice no. 8116/08.04.2016, is registered under the suspensive condition of the pronouncement of a final court decision in favour of ANRE in case no. 2428/2/2014 pending before the Bucharest Court of Appeal, having as object the annulment of ANRE decision no. 738/28.03.2014. Decision type: Adjourns the case Decision in brief: Grants a hearing for the continuation of the insolvency proceedings against the debtor company. Grants the proposal of the insolvency administrator to modify the composition of the creditors' committee, by setting up a committee of three members, namely Alpha Bank Romania SA, Rm. Vâlcea Municipality and ANAF-DGAMC. Document: minutes of the proceedings 10.06.2019 Decision in brief: Confirms the amendment to the reorganization plan filed on 23 Dec. 2019 (f.1-29 vol.76) and the extension of the execution period of the plan by one year, i.e. until 18 July 2022. Document: Decision 225/2020 02.03.2020 <b>Hearing for the continuation of proceedings: for the resolution of the claim for personal liability, grants a hearing on 11 April 2024.</b> <b>Document: minutes of the proceedings 29.02.2024</b>  <u>2</u> .By the appeal which is the subject of the application, the Plaintiff <u>CET Govora</u> requested the annulment of the ANRE Decision no. 738/28.03.2014, by means of the the Clarification filed on 29.10.2014, it requested that, if the appeal is admitted, the sums of money withheld by the support scheme administrator, NPG CO. Transelectrica SA, in the execution of the overcompensation decision, be ordered to be refunded, in order to recover the sum of 53,742,755 lei. <b>By the Notes of the hearing</b> registered in the file on <b>13.10.2021</b> and on <b>04.01.2022</b> , respectively, the Plaintiff <u>CET Govora SA</u> requests the admission of the request for

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						clarification of the action filed for the deadline of 29.10.2014, indicating that the amount extinguished by offsetting the mutual claims between CET Govora SA and NPG CO. Transelectrica SA is 40,507,668.67 lei.
20	1196/93/2016	Ilfov Court	Transelectrica - plaintiff UGM Energy Trading - parade	Claims	3.422.293,07 lei	Hearing: 20.09.2016 On the basis of Article 75 paragraph 1 of the Law no.85 of 2014 on insolvency, it is hereby declared that the court proceedings have been suspended.
21	1705/93/2016	Ilfov Court	UGM Energy Trading SRL - debtor in insolvency	Claims	3.515.687,51 lei	29.06.2016 - opening of general insolvency proceedings, The claim in the amount of 3.515.687,51 lei was admitted, representing the value of the invoices issued by our company, following the provision of services in favour of the debtor UGM Energy Trading S.R.L., calculated up to 29.06.2016, the date of the opening of the general insolvency proceedings, and the claims in the amount of 200 lei and 41.331,59 lei claimed by our company by way of judicial stamp duties were dismissed. We filed an objection to the list within the legal deadline. Decision in brief: Dismisses the appeal as groundless. With a right to appeal within 7 days of notification. The application for appeal shall be filed with the Ilfov Court. Delivered in public hearing on 23.02.2017.Document: Decision 511/2017 23.02.2017 The Court ordered on 03.08.2017 the opening of bankruptcy proceedings. <b>Hearing for continuation of proceedings 06.06.2024</b>
22	35304/3/2016	Bucharest Tribunal	Debtor: Electrocentrale Bucuresti SA Creditor: Transelectrica SA	Insolvency - Request for registration in the creditor's estate	2.286.832,15 lei (dc. Amount of 1.739.926,66 lei not to be offset)	Type of decision in brief: Admits the debtor's claim SC ELECTROCENTRALE BUCURESTI SA Pursuant to Article 71 para. 1 of Law no. 85/2014 on insolvency prevention and insolvency proceedings open general proceedings against the debtor SC ELECTROCENTRALE BUCURESTI SA. Delivered by making the decision available to the parties through the court clerk's office, today 09.07.2020. Hearing: 02.02.2023 Decision in brief: Approves the proposal of the receiver SIERRA QUADRANT FILIALA BUCUREȘTI SPRL. Pursuant to art.175 para. 1 of Law no.85/2014 closes the insolvency proceedings against the debtor ELECTROCENTRALE BUCUREȘTI S.A. Orders the reinstatement of the debtor in business activity. Pursuant to art.180 of Law no.85/2014 discharges the insolvency administrator from all duties and responsibilities in relation to the proceedings. Pursuant to Article 179 of Law no. 85/2014, the decision closing the proceedings shall be notified to the Regional Directorate General of Public Finance Bucharest representing the Tax Administration for Medium Taxpayers Bucharest and to the Bucharest Trade Registry Office of the Bucharest Court, for the purpose of making the entry. With the right to appeal within 7 days from the publication of the decision in the BPI, to be submitted to the Bucharest Court - Civil Section VII. Delivered by making the decision available to the parties through the court registry, today, 02.02.2023. Document: Decision 404/2023 02.02.2023
23	40958/3/2016	Bucharest Tribunal  CAB  ICCJ	Plaintiff: Transelectrica Defendant COMMERCIAL COMPANY COMPANY FOR ELECTRICITY NETWORK MAINTENANCE SERVICES „SMART,, S.A.	Claims	2.797.095,21 lei, including VAT + 1.211.694,26 lei accessories	The defendant's plea that the right of action is time-barred is upheld. Dismisses the action as time-barred. Dismisses the plaintiff's application for an order that the Defendant pay the costs as groundless. Appeal within 30 days of notification. The application for appeal shall be filed with the Bucharest Court - Civil Section VI. Delivered by making the decision available to the parties through the court registry, today, 29.10.2021. Document: Decision 2667/2021 29.10.2021. Transelectrica appealed. Appeal hearing: 10.05.2022 Decision in brief: Dismisses the appeal as groundless. With appeal within 30 days from communication, appeal to be filed at the Bucharest Court of Appeal - Fifth Civil Division. Delivered publicly today, 10.05.2022.Document: decision 743/2022 10.05.2022 Transelectrica has filed an appeal, which is in the filter procedure at the ICCJ. Hearing 01.11.2023 <b>Dismisses as groundless the appeal brought by the appellant-appellant National</b>

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						<b>Power Grid Company TRANSELECTRICA S.A. against civil decision no. 743/A/10.05.2022, rendered by the Bucharest Court of Appeal - Fifth Civil Section. Final.</b>
24	3256/85/2016	Sibiu Court	Plaintiff: Transelectrica Defendant: GOG METAL SRL and ELECTRO Construct System SRL	Claims	756,770 lei	Decision in brief: The application for suspension of the proceedings brought by the Plaintiff National Power Grid Company TRANSELECTRICA S.A. in response to the statement of defence is granted. Orders the suspension of the present case until the final resolution of the case no. 1658/2/2014 pending before the Bucharest Court of Appeal. With the right to appeal for the duration of the stay of proceedings. Delivered in public hearing on 02.03.2017. Document: Decision - Suspension 02.03.2017 A request for reinstatement has been made. Deadline : 09.06.2022 Type of decision: Adjourn the case Decision in brief : In order to redo and submit the expert's report on file. Document : Minutes of the hearing 09.06.2022. Dismisses the application Dismisses the objection of inadmissibility of the action and the objection of lack of legal standing, raised by the Defendant S.C. GM S.R.L. Dismisses, as groundless, the claim made by the Plaintiff NPG CO.T S.A. against the Defendant S.C. GMS.R.L. and S.C. ECS S.R.L. Dismisses the Plaintiffs' request for the award of legal costs as groundless. With the right to appeal within 30 days from the communication. The request for appeal shall be submitted to the Court of Sibiu. Document: Decision 139/2023 31.03.2023 An appeal has been filed with the Alba Iulia Court of Appeal, Hearing: 04.03.2024 Dismissed the appeal brought by the National Electricity Transmission Company "Transelectrica SA" against Decision No. 139/2023 of the Court of Sibiu in case No. 3256/85/2016. Orders the appellant to pay the respondent's costs in the amount of 4,522 lei. With appeal within 30 days from the communication, appeal to be filed at the Court of Appeal Alba Iulia. Delivered today, 04.03.2024, by making the decision available to the parties by the court registry. Document: Decision 51/2024 04.03.2024
25	7282/3/2017	Bucharest Tribunal	C: Transelectrica and others D: Arelco Energy SRL	Bankruptcy proceedings	1.878.467,85 lei debt to be recovered	Claim admitted in the preliminary list of claims. Decision in brief: for the continuation of the procedure, the drawing up of the report on the closure of the procedure, for the submission of replies from the D.I.T.L. Sector 1-6, OCPI and the Car Registration Service Document: Minutes of the meeting 14.06.2022 Hearing: 25.10.2022 Decision in brief: Approve the final activity report. Pursuant to Art. 175 para. 2 of Law no. 85/2014 closes the insolvency proceedings against the debtor S.C. Arelco Energy S.R.L. Orders the deregistration of the debtor's company from the Bucharest Trade Register. On the basis of Article 179 of the Law, this decision to close the proceedings will be notified to the Directorate General of Public Finance Bucharest and to the Trade Register Office Bucharest, for the purpose of making a mention. Pursuant to art. 180 of Law no. 85/2014 discharges the judicial liquidator and all persons who assisted him from any duties and responsibilities. With the right to appeal within 7 days from the communication, by publication in the Insolvency Proceedings Bulletin, to be filed with the Bucharest Court - Civil Section VII. Delivered in public hearing, today, 25.10.2022. Document: Decision 4525/25.10.2022
26	4452/3/2017	Bucharest Tribunal	C: Transelectrica and others D: Arelco Power SRL	Bankruptcy proceedings	20.996.030,49 lei	Admitted claim 20.041.519,94 lei, with the mention that the amount 954.510,55 lei was extinguished by compensation. Initially, the amount requested and admitted was 21.025.161 lei.
27	1372/3/2017		C : Transelectrica	Insolvency	6.850.000,98 lei	The claim was admitted, but with the following remarks: From the total amount is deducted



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			D:Transenergo Com	procedure		the amount of 1983,36 lei (compensated); 69808,42 lei, of which 48642,11 lei is the claim settled by TEL through SGB execution and the amount of 21.166,31 lei, claim considered current, countervalue of invoices issued after the date of opening of the insolvency proceedings. Decision in brief: Based on Article 139 of Law 85/2014, confirms the reorganization plan of the debtor S.C. TRANENERGO COM S.A., proposed by the special administrator. With appeal within 7 days from the communication of the decision by publication in the Insolvency Proceedings Bulletin, to be filed with the Bucharest Court - Civil Section VII. Delivered in public hearing today 03.02.2021. Document: interim decision 469/2021 03.02.2021 <b>Hearing for continuation of reorganisation plan procedure: 11.09.2024</b>
28	345/40/2017	Botosani Tribunal	A: Transelectrica P: Elsaco Energy SRL	Claims	9.198.673,80 lei	Pursuant to Article 75 of Law No 85/2014 in conjunction with Article 412 NCPC, suspends the proceedings. With appeal for the duration of the stay. Delivered in public hearing today, 26.09.2017. Document: Order - Suspension 26.09.2017
29	10085/3/2017	Bucharest Tribunal	A: Electromontaj SA P: SMART SA Transelectrica SA	Claims	121099.16 euro, countervalue Lack of use of intervention poles 100.000 euro, income that could be obtained from the exploitation of poles	Decision in brief: upholds the objections to the expert accountant's report. Orders the Defendant Transelectrica to provide the accounting expert Braham Irina with the values of active and reactive energy on the Lea 400kv Iernut-Gadalin during the period 22.09.2016-05.02.2017, as well as the tariffs charged in accordance with Order No 27/2016, under penalty of a fine. The address will be returned to the accountant expert with the mention to respond to objective 2 of the accountant expert's report by reference to the criteria established by the expert Grigoriu Mircea in the technical expert's report in the energy speciality, as completed by the reply to the objections, following which the reply will be submitted to the court at least 10 days before the granted trial date. Delivered today, 18.11.2022, in public hearing. Document: Minutes of the hearing 18.11.2022 <b>Hearing: 22.03.2024</b>
30	3052/99/2017	Iasi Tribunal	Debtor: Fidelis Energy SRL	Insolvency procedure	2.219.985 lei, invoices + 200 lei, stamp duty	The claim was entered in the Preliminary List in the amount of 2,219,985 lei. The amount of 200 lei, the judicial stamp duty was not entered. Adjourns the case and sets a date of <b>28.03.2024</b> for the continuation of the proceedings.
31	14733/3/2017	Bucharest Tribunal  Bucharest Court of Appeal	Debtor: Energy Holding SRL	Insolvency procedure	1.199.910,16 lei, countervalue invoices and stamp duty, expert accountant fees	We were registered in TP with the amount of 1.179.545,28 lei, countervalue of Invoices, the amount of 20.364,88 lei being rejected, countervalue of judicial stamp duty and accountant fees. We have filed an objection to the preliminary list for the rejected amount. The appeal was dismissed as groundless. Hearing for appeal 22.03.2018. Dismisses the appeal as groundless. Final <b>Hearing 10.06.2024</b>
32	2236/118/2017 yes 2236/118/2017 /a11 - Payment claim dispute	Constanta Court  CA CT	Debtor: Elcomex IEA SA C: Transelectrica	Insolvency procedure	31.189.486,75 lei	The claim has been entered in the creditor's list. The amount of 31,180,857.96 lei ( <u>7.058.773.36 euro</u> ) was recovered from the insurer ASITO KAPITAL SA, by enforcing the decision Delivered in case no. 24552/3/2017. The difference represents self-consumption energy+water and is to be paid according to the reorganization plan. Under Law no.85/2014 a number of transactions concluded with certain of the debtors are confirmed. During the reorganization, the debtor company will be managed by the special administrator, under the supervision of the receiver, in accordance with the provisions of the confirmed plan. The court orders the receiver to submit monthly activity reports, as well as the reports drawn up on the basis of Article 144 of Law no. 85/2014. Pursuant to Article 175 para. 1 of Law no. 85/2014, closes the reorganisation procedure by continuing the activity of the debtor company Elcomex I.E.A. SA, as a result of the fulfilment of all payment obligations assumed by the confirmed plan, as well as the payment of current outstanding claims. Pursuant to Article 180 of Law No. 85/2014, discharges the receiver and all persons assisting him from any duties or liabilities in respect of the proceedings, the debtor and his estate, creditors, holders of preferential rights, shareholders or associates.

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						Orders the notification of this decision to the creditors by publication in the BPI, to the General Regional Directorate of Public Finance of Galati through the A.J.F.P. Constanta and to the Trade Register Office of the Court of Constanta for the appropriate entries to be made. With right of appeal within 7 days of notification. The request for appeal shall be submitted to the Court of Constanta - Civil Section II, under penalty of nullity. Pronounced by making the decision available to the parties through the court registry, today, 01.11.2023. <b>Document: Decision 1143/2023 01.11.2023</b>
33	16216/3/2017 <b>3684/2/2023</b> - No new at CAB	Bucharest Tribunal  CAB  ICCJ	R: Teletrans  P: Transelectrica	Action for a declaration of fulfilment of contractual obligations and claims		Adjourned to 22.04.2019 Type of decision: dismisses the application Decision in brief: Admits the plea that the substantive right of action in respect of the tax invoices for February to March 2014 is time-barred. Dismiss the claim relating to invoices No 115/01.03.2015 and No 123/01.03.2017 as time-barred. Dismisses the remainder of the action as groundless. Appeal within 30 days of notification. The appeal is filed with the Bucharest Court - Civil Division VI. Delivered in public hearing today, 22.04.2019. Document: decision 1064/2019 22.04.2019 Teletrans has appealed. CAB decision: The appeal is dismissed as invalid. The appeal is dismissed. Dismisses the appellant's application that the respondent pay the costs. The appeal is dismissed. Delivered in public hearing today, 17.11.2023. <b>Document: Decision 431/2023 17.11.2023</b>
34	28460/3/2017	TMB	R: RAAN  P: Transelectrica		Action on claims 12,346,063.10 lei (bonus Nov 15 - Apr 16; regularization bonus 2015; late payment penalties)	Decision in brief: Dismisses the action brought by the plaintiff, Independent Authority for Nuclear Activities, against the defendant, National Power Grid Company Transelectrica SA, as groundless. Dismisses as groundless the parties' application for costs. With a right of appeal within 30 days of notification. The application for appeal shall be lodged with the Bucharest Court - Civil Section VI. Delivered today, 24 June 2020, and made available to the parties through the court registry. Document: decision 777/2020 24.06.2020 RAAN has filed an appeal. Hearing for appeal: 27.09.2021 Under Art. 413 para. 1 para. 1 NCPC suspends the appeal proceedings until the final resolution of cases no. 28458/3/2017 no. 26024/3/2015. With appeal for the duration of the stay. Document: Order - Suspension 27.09.2021 Decision in brief: Dismisses as groundless the application to resume the case. The appeal is stayed. With appeal for the duration of the stay. Delivered in public hearing today, 23.05.2022. Document: Order - Suspension 23.05.2022
35	34365/3/2020	TMB  CAB	R: Electromontaj P: Transelectrica	Claims discount contract value	160.000 lei - estimated  955.369,66 lei - according to the first instance sentence	Decision in brief: The application is granted as specified. Orders the Defendant to pay the Plaintiff the sum of <b>955,369.66 lei</b> , plus VAT, representing the additional costs incurred as a result of the increase in the minimum wage in the construction sector to the sum of 3,000 lei/month for work carried out under works contract No C174/19.09.2016 during the period 01.01.2019 - 10.09.2019. Orders the Defendant to pay the Plaintiff the sum of 57,730.94 lei by way of costs. With a right of appeal within 10 days from the communication. The appeal shall be filed at the Bucharest Court, Civil Section VI. Delivered by making the decision available to the parties by the court registry, today, 07.07.2023. Document: Decision 1809/2023 07.07.2023 We have filed an appeal.
36	28430/3/2019	Bucharest Tribunal  CAB	R: Romsilva SA P: Transelectrica		Claims 2.433.608,52 lei, rent for the year 2019 temporary occupancy + penalties	Decision in brief: Pursuant to Article 413 para. (1), para. 1 Civil Procedure Code., suspends the case until the final resolution of case no. 3155/115/2018 pending before the High Court of Cassation and Justice. With a right of appeal for the duration of the stay. Delivered today, 19.05.2020. The decision will be delivered by making the decision available to the parties

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		ICCJ				through the court clerk's office. With the right to appeal within 30 days of communication, the appeal to be filed with the Bucharest Court, Civil Section IV. Delivered today, 03.05.2022. The decision will be delivered by making it available to the parties through the court registry. Dismisses the appeal as groundless. Notes that the appellant-plaintiff reserved the right to apply for costs separately and that the respondent-defendant did not apply for costs. With a right of appeal within 30 days of communication, to be filed with the Bucharest Court of Appeal. Document: Decision 295/2023 28.02.2023 Decision No 1949: Dismisses as groundless the appeal brought by the Plaintiff Regia Natională a Pădurilor - Romsilva, Directia Silvică Caras-Severin against civil decision No 295 A of 28 February 2023, delivered by the Bucharest Court of Appeal - Third Civil Division and for cases concerning minors and family matters. Final.
37	32612/3/2017	Bucharest Tribunal	Biol Energy		Insolvency procedure Request for registration in the creditor's account with the amount of 566.511,73 lei	The claim has been entered in the Preliminary List of Claims. <b>Hearing for continuation of procedure: 16.05.2024</b>
38	4328/110/2013	Bacau Tribunal	C:Transelectrica D: CET Bacau		Bankruptcy proceedings Application for registration in the creditors' list with the amount of 1.484.636,78 lei	Registered in the creditors' list with the amount of 1.484.636,78 lei. <b>Hearing for continuation of proceedings: 28.04.2024</b>
39	8993/299/2018	Sector Court 1	Appellant: Transelectrica Respondent: ANAF - DJAMC		appeal against execution ENFORCEMENT FILE 13328043/61/90/1/2017/26776 1 - 30.08.2017/267764 - 31.08.2017 SUSPENSION OF ENFORCEMENT 47092295 lei + 44,730,885 lei.	Court date: 17.04.2018 Decision in brief: Grants the appellant's application for a stay of proceedings. Pursuant to Article 413 para. (1) para. 1 of the Civil Procedure Code, suspends the proceedings until the final resolution of the case no. 1802/2/2018, pending before the Bucharest Court of Appeal, Administrative and Fiscal Litigation Section VIII. With appeal for the entire duration of the suspension, the appeal application to be filed at the District 1 Court of Bucharest. . Delivered in public hearing. Document: Decision - Suspension 17.04.2018
40	1802/2/2018	CAB ICCJ	C: Transelectrica I: ANAF - DGAMC and General Directorate for Dispute Resolution		appeal administrative tax act dec. no .f-mc 439/30.06.2017	Upholds in part the applications in dispute, annuls in part Decision No 12213.03.2018, on the resolution of the appeal lodged against Tax Decision No. F-MC 439/30.06.2017, issued by the National Tax Administration Agency - General Directorate for Dispute Resolution, Tax Decision No. F-MC 439/30.06.2017, issued on 12.07.2017, by the National Tax Administration Agency - General Directorate for the Administration of Large Taxpayers, Tax Decision No. F-MC 439/30.06.2017, issued on 12.07.2017, by the National Tax Administration Agency - General Directorate for the Administration of Large Taxpayers, Tax Decision No. F-MC 439/30.06.2017, issued by the National Tax Administration Agency - General Directorate for the Administration of Large Taxpayers and the Tax Inspection Report no. F-MC 222 dated 30.06.2017, which was the basis for the issuance of the tax decision, in the sense that: - it removes the obligation to pay corporate 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 obligations established for the 349 tax invoices with special regime found missing from the plaintiff'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 principal and accessory tax claims in relation to that amount - remove the non-deductibility of the sum of 343,629.91 lei from the calculation of taxable profit. eliminates the non-deductibility from the calculation of taxable profits of the amount of RON 230 685,491,00 representing expenditure on promotional and protocol products and the obligation to pay the main and ancillary tax claims

No.	File No.	Court	Parties to the dispute and capacity	Subject of the file	Amount in dispute	Current status of the dispute
						<p>in respect of that amount. - removes the non-deductible nature of VAT in the amount of 46 417.1, relating to the sum of 343 629.91 lei, representing 'weed removal services' and the obligation to pay the principal and ancillary tax claims in respect of that amount. - removes the non-deductible nature of the VAT in the amount of 37,693.88 lei relating to the sum 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 this amount - removes the mention relating to the obligation of the Sibiu Transport Branch of NPG CO. TRANSELECTRICA S.A to register the amount of 576.846,80 lei as taxable income, at the latest on 30.06.2010, the date on which the registration of the audited unit as a creditor with this amount was accepted, 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 art. 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 - Function of accounts of Order no. 3055 of 29 October 2009 for the approval of the Accounting Regulations in compliance with the 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 regarding the "determination of the deductible value added tax lower than that recorded by the plaintiff, 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 relation to that amount - annul the obligation to pay the penalties for late payment which have a penal legal status, calculated for a period of more than 6 months from the date of the commencement of the tax inspection, in respect of the principal tax liabilities which have been upheld by the court by the present decision, as established by Tax Decision No. F-MC 439/30.06.2017, issued on 12.07.2017, by the National Tax Administration Agency - General Directorate for the Administration of Large Taxpayers, Tax Decision No. F-MC 439/30.06.2017, issued by the National Tax Administration Agency - General Directorate for the Administration of Large Taxpayers and by Decision No. 122/13.03.2018, on the decision of the appeal lodged against the Tax Decision no. F-MC 439/30.06.2017, issued by the National Agency for Tax Administration - General Directorate for Dispute Resolution. Maintains the other provisions of Decision No 122/13.03.2018, on the decision of the appeal lodged against the Tax Decision no. F-MC 439/30.06.2017, issued by the National Agency for Tax Administration - General Directorate for Dispute Resolution, Tax Decision no. F-MC 439/30.06.2017, issued on 12.07.07.2017, by the National Agency for Tax Administration - General Directorate for the Administration of Large Taxpayers, Tax Decision no. F-MC 439/30.06.2017, issued by the National Agency for Tax Administration - General Directorate for the Administration of Large Taxpayers. Dismisses, for the rest, the disputed claims as groundless. Dismisses as groundless the application for the award of costs in the form of a judicial stamp duty. Orders the defendants, jointly and severally, to pay the plaintiff's costs in the sum of 4 000 lei, representing the fees for the expert's report in the field of accounting and taxation, in proportion to the admissibility of the application. With a right of appeal within 15 days from the date of communication, the application for appeal to be lodged with the Bucharest Court of Appeal. Delivered today, 20.10.2020 , by making the decision available to the parties according to art. 396 paragraph 2 CCP.</p> <p>Document: decision 382/2020 20.10.2020 <b>The parties filed an appeal in March 2022.</b> Admits the application 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, will be mentioned as correct. Orders that the material error be rectified by removing the incorrect name of the Plaintiff from the contested decision. With appeal within 15 days of communication. Delivered today, 24.05.2022 in public hearing.</p>



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						<p>Document: Decision 134/2022 24.05.2022 Appeal declared.</p> <p>ICCJ decision:</p> <p>Admits the appeals brought by the Plaintiff National Electricity Transmission Company "Transelectrica" S.A., the Defendant General Directorate for the Administration of Large Taxpayers and the Defendant National Agency for Tax Administration against the civil decision no.382 of 20 October 2020, delivered by the Bucharest Court of Appeal - Administrative and Tax Litigation Section VIII. Quashes in part the decision under appeal and, in the alternative: Dismisses the application for annulment of the Decision on the settlement of appeal No 122/13.03.2018 and of the Tax Decision No. F-MC 439/30.06.2017 with regard to: - the non-deductibility of expenses in the amount of 343,629.91 lei, representing "weed removal services" and the related VAT; - the non-deductibility of expenses in the amount of 230.685, representing the value of goods of a promotional and protocol nature and the related VAT; - the obligation to pay penalties for late payment which have a penalty legal regime, calculated for a period of more than 6 months from the date of commencement of the tax inspection. Sets the amount of the costs to which the defendants were jointly and severally liable at the sum of 6,000 lei, representing the fees for the expert's report in the field of accounting and taxation. Upholds the other provisions of civil decision no. 382 of 20 October 2020. Admits the appeals filed by the Plaintiff National Electric Power Transmission Company "Transelectrica" S.A. and by the Defendant General Directorate for the Administration of Large Taxpayers against civil decision no. 134 of 24 May 2022, delivered by the Bucharest Court of Appeal - Administrative and Tax Litigation Section VIII. Sets aside in part civil decision No 134 of 24 May 2022 and, in the alternative: Admits in part the request for clarification and supplementing of the operative part of civil decision no.382 of 20 October 2020, filed by the Plaintiff National Electricity Transmission Company Transelectrica S.A. Orders supplementing the operative part of civil decision no.382. of 20 October 2020 with the following entries: - also cancels the Tax Inspection Report no. F-MC 222/30.06.2017 to the extent that the Tax Decision no. F-MC 439/30.06.2017 was annulled.2017; - cancels the main tax liabilities established for the year 2005 and the related ancillary liabilities, as the right of the tax authority to establish such liabilities is time-barred; - cancels the tax administrative acts in respect of the non-deductibility of the expenses with the benefit share of SMART Removes the entries relating to the amounts of the cancelled income tax and ancillary liabilities related to the 349 tax invoices, both in the ruling on the correction of the material error and in the main ruling. Upholds the other provisions of civil decision No 134 of 24 May 2022. Orders the appellants - defendants to pay to the appellant - Plaintiff National Power Grid Company "Transelectrica" S.A. the sum of 200 lei as costs of the appeal. The Court is ordered to give final decision. Delivered today, 20 December 2023, with the decision being made available to the parties through the court registry.</p>
41	42676/3/2017	Bucharest Tribunal CAB ICCJ	R: Diaconu Ciprian P: Transelectrica		Claims 1.137.762 lei + 36.806,38 lei	<p>Decision in brief: Admits the application. Orders the Defendant to pay the Plaintiff the sum of 1,137,762 lei representing the value of the Transelectrica virtual share options due by way of variable remuneration discounted at the rate of inflation until the date of actual payment. Orders the Defendant to pay the Plaintiff the sum of 36,806.38 lei by way of statutory penalty interest on the principal debt due, calculated up to 17 September 2019 and thereafter until the date of actual payment. Orders the Defendant to pay the Plaintiff the sum of 22,164.62 lei by way of costs. With the right to appeal within 30 days of the communication. Delivered in public hearing today, 6.12.2018.</p> <p>Document: decision 3657/2018 06.12.2018</p> <p>We have filed an appeal.</p> <p>There is a request for rectification of a material error by Mr Diaconu with hearing on 07.05.2020</p>

No.	File No.	Court	Parties to the dispute and capacity	Subject of the file	Amount in dispute	Current status of the dispute
						Both parties have appealed. Dismisses the appeals as groundless. With appeal within 30 days of communication. Document: Decision 1833/2020 09.12.2020 Transelectrica appealed. The appeal brought by the appellant-respondent National Power Grid Company Transelectrica S.A. against civil decision no. 1833/A of 9 December 2020, rendered by the Bucharest Court of Appeal - Fifth Civil Division, is dismissed as groundless. Orders the appellant to pay the respondent-plaintiff the sum of RON 5,850 by way of costs. The decision is final.
42	5354/3/2017*	Bucharest Tribunal CAB ICCJ	R: Artopolescu Petrisor  P: Transelectrica		Claims 1.887.648 lei + legal interest	TMB's Decision in brief: Admits the application. Orders the Defendant to pay the sum of 1,887,648 lei representing the value of the 90,000 TVSO package, as well as the related legal interest, until the date of actual payment. Orders the Defendant to pay the costs to the Plaintiff in the amount of 22,881.48 lei. With right of appeal within 30 days from the communication. The request for appeal shall be submitted to the Bucharest Court, Civil Section VI. Delivered in public hearing, today 5.12.2017. Document: Decision 4449/2017 05.12.2017 CAB's decision in brief: The appeal is dismissed. With appeal within 30 days of communication. The appeal shall be lodged with the court whose decision is appealed. Delivered in public hearing today 16.05.2018. Document: decision no. 1108/2018 16.05.2018 TEL applied for a stay of execution of the decision and for an appeal. The application for suspension was dismissed by the ICCJ. Details of the order: the appeal brought by the appellant-respondent NATIONAL POWER GRID COMPANY TRANSELECTRICA S.A. against the civil decision no. 1108 of 16 May 2018 of the Bucharest Court of Appeal - Fifth Civil Section is admitted. Sets aside the contested decision and remits the case for retrial to the same Court of Appeal. Final. <b>Admits the appeal. Partially alters the civil decision under appeal to the effect that:</b> Orders the Defendant to pay the Plaintiff an annual variable component for the year 15.11.2013-15.11.2014 at the level of twice the gross annual fixed remuneration, and to pay the related statutory interest calculated from 15.11.2013 until the date of actual payment. With an appeal within 30 days of notification. Delivered in public hearing today, 30 June 2021. Document: Decision 1268/2021 30.06.2021. We have filed an appeal, which is in the filter procedure. <u>Hearing 23.05.2023</u> Details of the decision: the appeal filed by the appellant-plaintiff ARTOPOLESCU OVIDIU-PETRIȘOR against the civil decision no. 1268 of 30 June 2021 delivered by the Bucharest Court of Appeal - Fifth Civil Section is admitted. Sets aside the contested decision and remits the case for retrial to the same court of appeal. Dismisses as groundless the appeal brought by the appellant-respondent NATIONAL POWER GRID COMPANY TRANSELECTRICA S.A. against civil decision no. 1268 of 30 June 2021 delivered by the Bucharest Court of Appeal - Fifth Civil Division. Final.
43	20117/3/2018	Bucharest Tribunal  CAB  ICCJ	R: Pogonaru Andrei Mihai  P: Transelectrica		Claims - TVSO 2.435.333,04 lei, debit and interest	Decision in brief: The application is granted in part, as specified. Orders the Defendant to pay to the Plaintiff the sum of 1,437,343 lei, representing the gross value of the Transelectrica virtual share options due by way of variable remuneration for the period November 2013-November 2014, the sum of 184,562.29 lei, representing statutory interest calculated up to 13.06.2018, and statutory interest calculated in accordance with Article 3 para. 2 of O.G. no. 13/2011 on the debt in the amount of 1,437,343 lei, from 14.06.2018 until the date of actual payment. Orders the Defendant to pay the Plaintiff the amount of RON 91,080.45, representing the gross value of the Transelectrica virtual share options due by way of variable remuneration for the period November 2014-January 2015, the amount of RON 6,543.28, representing the statutory interest calculated up to 13.06.2018, as well as the statutory interest calculated in accordance with Article 3 para. 2 of O.G. no. 13/2011 on the

No.	File No.	Court	Parties to the dispute and capacity	Subject of the file	Amount in dispute	Current status of the dispute
						<p>debt in the amount of 91,080.45 lei, from 14.06.2018 until the date of actual payment. Dismisses the remainder of the application as groundless. Orders the Defendant to pay to the Plaintiff the sum of 31,133.43 lei by way of costs, of which the sum of 26,133.43 lei is the legal stamp duty relating to the admitted claims and the sum of 5,000 lei is the reduced lawyer's fee. Dismisses the defendant's application for costs as groundless. Right of appeal within 30 days of notification. The request for appeal shall be submitted to the Bucharest Court of Appeal - Civil Section VI. Delivered in public hearing today, 12.12.2018. Document: decision 3743/2018 12.12.2018</p> <p>Transelectrica appealed. Hearing for appeal 20.10.2020 Dismisses the defendant's appeal as groundless. Allow the plaintiff's appeal. Changes, in part, the civil decision under appeal, in the sense that: Orders the Defendant to pay the amount of 1,437,343 lei, net countervalue of the variable component for the period November 2013-November 2014 and the amount of 91,080.45 lei, c/net value of the variable component for the period November 2014-January 2015. Orders the Defendant to pay the lawyer's fees in the amount of 10,683.34 lei, on the merits. Upholds the other provisions of the decision. Orders the defendant-appellant to pay the costs of the appeal, consisting of: EUR 10 520.48 in judicial stamp duty and EUR 8 619.05 in lawyer's fees. With appeal within 30 days from communication. the appeal is filed at the Bucharest Court of Appeal, Civil Section VI. delivered in public hearing, today, 17.11.2020.</p> <p>Document: decision 1576/2020 17.11.2020 We appeal. ICCJ filter procedure.</p> <p>Hearing 08.02.2023. Dismisses as groundless the appeal filed by the defendant-appellant NATIONAL POWER GRID COMPANY TRANSELECTRICA S.A. against the civil decision no. 1576 of 17 November 2020, rendered by the Bucharest Court of Appeal - Civil Section VI. Orders the appellant-respondent to pay the respondent-plaintiff the costs in the amount of 8,829.86 lei. Final.</p>
44	7539/3/2017	Bucharest Tribunal	D: KDF Energy C: Transelectrica		Insolvency procedure Application for registration in the creditor's account with the amount lei 1.040.138,18 lei	<p>Debt registered in the creditor's list.</p> <p>Hearing: 23.04.2024</p>
45	34248/3/2018*	Bucharest Tribunal  CAB  ICCJ  CAB	R: Radu Cernov  P: Transelectrica		TVSO claims 2.185.278,91 lei, principal debit + interest	<p>Hearing: 24.04.2019</p> <p>Type of decision: Dismiss the application Decision in brief: Dismiss the application as groundless. With a right of appeal within 30 days of notification. The application for appeal shall be filed with the Bucharest Court - Civil Section VI. Delivered in public hearing, today, 06.05.2019.</p> <p>Document: decision 1164/2019 06.05.2019</p> <p>The Plaintiff Cernov appealed.</p> <p>Decision in brief: allow the appeal. Reverses the decision under appeal in its entirety to the effect that: Admits the application. Orders the Defendant to pay the Plaintiff the sum of 2,185,278.91 lei representing the net value of the variable component of the remuneration (TVSO value) due under mandate contract C418/13.11.2014, to which will be added the related statutory interest, calculated from the due date of each instalment until the date of actual payment. Orders the Defendant to pay the plaintiff's costs in the amount of 46,448.68 lei as the stamp duty relating to the resolution of the merits and the appeal. With appeal within 30 days from the communication. Delivered in public hearing, today, 25.05.2020. Document: Decision 345/2020 25.05.2020 Transelectrica filed an appeal which was admitted and the case will be sent for a new trial to the CAB.</p> <p>Admits the appeal. Changes the decision under appeal to the effect that: Admits the application in part. Orders the Defendant to pay to the plaintiff: - the sum of 1,097,260.61 lei representing the net value of the variable component of the remuneration (TVSO value)</p>

No.	File No.	Court	Parties to the dispute and capacity	Subject of the file	Amount in dispute	Current status of the dispute
						relating to certificates No 39540/13.11.2014 and No 39743/17.11.2014) due under mandate contract C418/13.11.11.2014; - the statutory penalty interest on the principal debt due, calculated from 16.11.2016 in respect of the amount of RON 737,668.61 and from 16.11.2017 in respect of the amount of RON 359,592, until actual payment of the debt. Orders the Defendant to pay the plaintiff's costs in the amount of 26,654.88 lei as the stamp duty for the resolution of the merits and the appeal. Orders the Plaintiff to pay the defendant's costs in the amount of 7 242 lei in respect of the appeal. Orders the Defendant to pay part of the costs and the Plaintiff the sum of EUR 19 412.88. With an appeal within 30 days of notification. The request for appeal shall be submitted to the Bucharest Court of Appeal - 6th Civil Division. Delivered in public hearing today, 12.01.2023. . File in filter procedure. The Directorate approved the waiver of appeal.
46	3153/115/2018 3153/115/2018 ***	Caras Severin Court CA Timisoara ICCJ	R: Transelectrica P: Ciudanovita Commune		Claims 527.336,7 lei + legal interest	The plea of illegality raised by the appellant National Power Grid Company "Transelectrica" SA is upheld. Declares that Article 1(1)(a) is unlawful 12 of GD no. 841 of 07.10.2015 in so far as it makes the surrender of the land conditional upon "payment of the countervalue of the loss of growth caused by the exploitation of the wood mass before the age of technical exploitability and of the expenses for the reinstallation of the forest vegetation and its maintenance until the achievement of the mass state". Admits the appeal lodged by the appellant-plaintiff National Power Grid Company "Transelectrica" SA, in its own name and on behalf of the Timișoara Transmission Branch in contradiction with the respondent-defendant Ciudanovița Commune through the Mayor against the civil decision no. 998/26.06.2019, delivered by the Court of Caraș-Severin in case no. 3153/115/2018**. Changes the appealed decision in its entirety, in the sense that: Admits the action brought by the Plaintiff National Electricity Transmission Company "Transelectrica" SA, on its own behalf and on behalf of the Timisoara Transmission Branch, against the Defendant Municipality of Ciudanovița through the Mayor. Orders the Defendant to repay the sum of 527,336.7 lei to the Plaintiff and to pay the statutory interest on that sum from the date of payment by the Plaintiff until the date of repayment by the defendant. Orders the Defendant to pay the appellant-plaintiff the sum of EUR 20 615.85 by way of costs. With appeal within 30 days from the communication of the decision. Delivered in public hearing today, 30 September 2021. Document: Decision 176/2021 30.09.2021 <b>Dismisses the application of the petitioner Commune Ciudovița for suspension of the execution of the civil decision No 176 of 30 September 2021</b> of the Court of Appeal Timișoara, Civil Division I, rendered in case No 3153/115/2018***. Definitive.
47	3157/115/2018 3157/115/2018 * 3157/115/2018 **	Caras Severin Court CA TM	R: Transelectrica P: Ezeris Commune		Claims 1.860.506,85 lei + legal interest	Dismisses the action brought by the plaintiff, National Power Grid Company "Transelectrica" SA, against the defendant, Ezeriș Commune. With right of appeal within 30 days from the communication. The request for appeal shall be submitted to the Court of Caras-Severin. Delivered on the basis of Article 396 of the Civil Procedure Code on 18 March 2019 by making the decision available to the parties through the court registry. Document: decision 102/2019 18.03.2019 Decision of the CA Tm in brief: Admits the appeal brought by the appellant-appellant National Power Grid Company Transelectrica SA, in contradiction with the respondent EZERIȘ Commune against civil decision no. 102/2019 of 18 March 2019 delivered by the Court of Caraș Severin in case no. 3157/115/2018*, concerning claims. Partially alters the contested decision in the sense that it partially admits the claim for damages brought by the Plaintiff National Power Grid Company Transelectrica SA, against the Defendant Ezeriș Commune and consequently orders the Defendant to pay to the Plaintiff by way of reimbursement of undue payment: - the amount of 331.the sum of RON 331,692.47,



No.	File No.	Court	Parties to the dispute and capacity	Subject of the file	Amount in dispute	Current status of the dispute
		Timisoara Court of Appeal  ICCJ  CA TM  ICCJ				<p>representing rent for 2016, with statutory interest calculated from the date of the undue payment - 18 August 2016 until the actual repayment of the amount; - the sum of RON 331,692.47, representing rent for 2017, with statutory interest calculated from the date of the undue payment - 30 January 2017 until the actual repayment of the amount. Upholds the remainder of the decision of the Court of First Instance in so far as it dismisses as groundless the plaintiff's other financial claims. Orders the Defendant to pay the Plaintiff the sum of EUR 15 358.26 in respect of the costs of the proceedings at first instance and on appeal. With a right of appeal within 30 days from the date of notification. In the event of appeal, the appeal shall be lodged with the Court of Appeal of Timișoara. Delivered in public hearing on 31.10.2019.</p> <p>Document: decision 826/2019 31.10.2019 Appeal hearing 30.03.2021</p> <p>Admits the appeal filed by the Plaintiff National Electricity Transmission Company "Transelectrica" S.A. against the civil decision no. 826/A of 31 October 2019, delivered by the Court of Appeal Timișoara - Civil Section II. Sets aside the decision and remits the case to the same court for retrial. Final.</p> <p>Hearing : 18.01.2022Admits the objection of illegality of the provisions of Article 1 para. 12 of GD no. 841/2015 - invoked by the plaintiff-appellant National Power Grid Company "Transelectrica" SA, in contradiction with the Defendant UAT Ezeriș Commune and the respondent Government of Romania. Declares that the provisions of Article 1(1)(b) and (c) of Regulation (EC) No 659/1999 are unlawful 12 of GD no. 841/2015, with regard to the condition that the surrender of the land is subject to "payment of the countervalue of the loss of growth caused by the exploitation of the wood mass before the age of technical exploitability and of the expenses for the reinstallation of the forest vegetation and its maintenance until the achievement of the state of massiveness". Admits the appeal filed by the Plaintiff National Electricity Transmission Company "Transelectrica" SA, in contradiction with the Defendant UAT Ezeriș Commune, against the civil decision no. 102/2019 of 18 March 2019 delivered by the Court of Caraș- Severin in case no. 3157/115/2018*, concerning claims. Changes the appealed decision, in the sense that it admits the action for claims brought by the Plaintiff National Electricity Transport Company "Transelectrica" SA and orders the Defendant UAT Ezeriș Commune to pay it, by way of reimbursement of undue payment, the following amounts of money: - 1,160.508.99 lei, representing the countervalue of the loss of growth for 2015, shown in invoice no. 10/02.11.2015 and paid with PO no. 607/10.11.2015; - 36,612.92 lei, representing expenses for the reinstallation of the forestry fund for 2015, shown in invoice no. 11/18.11.2015 and paid with PO no. 625/20.11.2015; - 331,692.47 lei, representing rent for 2016, shown in invoice no. 21/331,692.47 lei, representing the rent for 2017, shown in invoice no. 25/21.12.2016 and paid with PO no. 33/30.01.2017). Orders the Defendant UAT Ezeriș Commune to pay to the Plaintiff National Power Grid Company "Transelectrica" SA and the legal interest related to the amounts to be refunded, due from the date of their payment until the date of their refund. Orders the Defendant UAT Ezeriș Commune to pay to the Plaintiff National Electricity Transmission Company "Transelectrica" SA the sum of 41,103.20 lei as costs incurred at all stages of the proceedings. With a right of appeal within 30 days of notification. The appeal is lodged with the Court of Appeal of Timișoara. Delivered on 22.02.2022, with the decision being made available to the parties by the court registry.</p> <p>Hearing 11.12.2023 at the ICCJ.</p> <p>Dismisses as groundless the appeal brought by the defendant-appellant U.A.T. Ezeriș Commune against the civil decision No 104/A/22.02.2022 of the Court of Appeal of Timișoara - Civil Division II. Final.</p>
48	2494/115/2018	Caras	R: Municipality of Resita		Claims	Suspends the proceedings in the action brought by the Plaintiff Municipality of Reșița,

No.	File No.	Court	Parties to the dispute and capacity	Subject of the file	Amount in dispute	Current status of the dispute
	*	Severin Court Bucharest Tribunal	P: Transelectrica		10.648.829,20 lei, representing rents for the years 2015, 2016, 2018, 2019 and 2020, plus the legal penalty interest	through the Mayor, against the Defendant National Power Grid Company "Transelectrica" SA, concerning claims under Article 413(1)(1) of the Civil Procedure Code. With an appeal to the superior court while the proceedings are suspended. Delivered in public hearing today, 22 March 2021. Document: Order - Stay of proceedings 22.03.2021 Hearing: 14.03.2024
49	<b>2434/115/2018</b>   <b>2434/115/2018</b> *	Bucharest Tribunal CAB ICCJ	R: Romsilva Caras Severin P: Transelectrica ST Timisoara		Claims 2.433.608,52 lei, annual rent for temporary occupation of land from the national forest fund + late payment penalties from the rent due date 31.01.2018. 304298,47 lei, cost of definitive removal from the national forestry fund of land area, cost of loss of timber harvesting growth + late payment penalties calculated from 10.05.2015	Dismisses the action against the Defendant Sucursala de Transport Timisoara as being brought against a person without locus standi. Dismisses the plea that the substantive right of action is time-barred. Dismisses the action as groundless. Decision 211/2022 18.02.2022 Romsilva appealed Appeal hearing: 08.11.2022 Decision in brief: Dismiss the appeal as groundless. With the right to appeal within 30 days from the date of communication, the application to be filed with the Bucharest Court of Appeal. Delivered by placing the decision at the disposal of the parties, through the court registry, today, 8 November 2022.Document: Decision 1646/2022 08.11.2022 ICCJ Hearing 16.01.2024 Decision No 2 Dismisses as groundless the appeal brought by the plaintiff, National Forestry Administration ROMSILVA - Caras Severin Forestry Directorate, against decision No 1646 A of 8 November 2022 of the Bucharest Court of Appeal - Civil Section IV. Final.
50	<b>22567/3/2019</b>	Bucharest Tribunal	R Transelectrica P: OPCOM		Claims - common law action - contribution made by NPG CO. Transelectrica SA to the share capital of OPCOM SA, issued on the basis of Loan Agreement no. 7181RO/2003, commitment for financing the investment project "Electricity Market Project". <b>4,517,460 lei +1,293,778.27 lei</b>	The action is dismissed as time-barred. With right of appeal within 30 days from the communication, to be filed at the Bucharest Court, Civil Section VI. Delivered by making the decision available to the parties through the court clerk's office, today, 03.12.2021.Document: Decision 3021/2021 03.12.20212021. TEL appealed, Dismisses 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. Delivered today, 12 October 2022, by making the decision available to the parties through the court registry. Document: Decision 1532/2022 12.10.2022. Transelectrica filed an appeal on 13.12.2022. Hearing 19.09.2023 Decision 1640/2023 Admits the main appeal filed by the appellant-plaintiff Compania Natională de Transport al Energiei Electrice "TRANSELECTRICA" S.A. and the cross-appeal filed by the respondent-appellant Operatorul Pietei de Energie Electrică si Gaze Naturale "OPCOM" S.A. against the civil decision no. 1532 of 12 October 2022, rendered by the Bucharest Court of Appeal - Fifth Civil Section, which it reverses and remits the case for a new trial to the same court. The case is final.
51	24242/3/2021	T BUC	R OPCOM SA P: TEL	Action for declaration of NULLITY of the CONTRIBUTION	4,517,460 lei	TMB decision: Qualifies the plea of inadmissibility as a substantive defence. Dismisses the application as groundless. With the right to appeal, within 30 days from the communication to the parties, the appeal to be filed at the seat of the Court of Bucharest, Civil Section VI. Delivered today, 07.11.2023, pursuant to art. 396 para.2 Civil Procedure Code by making the decision available to the parties at the court registry. Document: Decision 2600/2023 07.11.2023
52	<b>35346/3/2019</b>	Bucharest Tribunal	R: CET Govora P: Transelectrica		Claims 3.368.965,82 lei, countervalue Pre-overcompensation regularization and cogeneration bonus February - March 2016	Decision in brief: Dismiss the action as groundless. Appeal within 30 days of notification. The application for appeal shall be lodged with the Bucharest Court - Civil Section VI. Delivered in public hearing today, 22.07.2020. Document: decision 1247/2020 22.07.2020 Declares that there has been a compensation of right with part of the amount registered in the creditor's account

No.	File No.	Court	Parties to the dispute and capacity	Subject of the file	Amount in dispute	Current status of the dispute
53	<b>23847/299/2013*</b>	Bucharest Sector 1 Court  Bucharest Tribunal Civil Division IV	-Mitropoly of Oltenia <b>appellant plaintiff</b>  -Transelectrica <b>respondent parat</b>	Payment of compensation for lack of use of land	1.800.000 lei	Dismisses the objection of res judicata as groundless. Dismisses the plea of lack of locus standi as groundless. Dismisses the plea of lack of locus standi as groundless. Declares that, by its decision of 17 October 2014, the Court took note of the plaintiff's abandonment of the first head of claim and dismissed the plea of untimeliness. Dismisses the application as groundless. Notes that the Plaintiff will claim costs separately and the Defendant does not claim costs. With a right of appeal within 30 days of notification. The application for appeal shall be filed with the District Court of Sector 1 Bucharest. Delivered in public hearing today, 06.07.2017. Document: Decision 5550/2017 06.07.2017 Dismisses the appeal as groundless. With a right of appeal within 30 days from the date of communication, the application for appeal to be filed with the Bucharest Court. Delivered by making the decision available to the parties by the court registry, today, 08.12.2020. Document: Decision 3074/2020 08.12.2020 <b>The Metropoly of Oltenia appealed and invoked an exception of unconstitutionality, and the case was sent to the Constitutional Court.</b>
54	<b>3083/3/2020</b>	Bucharest Tribunal/CAB / ICCJ	R:Nuclearelectrica P: Transelectrica		Claims 1.290.533,156 lei countervalue negative imbalance + 182.251,94 lei, legal interest rate	Decision in brief: The application is granted. Orders the Defendant to pay the Plaintiff the sum of 1,290,533.156 lei by way of compensatory damages, to update this sum by the inflation rate from 27.09.2018 until the date of actual payment, to pay the sum of 182.251,94 lei as statutory penalty interest calculated from 27.09.2018 until 31.01.2020, as well as the payment of further statutory penalty interest calculated from 01.02.2020 until the date of actual payment. Orders the Defendant to pay to the Plaintiff the sum of 23,441.66 lei by way of legal costs, consisting of a court stamp duty. Dismisses the defendant's application for payment of costs as groundless. With a right of appeal within 30 days of notification. The request for appeal shall be submitted to the Bucharest Court - Civil Section VI. Delivered today, 22.12.2020, by making the decision available to the parties by the court registry. Document: decision 2698/2020 22.12.2020 TEL appealed, which was allowed. Allow the appeal. Partially alters the civil decision under appeal, in so far as: Dismisses the application as groundless. Upholds the order of the first instance dismissing as groundless the defendant's claim for costs. Orders the respondent-respondent to pay the appellant-respondent the sum of EUR 20 591.66 by way of costs on appeal. With an appeal within 30 days from the date of communication, the appeal application to be filed with the Bucharest Court of Appeal - Civil Section VI. Delivered by making the decision available to the parties by the court registry, today, 25.11.2021. Document: Decision 1927/2021 25.11.2021 Nuclearelectrica has appealed, which has been stayed pending resolution of the action for annulment of the order. Hearing 12.10.2022 Pursuant to Article 413 para. (1), paragraph 1 of the Civil Procedure Code, suspends the decision of the appeal filed by the appellant-plaintiff SOCIETATEA NAȚIONALĂ NUCLEARELECTRICA S.A. against civil decision no. 1927/A/25.11.2021, delivered by the Bucharest Court of Appeal - Civil Section VI, until the final resolution of case no. 2659/2/2020, pending before the High Court of Cassation and Justice - Administrative and Fiscal Litigation Section. Definitive.
55	<b>640/121/2020</b>	Galati Tribunal	C:Transelectrica D: Menarom PEC SA Galati		Statement of claim 1.195.792,13 lei	The claim has been registered with the creditor. Hearing: 24.06.2022 Decision in brief: According to Art. 59 para. 3 of Law 85/2014, the insolvency administrator has submitted to the case file: - activity report no. 51/21.06.2022; - final updated list of claims no. 50/21.06.2022. With a view to continuing the proceedings, sets a deadline for the administrator to submit the documents relating to the work carried out

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						- 24.10.2022 and sets a <b>hearing for 08.04.2024</b> .
56	<b>22036/3/2020</b>	Bucharest Tribunal  CAB	R: Vaduva Constantin P: Transelectrica		TVSO claims 87403 lei, countevalue TVSO, 16243 Legal interest rate and 442820 inflation adjustment	The plea of the Defendant that the substantive right of action is time-barred is upheld. upholds, in part, the application Orders the Defendant to pay to the Plaintiff the sum of 87403 lei as the debt due, updated with the payment index on the date of actual payment and the statutory interest to be calculated on the debt due from 15.11.2018 until the date of actual payment. Orders the Defendant to pay to the Plaintiff the sum of 73113 lei as the amount due by way of discounting with the inflation index of the sums awarded to the plaintiff. Dismisses the remainder of the application as time-barred. Orders the Defendant to pay the Plaintiff the sum of EUR 6694,87 in respect of the countervalue of the legal stamp duty and the sum of EUR 6957,39 in respect of the countervalue of the lawyer's fees by way of costs. With a right of appeal within 30 days of notification, the appeal shall be lodged with the Bucharest Tribunal - Civil Section VI. Delivered by making the decision available to the parties by the court registry, today, 05.11.2021. Document: Decision 2703/2021 05.11.2021 Hearing for appeal: 16.11.2022 Decision in brief: Admits the appeal filed by the appellant Văduva Constantin. Partially alters the decision under appeal in that the Defendant is ordered to pay the statutory penalty interest on the debt of 87,403 lei calculated in accordance with Article 3(3) of the Civil Code. 2 <sup>nd</sup> of GC no. 13/2011. Upholds the remainder of the decision. Dismisses the appeal brought by the Defendant NPG CO. Transelectrica SA as groundless. Orders the respondent NPG CO. Transelectrica SA to pay the appellant the sum of 2861.64 lei by way of costs of the appeal. Dismisses the appellant NPG CO. Transelectrica SA's application for costs. With an application for appeal within 30 days of communication, to be lodged with the CAB - Section VI a. Delivered in public hearing today, 07.12.2022. Document: Decision 1858/2022 07.12.2022 Appeal declared. Hearing 12.10.2023 Decision 2078/2023 Admits the plea of invalidity of the appeal. Annuls the appeal brought by the appellant-respondent National Company for the Transport of Electric Energy "TRANSELECTRICA" S.A. against decision No 1858A/07.12.2022, rendered by the Bucharest Court of Appeal - Civil Section VI, in contradiction with the respondent-plaintiff Văduva Constantin. Orders the appellant-respondent to pay the respondent-plaintiff the sum of RON 2,674.05 by way of costs. The decision is final.
57	<b>20780/3/2020</b>	Bucharest Tribunal CAB	R: Electromontaj P: Transelectrica		Claims-contract value update 401,765.78 euros, 1.045.660,61 euro, additional costs related to the increase of the minimum wage in the construction sector, Obligation to conclude an addendum to contract C54/2018	Administration of the accounting expertise sample. Decision to be delivered on 24.04.2022 Decision in brief: The claim for damages brought by the Plaintiff ELECTROMONTAJ SA against the Defendant National Power Grid Company Transelectrica SA is granted in part. Orders the Defendant to pay the Plaintiff the sum of EUR 802,886.12, exclusive of VAT, representing the additional costs incurred as a result of the increase in the minimum wage in the construction sector to the amount of 3,000 lei/month for the works carried out under Works Contract No. C54/27.02.2018 for the period January 2019 - January 2021. Orders the Defendant to conclude an Addendum to the Works Contract No. C54/27.02.2018, the purpose of which is to update the price of the Contract by the sum of EUR 1,468,039.77, excluding VAT, representing the costs generated by the increase in the minimum wage in the construction sector to the sum of 3,000 lei/month as from 01.01.2019. Dismisses the remainder of the application as groundless. Orders the Defendant to pay the Plaintiff the sum of 171,104.06 lei by way of costs. With right of appeal within 10 days of communication. The request for appeal shall be submitted to the Bucharest Court, Civil Division VI. Delivered by making the decision available to the parties through the court registry today, 24.04.2023. Document: Decision 1035/2023 24.04.2023 Transelectrica appealed. The CAB decision. Admits the appeal brought by the defendant-appellant National Power Grid Company



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						Transelectrica S.A. against the decision no. 1035/24.04.2023, delivered in case no.20780/3/2020 by the Bucharest Court - Civil Section VI. Reverses in its entirety the decision under appeal in that it dismisses as groundless the application for a writ of summons brought by the Plaintiff Electromontaj S.A. against the Defendant National Power Grid Company Transelectrica S.A., as specified. Orders the defendant-appellant Electromontaj S.A. to pay to the respondent-appellant National Power Grid Company Transelectrica S.A. the sum of 39,787.82 lei by way of costs of the appeal. Dismisses, as groundless, the appeal brought against the same decision by the appellant-plaintiff Electromontaj S.A. Dismisses, as groundless, the appellant-plaintiff's application for costs on appeal. The appeal is final. Delivered in public hearing today, 27.10.2023. Document: Decision 1570/2023 27.10.2023 ELM filed a request for review with hearing 15.03.2024 and appeal for annulment (dismissed)
58	25896/3/2020	Bucharest Tribunal	R: Electromontaj P: Transelectrica		Claims - GEO 114/2018 10.000.000 lei	Decision of the TMB: Dismisses the action as groundless. With right of appeal within 10 days of communication. The application for appeal shall be lodged with the Bucharest Court, Civil Section VI. Delivered today, 18.01.2024, by making the decision available to the parties through the registry. Document: Decision 53/2024 18.01.2024
59	27001/3/2021	Bucharest Tribunal	R: Romelectro P: Transelectrica		Claims - GEO 114/2018 3.523.709,93 lei	Decision in brief: Dismiss the application for suspension under Article 242 of the Code of Civil Procedure as groundless. Grants a <b>hearing for the continuation of proceedings until 15.03.2024.</b>
60	22368/3/2021	Bucharest Tribunal  CAB	R: Romelectro P: Transelectrica		Claims - GEO 114/2018 2.275.653,22 lei	Hearing: 10.06.2022 . Decision in brief: Dismiss the application as groundless. With appeal within 10 days of communication. The request for appeal shall be submitted to the Bucharest Court - Civil Section VI. Delivered by making the decision available to the parties through the court registry, today, 24.06.2022.Document: Decision 1555/2022 24.06.2022 Romelectro appealed.
61	30801/3/2021	Bucharest Tribunal	R: Romelectro P: Transelectrica		Claims - GEO 114/2018 2.271.075,23 lei	Decision in brief: grants a <b>hearing for 05.04.2024</b>
62	17976/3/2021	Bucharest Tribunal	R: Grand Voltage P: Transelectrica		Order the Defendant Transelectrica to compensate the damage caused to the undersigned in the amount of 8,331,444.60 lei as a result of the culpable non-performance of the obligations related to the Works Contract No. C 111/23.05.2018 on "Connection of 100kV Isaccea - Varna and 400 kV Isaccea-Dobruja LEAs to the 400 kV Medgidia South Stage II - 400kV LEA d.c. Medgidia South Station Connections".	Dismisses the action as groundless. With a right of appeal within 10 days of notification. The application for appeal shall be lodged with the Bucharest Court - Section VI, under penalty of nullity. Document: Decision 1812/2022 25.07.2022 GV appealed No set hearing
63	Request for arbitration ARB-5680	Vienna Court of Arbitration	R: Oleg Buralcu P: Transelectrica		Order Transelectrica SA to pay the total amount of 792,132 lei, the amount being made up as follows: - 186.384 lei (37.664,7 euro), which would represent the non-	By the Arbitral Award rendered on 30.12.2022, communicated to Transelectrica SA on 03.01.2023, the sole arbitrator ordered the following: - Admits the plaintiff's request for arbitration, - Orders the Defendant Transelectrica SA to pay the Plaintiff the following amounts: - the gross amount of 605,748 lei, representing the compensation for the revocation of the Mandate Contract no.C233/30.09.2020 without just cause, according to art.9.2 letter A of the

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					<p><i>compete compensation, according to art.5.2.3 of the Mandate Contract no.C233/30.09.2020,</i></p> <p>- 605,748 lei (122,410.4 euro), which would represent the compensation related to the gross fixed monthly allowances remaining until the end of the mandate, according to art.9.2 letter A of the Mandate Contract no.C233/30.09.2020</p>	<p>Mandate Contract no.C233/30.09.2020, to which shall be applied the simple legal interest at the level of the reference interest rate of the BNR plus 8 percentage points, applied to the amount due, from the date of the arbitration award until the actual payment of the amounts due</p> <p>- the gross amount of 186,384 lei, representing the non-competition compensation, pursuant to Article 5.2.3 of the Terms of Reference Contract no.C233/30.09.2020, to which shall be applied the statutory simple interest at the level of the reference interest rate of the BNR plus 8 percentage points, applied to the amount of the sum due, from the date of the arbitration award until the actual payment of the sums due</p> <p>- the actual payment of these amounts will be made on a net basis, through the appropriate application of Clause 6.5 of Mandate Contract No C233/30.09.2020</p> <p>- Orders the Defendant Transelectrica SA to pay the sum of EUR 7,837.25 and RON 10,000 by way of arbitration costs.</p> <p>- All other claims and defences are dismissed.</p>
64	<b>8193/3/2022</b>	Bucharest Tribunal	R: Serv times P: Transelectrica		Claims - GEO no. 114/2018 2.437.253,31 lei labour cost countervalue	Hearing: 22.03.2024 Administration of expert evidence
64a	<b>8442/3/2022</b>	Bucharest Tribunal	R: Serv times P: Transelectrica		execution of administrative contract - the Plaintiff requests 1.429.832,43 lei, without VAT, representing additional costs	Hearing 16.09.2022 Admits the plea of relatedness. Refers the case back to the panel first seized with the case No 8193/3/2022, i.e. the 12th formation of the Court, for the case No 8442/3/2022 to be joined to case No 8193/3/2022. Appeal together with the merits. Delivered today, 16.09.2022, with the decision being made available to the parties by the Court Registry. Document: Final decision (divestment) 16.09.2022
65	<b>5493/3/2022 6415/3/2023</b>	Bucharest Tribunal	C: Elcomex IEA P: Transelectrica		Payment Order Claims 2.171.151,53 lei, invoice value, guarantees + legal interest	Decision in brief: Dismisses the plea of limitation as groundless. The application for an order for payment is granted in part. Orders the Defendant to pay the Plaintiff the sum of 1 505 723,76 lei, representing the principal debt, together with statutory interest from 30 September 2021, within 30 days of the communication of the order. Orders the Defendant to pay the Plaintiff the sum of 2 700 lei in respect of costs. With the right to bring an action for annulment within 10 days from the date of notification, the application to be lodged with the Bucharest Court, Civil Section VI. Delivered today, 15 July 2022, by making the decision available to the parties through the court registry. Document: Decision 1756/2022 15.07.2022 Transelectrica has filed an application for annulment and suspension. Decision in brief: Dismiss the application for annulment as groundless. Dismisses the application for suspension of enforcement of the order of 15.07.2022 as devoid of purpose. Orders the plaintiff-debtor to pay the defendant-creditor the sum of 2,500 lei by way of costs, consisting of lawyers' fees. The decision is final. Delivered by making the decision available to the parties through the court registry today, 09.05.2023. Document: Decision 1154/2023 09.05.2023 The amount has been paid.
66	<b>Application ARB-5697</b>	Vienna Court of Arbitration	R: Ciprian Constantin Dumitru P: Transelectrica		By arbitration request ARB-5697 Dumitru (RO) vs. Transelectrica (RO), Mr Dumitru Ciprian Constantin requested that Transelectrica SA be ordered to pay the following amounts: - 652,344 lei, which would represent the compensation related to the gross fixed	<p>On 21.08.2023 was registered at Transelectrica SA, with no.40020/21.08.2023 - Arbitral Award rendered on 11.08.2023 following the settlement of the arbitration request ARB-5697 Dumitru (RO) vs. Transelectrica (RO)</p> <p>By the Arbitral Award the Arbitral Tribunal ordered the following:</p> <p>- The Arbitral Tribunal accepts the claim of Plaintiff Ciprian Constantin Dinu and decides as follows:</p> <p>- The Defendant is ordered to pay the Plaintiff compensation representing the outstanding Gross Fixed Monthly Remuneration for 39 months in the gross amount of RON 605,748. The payment shall be made in net amounts, after the Defendant has calculated, withheld and paid, any taxes due by the Plaintiff, at the time of payment, in accordance with Article</p>

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					<p>monthly allowances remaining until the end of the mandate, according to art.9.1 lit.a) of the Mandate Contract no.C238/30.09.2020.</p> <p>- 45,996 lei, which would represent the variable component of the remuneration for 2020, as per Annex 2 to the Addendum No.1 to the Mandate Contract No.C238/30.09.2020</p> <p>- 183,984 lei, which would represent the non-competition compensation, according to art.5.2.3 of the Mandate Contract no.C238/30.09.2020.</p> <p>In the memorandum submitted by the plaintiff, he specified his request, asking for the sum of 605,748 lei, which would represent the compensation for the gross fixed monthly allowances remaining until the end of the mandate, according to Article 9.1 letter a) of the Mandate Contract no.C238/30.09.2020.</p> <p>In the final submissions filed by the plaintiff, he clarified his claim, requesting the amount of 46,595 lei, which would represent the variable component of the remuneration for the year 2020, according to Annex 2 to the Addendum No. 1 to the Mandate Contract and the amount of 186,384 lei, which would represent the non-competition compensation, according to Article 5.2.3 of the Mandate Contract.</p>	<p>6.5. of the Engagement Agreement. The Defendant is also obliged to pay to the Plaintiff the statutory interest of 8 percentage points above the reference rate of the National Bank of Romania applicable to the net amount as determined at the date of payment, from the due date (22 June 2021) until the date of full payment.</p> <p>- The Defendant is ordered to pay to the Plaintiff a compensation representing the variable component of the remuneration for the year 2020, in the gross amount of RON 46,596. The payment shall be made in net amounts, after the Defendant has calculated, withheld and paid any taxes due by the Plaintiff, at the time of payment, in accordance with article 6.5. of the Mandate Contract. The Defendant is also obliged to pay to the Plaintiff the statutory interest of 8 percentage points above the reference rate of the National Bank of Romania applicable to the net amount as determined at the date of payment, calculated from the due date (7 July 2021) until the date of full payment.</p> <p>- The Defendant is ordered to pay the Plaintiff non-compete compensation in accordance with clause 5.2.3 of the Contract, in the gross amount of 186,384 RON. The payment shall be made in net amounts, after the Defendant has calculated, withheld and paid any taxes due by the Plaintiff at the time of payment in accordance with clause 6.5. of the Contract. The Defendant is also obliged to pay to the Plaintiff the statutory interest of 8 percentage points above the reference rate of the National Bank of Romania applicable to the net amount as determined at the date of payment, calculated from the due date (22 June 2021) until the date of full payment.</p> <p>- The Defendant is ordered to pay to the Plaintiff the sum of all costs, fees and expenses incurred in connection with this arbitration, in the amount of EUR 16,573.30 and RON 178,169.89 (including VAT).</p> <p>- Any other claims or demands of the Parties are dismissed.</p>
67	8440/3/2022	Bucharest Tribunal	R: Serv times P: Transelectrica		Execution of administrative contract - 1. In the first point, the Plaintiff requests "that Transelectrica be ordered to pay the amount of 2,437,253.31 lei excluding VAT	Hearing 08.11.2022 Decision in brief: Based on Art. 242 para. 1 Code of Civil Procedure, suspends the proceedings. With the right to file a motion to reopen and appeal for the duration of the stay. The application for appeal shall be lodged with the Bucharest Court - Civil Section VI, under penalty of nullity. Delivered in public hearing today, 08.11.2022. Document: Decision - Suspension 08.11.2022 Redocket.

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					<p>representing the difference in labour costs paid following the entry into force of GEO 114/2021, in accordance with the reasons which we will set out in detail herein and in the attached centralised statement".</p> <p>2. In the second point, the Plaintiff requests "Transelectrica to be obliged, by the court, by way of substitution of the defendant's consent, to conclude an Addendum, obliging the Defendant to conclude with the undersigned an Addendum to Works Contract No. C 80/2018, following the increase in the gross minimum wage per country guaranteed in payment in the construction sector, for the additional costs related to the increase in the gross minimum wage per country guaranteed in payment in the construction sector and until the completion of the contract".</p> <p>3. In point three, the Plaintiff requests "that Transelectrica be ordered to pay the sum of 276,401.58 lei by way of late payment penalties, until the principal debt has been paid and extinguished</p>	Hearing 15.03.2024
68	5507/2/2022	CA Bucharest	R: Transelectrica P: EXPLOCOM GK SRL	CV claims	2,287,992 lei, representing the value of 13619 HP	Decision in brief: Admits the objection of lack of material-functional and territorial jurisdiction of the Bucharest Court of Appeal. Declares that the Court of Harghita has jurisdiction to hear the case. Definitive. Delivered today. 07.04.2023, by making the decision available to the parties through the court registry.
69	3156/268/2023	Odorheiu Secuiesc Court  T.HR.	R: Explocom GK SRL P: Transelectrica	Appeal against enforcement file 376/E/2023	3.373.358,29 lei	Dismisses the appeal for enforcement filed by the appellant EXPLOCOM GK SRL against the respondent National Power Grid Company Transelectrica SA as groundless. Dismisses the application for suspension of enforcement as groundless. Orders the appellant EXPLOCOM GK SRL to pay to BEJ Demeter Tiberiu Claudiu the sum of RON 147,56 representing the costs of photocopying enforcement file No 376/E/2023. The costs of the proceedings shall be claimed separately by both parties. With right of appeal within 10 days of notification. The appeal shall be lodged with the Odorheiu Secuiesc Court. Delivered by making the decision available to the parties through the court registry on 31.10.2023. Document: Decision 2637/2023 31.10.2023



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						Explocom has appealed. Admits the appeal filed by the appellant Explocom GK SRL against the respondent National Power Grid Company Transelectrica SA, against the Civil Decision no. 2637 of 31 October 2023, delivered by the Odorheiu Secuiesc Court in Case no. 3156/268/2023, which it changes in its entirety, in the sense that: Admits the appeal against execution lodged by the appellant Explocom GK SRL and, consequently: Annuls the execution carried out in Execution File no. 376/E/2023 of the Court Executor Demeter Tiberiu Claudiu. Definitive. Delivered in public hearing today, 20 February 2024. Document: Decision 50/2024 20.02.2024
70	16905/3/2022	Bucharest Tribunal  CAB	R: Transelectrica P: ANAF		appeal administrative tax act DEC. 563/26.02.2021	Hearing: 28.11.2022 Dismisses as groundless the plea of lack of locus standi of the Defendant MINISTRY OF PUBLIC FINANCE - DIRECTORATE-GENERAL FOR THE SETTLEMENT OF COMPLAINTS Admits the application. Annuls decision No 563/26.02.2021 concerning offsetting of tax liabilities. Dismisses the application for costs as groundless. With appeal within 15 days of notification. The appeal shall be filed with the Bucharest Court. Delivered today, 31.01.2023, by making the decision available to the parties through the court registry. Document: Decision 372/2023 31.01.2023. MFP - ANAF have lodged an appeal. <b>CAB's decision:</b> Dismisses the respondent's plea of invalidity of the appeals as groundless. Allow the appeals. Sets aside in part the decision under appeal and on appeal: Dismisses the application as groundless. Upholds the decision dismissing the plea of lack of locus standi of the Ministry of Finance. The case is final. Delivered today, 5.12.2023, with the decision being made available to the parties through the Court Registry. Document: Decision 2589/2023 05.12.2023
71	23887/3/2022 23887/3/2022/ a2	TMB	R:Transelectrica P: Grand Voltage and Omniasig	Claims	25.107.776,95 lei, damages + 4.150.451,31 lei, guarantee of good execution	Hearing: 15.03.2024
72	15561/3/2022	Bucharest Tribunal	R: SMART SA P: Transelectrica	Execution of administrative contract - claims	. the amount of 4,467,108 lei, representing the amount of tax liabilities related to increased income as a result of the increase in the tax base resulting from the adjustment of income for 2014, 2015 and 2016 + legal expenses.	Lack of expert's report. Hearing: 04.04.2024
73	2082/3/2020	Bucharest Tribunal	D:SC ENOL GRUP SA C: Transelectrica	L 85/2014 Insolvency procedure Claim statement	2,514,312 lei	On the basis of Article 139 of Law no. 85/2014 on insolvency proceedings, confirms the plan for the reorganization of the debtor's activity proposed by the special administrator. Sets the hearing for the continuation of the proceedings on 13.09.2024, at 09.00 a.m., when the creditors will be summoned through the BPI. With appeal, within 7 days from the communication of the decision by publication in the Insolvency Proceedings Bulletin, to be filed with the Bucharest Court, Civil Section VII. Delivered today, 09.02.2024, by making the decision available to the parties through the court registry. Document: Interim Decision 311/2024 09.02.2024
74	146/91/2022	Vrancea Tribunal  CA Galati	SC AGRO CLASS SRL Focșani, <i>Scutaru Gelu and Scutaru Eugenia, Plaintiffs, and the Romanian State, through the General Secretariat of the Government,</i>	They contest the value of the expropriated land established by the	3.793.722,23 lei (equivalent to 762.618,54 euro with a value of 1 euro valid on 30.09.2023 - 4,9746 lei) representing the amount of damages claimed, expert's fee of 5000 lei and lawyer's fee of 15.000 lei.	At the hearing of 20.04.2022, the exception of the lack of legal standing of NPG CO. Transelectrica SA was admitted, but it will have the quality of representative of the Romanian State through the General Secretariat of the Government. The plea of lack of locus standi of the defendant, National Power Grid Company "Transelectrica" SA, raised by it in its statement of defence, is upheld. Dismisses the claim of the Plaintiffs against the Defendant National Power Grid Company "Transelectrica" SA as being brought against a person without locus standi. partially admits the application Orders

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			<i>through NPG CO. Transelectrica SA, defendant, and NPG CO. Transelectrica SA, defendant.</i>	Decision of the Commission for the verification of property rights and other rights in rem and for the determination of compensation within the Municipal Administration of Marasesti no.2/21.12.2021.	Request that the compensation be fixed in the amount of 3,793,722.23 lei and that the defendants be obliged to pay them the amount requested, taking into account the amount of 545.79 lei registered in their name	the partial annulment of the expropriation decision no. 89/23.04.2018 issued by the defendant, as rectified by expropriation decision no. 818724.07.2020, regarding item no. 279, in the sense that the amount of the compensation established in favour of the Plaintiffs for the expropriation of the land in the area of 108 sqm extravilan UAT Mărășești, T56, P313 is 89.370 lei, instead of 545,79 lei. Orders the Defendant to pay to the Plaintiff SC Agro Class SRL the sum of 4,000 lei by way of legal costs, representing c/v expert fees. With right of appeal within 30 days of notification. The application for appeal shall be lodged with the Vrancea Court. Delivered today, 26.10.2023, with the decision being made available to the parties by the court registry. Document: Decision 514/2023 26.10.2023  Hearing for appeal: 13.03.2024
75	<b>Request for arbitration ARB-5680</b>	Vienna International Arbitration Centre (VIAC)	R: Oleg Buralcu  P: Transelectrica	claims	<u>Order</u> Transelectrica to pay the total amount of 792,132 lei, the amount being made up as follows: - 186.384 lei (37.664,7 euro), <i>which would represent the non-competition compensation, according to art.5.2.3 of the Mandate Contract no.C233/30.09.2020</i> , - RON 605,748 (EUR 122,410.4), <i>which would represent the compensation for the remaining gross monthly fixed allowances until the end of the mandate, in accordance with Article 9.2 letter A of the Mandate Contract no. C233/30.09.2020</i>	By the Arbitral Award rendered on 30.12.2022, communicated to Transelectrica SA on 03.01.2023, the sole arbitrator ordered the following: - Admits the plaintiff's request for arbitration, - Orders the Defendant Transelectrica SA to pay the Plaintiff the following amounts: - the gross amount of 605,748 lei, representing the compensation for the revocation of the Mandate Contract no.C233/30.09.2020 without just cause, according to art.9.2 letter A of the Mandate Contract no.C233/30.09.2020, to which shall be applied the simple legal interest at the level of the reference interest rate of the BNR plus 8 percentage points, applied to the amount due, from the date of the arbitration award until the actual payment of the amounts due - the gross amount of 186,384 lei, representing the non-competition compensation, pursuant to Article 5.2.3 of the Terms of Reference Contract no.C233/30.09.2020, to which shall be applied the statutory simple interest at the level of the reference interest rate of the BNR plus 8 percentage points, applied to the amount of the sum due, from the date of the arbitration award until the actual payment of the sums due - the actual payment of these amounts will be made on a net basis, through the appropriate application of Clause 6.5 of Mandate Contract No C233/30.09.2020 - Orders the Defendant Transelectrica SA to pay the sum of EUR 7,837.25 and RON 10,000 by way of arbitration costs. - All other claims and defences are dismissed.
76	<b>Arbitration Case ARB-5706</b>	Vienna International Arbitration Centre (VIAC)	R Nitu Catalin  P:TRANSELECTRICA	Claims	By means of arbitration request ARB-5706 Nitu Catalin (RO) vs. Transelectrica (RO), Mr. Nitu Catalin requested that Transelectrica SA be ordered to pay the amount of 559,164 lei (113,092.65 euro), which would represent the non-	By the Arbitral Award rendered on 12.04.2023, communicated to Transelectrica SA on 19.04.2023, the sole arbitrator ordered the following: (i) ORDER the Defendant National Power Grid Company "Transelectrica" S.A., on the basis of Articles 5.2.3, 6.5 and 9.1 of the Mandate Contract no. C444 /23.11.2020, to pay to the Plaintiff Nitu Catalin the net amount of the Non-Competition Compensation (in the amount of 559,164 lei gross), determined after calculation, withholding at source and remittance to the Romanian State of the taxes and duties related to this amount; (ii) ORDER the Defendant National Power Grid Company "Transelectrica" S.A., on

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					competition compensation, according to art.5.2.3 and 9.1 of the Mandate Contract no.C444/23.11.2020. Also, Mr. Nitu Catalin requested that Transelectrica SA be ordered to pay the legal interest applied to the aforementioned amount, from 25.06.2021 until the date of actual payment.	the basis of Article 1535 (1) of the Civil Code, Article 3(21) of the General Order no. 13/201 I and Article 4 of Law no. 72/201 3, to pay to the Plaintiff Nitu Catalin the legal penalty interest, applied to the Compensation for Non-Competition, from 25 June 2021 until the date of actual payment, as follows: a) Between 25 June 2021 and 30 June 2021: a statutory penalty interest of 9.5%; b) Between 1 July 2021 and 31 December 2021: a statutory penalty interest of 9.25%; c) From 1 January 2022 to 30 June 2022: a statutory penalty interest of 9.75%; d) Between 1 July 2022 and 31 December 2022: a statutory penalty interest of 11.75%. e) During the period from 1 January 2023 to 12 April 2023, the date of this Decision: a statutory penalty interest of 14.75%; f) From 12 April 2023, the date of this Decision, and until the date of payment: the legal penalty interest, calculated in accordance with Article 1535(1) of the Civil Code, Article 3(21) of O.G. 13/2011 and Article 4 of Law no. 72/2013; (iii) ORDERS the Defendant National Power Grid Company "Transelectrica" S.A. to pay to the Plaintiff Nitu Catalin the sum of EUR 6,521.17 by way of arbitration costs, as well as the sum of RON 16,476.07, representing party costs; (iv) DISMISSES all other claims and demands.
77	<b>Application ARB-5713</b>	Vienna International Arbitration Centre (VIAC)	R: Luiza Popescu P: Transelectrica	claims	By means of Request for Arbitration ARB-5713 Popescu (RO) VS. Transelectrica S.A. (RO), Ms Luiza Popescu requested that Transelectrica SA be ordered to pay a total amount of 792,132 lei, the amount being as follows: - 186,384 lei (37,664 euro), which would represent the non-competition compensation, according to art.5.2.3 and 9.1 final paragraph of the Mandate Contract no.C235/30.09.2020, - RON 605,748 (EUR 122,408), which would represent the compensation related to the gross fixed monthly allowances remaining until the end of the mandate, in accordance with Art.9.2 letter A and Art.9.1 letter a) of the Mandate Contract no.C235/30.09.2020 At the same time, Ms. Luiza Popescu requested that Transelectrica SA be ordered to pay the legal interest applied to the above-mentioned amounts, initially requested	On 09.10.2023 was registered at Transelectrica SA, with no.47719/09.10.2023 - the Arbitral Award rendered on 28.09.2023 following the settlement of the arbitration request ARB-5713 Popescu (RO) vs. Transelectrica (RO). By the Arbitral Award the Arbitral Tribunal ordered the following: - The Sole Arbitrator hereby admits the Request for Arbitration submitted by the Plaintiff LUIZA POPESCU, and accordingly, - Orders the defendant, NATIONAL POWER GRID COMPANY "TRANSELECTRICA" S.A., by application of the provisions of Article 6.5 of the Contract of Mandate, to pay the net amount of: - the gross amount of RON 605 748.00, representing the compensation for the gross fixed monthly allowances remaining until the end of the plaintiff's term of office, pursuant to Article 9(2)(b) of the Personnel Regulations. A of the Mandate Contract, to which shall be applied the statutory penalty interest, calculated at the rate of the reference interest rate of the BNR plus 8 percentage points, from the date of the present arbitral award until the actual payment of all amounts due; and - the gross amount of 186,384.00 RON, representing the non-competition compensation, pursuant to art. 5.2.3 and art. 9.1 final paragraph of the Mandate Contract, to which shall be applied the statutory penalty interest, calculated at the rate of the reference interest rate of the BNR plus 8 percentage points, from the date of this arbitration award until the actual payment of all amounts due. - Orders the defendant, NATIONAL POWER GRID COMPANY "TRANSELECTRICA" S.A., to pay to the Plaintiff the sum of RON 11 759,58 and EUR 7 011,51 by way of arbitration costs. - All other claims and defences raised by the Parties are dismissed.

No.	File No.	Court	Parties to the dispute and capacity	Subject of the file	Amount in dispute	Current status of the dispute
					from the date of the commencement of the arbitration until the date of the actual payment, subsequently by the Memorandum of the Developer specified in paragraph 32 letter C. and in paragraph 123 letter c): "from the date of the commencement of this arbitration until the date of the payment of the full amount claimed" and amended in paragraphs 78 and 79 - from 22.06.2021 until the date of the actual payment.	
78	<b>Arbitration Case ARB-5724 Bucharest Court of Appeal case no. 191/2/2024 - action for annulment Hearing: 18.04.24</b>	Vienna International Arbitration Centre (VIAC)	R: Goicea Adrian  P:TRANSELECTRICA	Claims	By means of Request for Arbitration 5724 Goicea Adrian (RO) VS. TRANSELECTRICA S.A. (RO), Mr Goicea Adrian requested that Transelectrica SA be ordered to pay the following amounts: - 186.384 lei (37.843,00 euro), which would represent the non-compete compensation, according to art.5.2.3 and art.9.1 final paragraph of the Mandate Contract no.C234/30.09.2020, plus the legal interest of 32.227,84 lei (6.543,00 euro), calculated for the period 22.06.2021 - 10.01.2023, as well as thereafter, until the date of payment. - 605,748 lei (122,990 euro), which would represent the compensation related to the gross fixed monthly allowances remaining until the end of the mandate, according to art.9.2 A and art.9.1 lit.a) of the Mandate Contract no.C234/30.09.2020, plus the legal interest of 104,740.47 lei	On 08.12.2023, the arbitration decision delivered on 04.12.2023 following the resolution of the arbitration request ARB-5724 Goicea Adrian (RO) vs. Transelectrica (RO) was registered at Transelectrica SA, with no.58392/08.12.2023. By the Arbitral Award the Arbitral Tribunal ordered the following: "- Admits in full the claim of the Plaintiff Adrian Goicea against the Defendant National Power Grid Company Transelectrica S.A. and order the Defendant to pay to the Plaintiff the amount of 186,384 RON representing the non-competition compensation according to the Contract plus the legal penalty interest at the reference interest rate plus 8 percentage points, in the amount of 54.551.79 RON calculated until 18 October 2023, to which shall be added the legal penalty interest at the reference interest rate plus 8 percentage points, the amount of which shall be calculated in lei (RON), in accordance with Article 3, paragraph 3. (2 index 1) of GC no. 13/2011, for the amount of RON 186,384, starting on 19 October 2023 and continuing until full and effective payment of the amount representing the non-competition compensation under the Contract. - Admits in full the claim of the Plaintiff Adrian Goicea against the Defendant National Power Grid Company Transelectrica S.A. and order the Defendant to pay to the Plaintiff the amount of RON 605,748 as termination compensation for the gross monthly fixed compensation remaining until the end of the mandate according to the Contract. - Admits in part the claim of the Plaintiff Adrian Goicea against the Defendant National Power Grid Company Transelectrica S.A. concerning the legal interest related to the amount representing the termination compensation related to the gross monthly fixed indemnities remaining until the end of the mandate according to the Contract and orders the Defendant to pay to the Plaintiff the legal penalty interest at the level of the reference interest rate plus 8 percentage points related thereto, the amount of which is to be calculated in RON, in accordance with Article 3 para. (2 index 1) of GC no. 13/2011, for the amount of RON 605,748, starting from the date of the present Arbitration Award and continuing until the full and effective payment of the amount representing the termination compensation under the Contract. - Admits in full the claim of the Plaintiff Adrian Goicea against the Defendant National Power Grid Company Transelectrica S.A. and order the Defendant to pay to the Plaintiff the amount of RON 46,596 representing the variable component according to the Contract plus the legal penalty interest at the reference interest rate plus 8 percentage points, in the amount of 13.472.63 RON calculated up to 18 October 2023, to which shall be further added the legal penalty interest at the level of the reference interest rate plus 8 percentage points



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					<p>(21,266.00 euro), calculated for the period 22.06.2021 - 10.01.2023, as well as thereafter, until the date of payment.</p> <p>- 46,596 lei (9,461.00 euro), which would represent the variable component of the remuneration for the year 2020, according to Annex 2 to the Addendum No.1 to the Mandate Contract No.C234/30.09.2020, plus the statutory interest of 7,891.64 lei (1,602.00 euro), calculated for the period 06.07.2021 - 10.01.2023, as well as thereafter until the date of payment.</p>	<p>thereof, the amount of which shall be calculated in RON, in accordance with Article 3 paragraph 3. (2 index 1) of GC no. 13/2011, for the amount of RON 46,596, starting on 19 October 2023 and continuing until full and effective payment of the amount representing the variable component under the Contract.</p> <p>- Dismisses in its entirety the claim of the Plaintiff Adrian Goicea against the Defendant National Power Grid Company Transelectrica S.A. for the updating of the amounts claimed by the Plaintiff with the inflation rate.</p> <p>- Orders the Defendant National Electricity Transmission Company Transelectrica S.A. to pay to the Plaintiff Adrian Goicea by way of reimbursement of the Plaintiff's arbitration costs and expenses in the present arbitration proceedings the sum of RON 38,756 (including VAT) as well as the sum of EUR 6,936.07 (including VAT).</p> <p>- Order the Defendant Compania Națională de Transport de Energie Electrică Transelectrica S.A. to bear its own costs and expenses in these arbitration proceedings.</p> <p>- All other claims, requests and defences raised by the Parties are dismissed and this Arbitral Award concludes and resolves the arbitral proceedings on the merits."</p> <p><b>CAB Hearing: 18.04.2024</b></p> <p>By means of the developer's brief, the Plaintiff amended its claims, requesting the following amounts:</p> <p>- 186.384 lei (37.843,00 euro), which would represent the non-compete compensation, according to art.5.2.3 and art.9.1 final paragraph of the Mandate Contract no.C234/30.09.2020, plus the legal interest of 32.258,05 lei (6.753,00 euro), calculated for the period 22.06.2021 - 13.01.2023, as well as thereafter, until the date of payment.</p> <p>- 605,748 lei (122,990 euro), which would represent the compensation related to the gross fixed monthly allowances remaining until the end of the mandate, according to art.9.2 A and art.9.1 let.a) of the Mandate Contract no.C234/30.09.2020, plus the legal interest of 108,088.68 lei (21,946.00 euro), calculated for the period 22.06.2021 - 13.01.2023, as well as thereafter, until the date of payment.</p> <p>46,596 lei (9,461.00 euro), which would represent the variable component of the remuneration for the year 2020, according to Annex 2 to the Addendum No.1 to the Mandate Contract No.C234/30.09.2020, plus the statutory interest of 8,149.19 lei (1,655.00 euro), calculated for the period 06.07.2021 - 13.01.2023, and thereafter until the date of payment.</p>
79	<b>Arbitration Case ARB-5726</b>	Vienna International Arbitration Centre (VIAC)	R: Comănescu Jean-Valentin  P:TRANSELECTRICA	Claims	<p>By arbitration request ARB-5726 Comanescu (RO) vs. Transelectrica S.A. (RO), Mr Comanescu Jean-Valentin requested that Transelectrica SA be ordered to pay the following amounts:</p> <p>- 186.384 lei (37.764,00 euro), which would represent the non-compete compensation, according to art.5.2.3 and art.9.1 final paragraph of the Mandate Contract no.C239/30.09.2020, plus the</p>	<p>On 03.01.2024 was registered at Transelectrica SA, with no.205/03.01.2024 - the arbitration decision delivered on 22.12.2023 following the resolution of the arbitration request ARB-5726 Comanescu (RO) vs. Transelectrica S.A. (RO).</p> <p>The Arbitral Tribunal ordered the following: "The Respondent National Power Grid Company - Transelectrica S.A. to pay to the Plaintiff Comănescu Jean-Valentin the non-competition compensation in the amount of 186.384,00 lei (equivalent in Euro - 37.764,00 Euro, exchange rate of the National Bank of Romania on 19.01.2023, 1 Euro = 4,9355 lei), updated with the inflation rate, also the legal interest calculated from the due date (22 June 2021) until the date of full payment, calculated according to art. 3 para. (21) of GC no. 13/2011 and art. 4 of Law 72/2013.</p> <p>- Order the Defendant National Power Grid Company - Transelectrica S.A. to pay to Comănescu Jean-Valentin the compensation related to the gross monthly fixed allowances remaining until the end of the mandate in the amount of 605,748.00 lei (equivalent in euro 122.733,00 Euro, exchange rate of the National Bank of Romania on 19.01.2023, 1 Euro = 4,9355 lei), updated with the inflation rate, and the legal interest calculated from the due date (22 June 2021) until the date of full payment, calculated</p>

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					<p>legal interest of 32.227,84 lei (6.530,00 euro), calculated for the period 22.06.2021 - 19.01.2023, as well as thereafter, until the date of payment.</p> <p>- 605,748 lei (122,733 euro), which would represent the compensation related to the gross fixed monthly allowances remaining until the end of the mandate, according to art.9.2 A and art.9.1 let.a) of the Mandate Contract no.C239/30.09.2020, plus the legal interest of 104,740.47 lei (21,222.00 euro), calculated for the period 22.06.2021 - 19.01.2023, as well as thereafter, until the date of payment.</p> <p>- 46,569 lei (9,441.00 euro), which would represent the variable component of the remuneration for the year 2020, as per Annex 2 to the Addendum No. 1 to the Mandate Contract No. C239/30.09.2020, plus the statutory interest of 7,891.64 lei (1,599.00 euro), calculated for the period 06.07.2021 - 19.01.2023, and thereafter until the date of payment.</p> <p>At the same time, Mr Comănescu Jean-Valentin requested that Transelectrica SA be ordered to pay the arbitration costs.</p>	<p>according to art. 3 par. (21) of GC no. 13/2011 and art. 4 of Law 72/2013.</p> <p>- Order the Defendant National Power Grid Company - Transelectrica S.A. to pay to Comănescu Jean-Valentin the variable component of the remuneration for the year 2020 in the amount of 46,596.00 lei (equivalent in euro 9.441,00 Euro, exchange rate of the National Bank of Romania on 19.01.2023, 1 Euro - 4,9355 lei), updated with the inflation rate, as well as the legal interest calculated from the due date (22 June 2021) until the date of full payment, calculated according to art. 3 par. (21) of GC no. 13/2011 and art. 4 of Law 72/2013.</p> <p>- Order the Defendant National Power Grid Company - Transelectrica S.A. to pay to Comănescu Jean-Valentin the Plaintiff's arbitration costs consisting of VIAC administrative fees, including the arbitrator's fee, in the amount of 8,178.03 Euro, the registration fee for the case in the amount of 1,500 Euro, plus the lawyer's fee in the amount of 58,611.07 lei."</p>

No.	File No.	Court	Parties to the dispute and capacity	Subject of the file	Amount in dispute	Current status of the dispute
80	<b>Arbitration Case ARB-5735</b>	Vienna International Arbitration Centre (VIAC)	R: Mihaela Popescu P:TRANSELECTRICA	Claims	By means of Request for Arbitration ARB-5735 Mihaela Popescu (RO) VS. Transelectrica S.A. (RO), Ms Mihaela Popescu requested that Transelectrica SA be ordered to pay a total amount of 1,140,634.51 lei	<p><i>The file is in the submission phase</i></p> <p>amount of 1,140,634.51 lei</p> <p>the amount being as follows:</p> <ul style="list-style-type: none"> <li>- 4.141,86 lei, representing the gross fixed monthly remuneration for the period 22.06.2021 until the end of June 2021</li> <li>- 879,29 lei, representing the legal penalty interest on the previous debt calculated until 06.04.2023</li> <li>- 63,01 lei, representing the inflation index update of the amount mentioned in the first paragraph calculated until 06.04.2023</li> <li>- 605,748 lei, which would represent the compensation for the remaining gross monthly fixed allowances until the end of the mandate,</li> <li>- 128.596,98 lei, representing the legal penalty interest on the previous debt calculated until 06.04.2023</li> <li>- 7.471,90 lei, representing the inflation index update of the amount mentioned in the fourth paragraph, calculated until 06.04.2023</li> <li>- 186,384 lei, which would represent the non-competition compensation, according to Article 5.2.3 of the Mandate Contract,</li> <li>- 39.568,30 lei, representing the legal penalty interest on the previous debt calculated until 06.04.2023</li> <li>- 2.299,04 lei, representing the update with the inflation index of the amount mentioned in the seventh paragraph, calculated until 06.04.2023</li> <li>- 135.128,33 lei, representing the variable component of the remuneration</li> <li>- 28.687 lei, representing the legal penalty interest on the previous debt calculated until 06.04.2023</li> <li>- 1.666,80 lei, representing the updating with the inflation index of the amount mentioned in the seventh paragraph, calculated until 06.04.2023.</li> </ul> <p>At the same time, Mr Mircea Cristian Staicu requested that Transelectrica SA be ordered to pay the arbitration costs.</p>

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81	<b>Arbitration Case ARB-5736</b>	Vienna International Arbitration Centre (VIAC)	R: Mircea Cristian Staicu  P:TRANSELECTRICA	Claims	By means of Request for Arbitration ARB-5736 Mircea Cristian Staicu (RO) VS. Transelectrica S.A. (RO), Mr Mircea Cristian Staicu requested that Transelectrica SA be ordered to pay a total of 1,140,634.51 lei,	<i>The file is in the submission phase</i> The amount of 1,140,634.51 lei, being made up as follows: <ul style="list-style-type: none"> <li>- 4.141,86 lei, representing the gross fixed monthly remuneration for the period 22.06.2021 until the end of June 2021</li> <li>- 879,29 lei, representing the legal penalty interest on the previous debt calculated until 06.04.2023</li> <li>- 63,01 lei, representing the inflation index update of the amount mentioned in the first paragraph calculated until 06.04.2023</li> <li>- 605,748 lei, which would represent the compensation for the remaining gross monthly fixed allowances until the end of the mandate,</li> <li>- 128.596,98 lei, representing the legal penalty interest on the previous debt calculated until 06.04.2023</li> <li>- 7.471,90 lei, representing the update with the inflation index of the amount mentioned in the fourth paragraph, calculated until 06.04.2023</li> <li>- 186,384 lei, which would represent the non-competition compensation, according to Article 5.2.3 of the Mandate Contract,</li> <li>- 39.568,30 lei, representing the legal penalty interest on the previous debt calculated until 06.04.2023</li> <li>- 2.299,04 lei, representing the update with the inflation index of the amount mentioned in the seventh paragraph, calculated until 06.04.2023</li> <li>- 135.128,33 lei, representing the variable component of the remuneration</li> <li>- 28.687 lei, representing the legal penalty interest on the previous debt calculated until 06.04.2023</li> <li>- 1.666,80 lei, representing the updating with the inflation index of the amount mentioned in the seventh paragraph, calculated until 06.04.2023.</li> </ul> <p>At the same time, Ms Mihaela Popescu requested that Transelectrica SA be ordered to pay the arbitration costs.</p>
82	<b>Arbitration Case ARB-5742</b>	Vienna International Arbitration Centre (VIAC)	R: Marcu Corneliu Bogdan and Miu Andreea Mihaela  P:TRANSELECTRICA	Claims	By means of application ARB-5742 Marcu Corneliu Bogdan (RO) and Miu Andreea Mihaela (RO) vs. Transelectrica (RO) - Mr Marcu Corneliu Bogdan and Mrs Miu Andreea Mihaela requested that Transelectrica SA be ordered to pay the sum of 559,164 lei (113,434.5 euros) each, in total 1,118,328 lei (226,869 euros), which would represent the non-competition compensation, according to Article 5.2.3 of the Mandate Contracts.	<i>The case is in the phase of establishing the procedural timetable</i> At the same time, Mr Marcu Corneliu Bogdan and Mrs Miu Andreea Mihaela requested that Transelectrica SA be ordered to pay the legal interest applied to the aforementioned amount, from the date when the amount was due until the date of the actual payment, as well as to update the aforementioned amount with the inflation rate, from the date when the amount was due until the date of the actual payment.



No.	File No.	Court	Parties to the dispute and capacity	Subject of the file	Amount in dispute	Current status of the dispute
83	<b>Arbitration Case ARB-5758</b>	Vienna International Arbitration Centre (VIAC)	R: Nitu Catalin P:TRANSELECTRICA	Claims	By means of application ARB-5758 Nitu Catalin (RO) vs. Transelectrica (RO) - Mr Nitu Catalin requested that Transelectrica SA be ordered to pay the total amount of 2,249,082 lei (455,418.04 euro),	<i>The case is in the phase of establishing the arbitrator</i> The requested amount is formatted as follows: - 1.910.477 lei, which would represent the compensation related to the gross fixed monthly allowances remaining until the end of the mandate - 279,582 lei, which would represent the variable component of the remuneration for meeting performance criteria and objectives, for the first half of 2021 - 59,023 lei, which would represent the variable component of the remuneration for meeting the performance criteria and objectives, for November - December 2020 Mr Nitu Catalin also requested that Transelectrica SA be ordered to pay the legal interest on the above-mentioned amounts until the date of actual payment, as well as to update the above-mentioned amounts with the inflation rate until the date of actual payment, and that Transelectrica SA be ordered to pay the arbitration costs.
84	<b>3158/115/2018</b> <b>3158/115/2018**</b>	Caras Severin Court  Timisoara Court of Appeal  ICCJ	R: Transelectrica P: Dognecea Commune	Claims	940.88,27 lei + legal interest	Dismisses the action brought by the plaintiff, National Electricity Transmission Company "Transelectrica" SA, against the defendant, Dognecea Commune, through the mayor... Document: decision 119/2019 01.04.2019 CA TM decision:Admits the appeal filed by the Plaintiff NPG CO. "Transelectrica " SA against the civil decision no.119/01.04.2019 delivered in case no. 3158/115/2018 * of the Caras-Severin Tribunal. Changes the appealed decision and rejudges : Admits the plaintiff's action and order the Defendant Dognecea Commune to pay the sum of 940,888.27 lei to the Plaintiff , plus statutory interest, from the date of payment, until the actual repayment of the debt. Orders the Defendant to pay the appellant's costs in the sum of 19 520,82 lei, the appeal and the costs on appeal. With appeal within 30 days of notification. Delivered in public hearing on 28.10.2019.Document: Decision 818/2019 28.10.2019 Decision of the Full Court: dismisses the plea of untimeliness of the appeal and the plea of invalidity, raised by the respondent-plaintiff NATIONAL POWER GRID COMPANY TRANSELECTRICA S.A. in its statement of defence. Admits in principle the appeal filed by the appellant-respondent Dognecea Commune against civil decision no. 818/A of 28 October 2019, rendered by the Court of Appeal Timișoara - Civil Section II. <b>Sets a trial date of 29 September 2021, at 9 a.m., with summons to the parties.</b> Dismisses the plea of illegality raised by the respondent-plaintiff NATIONAL POWER GRID COMPANY TRANSELECTRICA S.A. Admits the appeal filed by the appellant-defendant Dognecea Commune against the civil decision no. 818/A of 28 October 2019, rendered by the Court of Appeal Timișoara - Civil Section II. Sets aside the contested decision and remits the case to the same court for retrial. Final. Dismisses the appeal brought by the appellant-appellant National Electricity Transmission Company "Transelectrica" SA, against civil decision no. 119/01.04.2019, delivered by the Court of Caras-Severin in case no. 3158/115/2018*, against the respondent Defendant Dognecea Commune. With the right to appeal within 30 days of communication, to be filed with the Court of Appeal Timisoara. Delivered in public hearing on 13.04.2022. Document: Decision 251/2022 13.04.2022. TEL appealed. ICCJ - Admits the appeal brought by the appellant-appellant National Power Grid Company "TRANSELECTRICA" S.A. against decision no. 251/A/13.04.2022, rendered by the Court of Appeal Timișoara - Civil Section II. Sets aside the appealed decision and, holding the case

No.	File No.	Court	Parties to the dispute and capacity	Subject of the file	Amount in dispute	Current status of the dispute
						for retrial: Admits the appeal filed by the appellant-plaintiff National Electricity Transmission Company "TRANSELECTRICA" S.A. against the civil decision no. 119/01.04.2019, rendered by the Court of Caraş Severin - Second Civil, Administrative and Fiscal Section and consequently: partially changes the appealed decision, in the sense that: Admits in part the application for the writ of summons. Orders the Defendant to reimburse the Plaintiff the amount of 181,982.08 lei, unduly received by way of rent for 2017, plus statutory interest, calculated from 19.07.2017 until the date of actual payment. Upholds the remainder of the decision under appeal. Orders the Defendant to pay to the appellant the sum of 9,489.28 lei by way of costs on the merits, appeal and appeal. The appeal is final. Decision No 1556/21.06.2023
85	909/3/2022	Bucharest Tribunal	Romelectro SA - debtor in insolvency Transelectrica SA - Creditor	insolvency proceedings	Application for inclusion in the creditors' list with the amount of 432,176,033.45 lei. Claim of 222.107.951,26 lei + 28.919.142 euro - claim dismissed. The <b>accepted claim is 67.028.218,66 lei</b> , claim registered under condition, dc. 50.852.888,78 lei - representing guarantees for the advance grant and GBE, 15.225.030,97 lei +192.127,07 euro, reciprocal claim related to the mutual claims in the pending files. The amount of 10.796,51 lei - claim accepted.	Decision in brief: Dismisses the applications for an extension of time to discuss the plea of untimeliness of the applications for the opening of bankruptcy proceedings filed on 16 August 2023 and 12 September 2023 with the resolution of the appeal in Case No 909/3/2022/a54 and, by implication, to discuss the applications for transfer to bankruptcy within the same time-limit for the resolution of the appeal in Case No 909/3/2022/a54, as groundless. Admits the plea of untimeliness of the filing of the applications registered on 16 August 2023 and 12 September 2023 for the opening of bankruptcy proceedings against the debtor company ROMELECTRO S.A., a plea raised by the court of its own motion in respect of both applications. Dismisses the applications filed on 16 August 2023 and 12 September 2023 for the opening of bankruptcy proceedings against the debtor company ROMELECTRO S.A. by the creditor ELECTROMONTAJ S.A. as premature. Take note of the waiver of the application for the opening of bankruptcy proceedings against the debtor company, filed by the creditor ELECTROMONTAJ S.A. on 29.05.2023. With appeal within 30 days from the communication of the decision by publication in the Insolvency Proceedings Bulletin, to be filed with the Bucharest Court, Civil Section VII. Delivered today, 11.10.2023, by making the decision available to the parties through the court registry. Document: Interim decision 4247/2023 11.10.2023 Hearing for continuation of the procedure: 18.06.2024
86	Arbitration Case ARB-5768	Vienna International Arbitration Centre (VIAC)	A: Stanciu Marius Viorel P:TRANSELECTRICA	Claims	By application ARB-5768 Stanciu Marius Viorel (RO) v Transelectrica (RO) - Mr Stanciu Marius Viorel requested that Transelectrica SA be ordered to pay a total amount of 4,390,618.73 lei (equivalent to EUR 883,833.30),,	<i>The case is in the phase of establishing the arbitrator</i> The amount is formatted as follows: - 714.164,26 lei, representing the non-competition compensation, according to art.5.2.3 of the Mandate Contract, updated with the inflation index. - 187.649,11 lei, representing the legal penalty interest for the previous debt, calculated until 25.09.2023 - 2,794,110.57 lei, which would represent the compensation for the termination of the contract, according to clause 9.2 of the Mandate Contract, updated with the inflation index, the total amount being made up of the amount of 2,416,562.36 lei, related to the gross fixed monthly allowances remaining until the end of the mandate and the amount of 377,548.27 lei, which would represent the variable component of the remuneration for the fulfilment of the performance criteria and objectives - 694.694,79 lei, representing the legal penalty interest related to the previous debt, calculated until 25.09.2023. At the same time, Mr Stanciu Viorel-Marius requested that Transelectrica SA be ordered to pay the legal interest applied to the principal amounts mentioned above, until the date of

No.	File No.	Court	Parties to the dispute and capacity	Subject of the file	Amount in dispute	Current status of the dispute
						actual payment.
87	Arbitration case ARB-5770	Vienna International Arbitration Centre (VIAC)	A: Burlacu Oleg P:TRANSELECTRICA	Claims	By means of the initial request for arbitration ARB-5680 Burlacu Oleg (RO) vs. Transelectrica (RO) Transelectrica SA, Mr. Oleg Burlacu requested that Transelectrica SA be ordered to pay the amount of 46,596 lei (9385.46 euros), representing the variable component of the remuneration for meeting the performance criteria and objectives for 2020, updated with the inflation rate, as well as the amount of 13.697.95 lei (equivalent to 2,759.06 EUR), representing the legal penalty interest related to the previous debt, calculated from 07.07.2021 until the submission of the request for arbitration, and to the further payment of the legal penalty interest related to the main debt until the date of actual payment.	<i>The case is in the phase of establishing the arbitrator</i> Mr Burlacu Oleg also requested that Transelectrica SA be ordered to pay the arbitration costs. Subsequently, VIAC address no.ARB-5770/ks, dated 14.12.2023, was uploaded in the VIAC portal, where it is mentioned the attachment of the Request for amendment and clarification of the request for arbitration, formulated by the Plaintiff and sent to VIAC on 13.12.2023, in hard copy format. By this request for amendment and clarification of the request for arbitration, the Plaintiff additionally requests: - that Transelectrica SA also be ordered to pay the variable component of the remuneration for the year 2021 (January - 22 June 2021), in the amount of 89,050 lei (equivalent in euro 17.908), updated with the inflation rate, as well as the legal interest in the amount of 19,939.27 lei (equivalent in euro 4010), calculated from the due date (13.05.2022) until the date of the request for arbitration, modifying and clarifying, and continuing thereafter until the date of full payment. - Order the Defendant to pay all taxes and duties relating to the amounts granted as a variable component of remuneration for the years 2020 and 2021.
88	5295/3/2021	Bucharest Tribunal	A: Romsilva P: Transelectria	Claims	2433608,52, rent year 2010 temporary occupancy land + penalties	Action dismissed definitively on 26.09.2023
89	37352/3/2021	Bucharest Tribunal Galati Tribunal  CA Galati	R : Transelectrica P : Next Energy Partners	Claims	8.395.132,23 lei + legal interest	Grant in part the application. Orders the Defendant Next Energy Partners S.R.L. to pay to the plaintiff, National Power Grid Company Transelectrica S.A.: - the sum of 3,557,200.134 lei by way of compensation and the statutory penalty interest calculated from 28.10.2021 until full payment of the compensation amount; - the amount of RON 1,228,640.11 by way of compensation, as well as the statutory penalty interest calculated from 28.10.2021 until full payment of the compensation. Orders the Defendant Next Energy Partners S.R.L. to pay to the Plaintiff National Power Grid Company Transelectrica S.A. the sum of 53,247 lei by way of legal costs. With an appeal within 30 days from the date of notification, to be filed with the Court of Galati. Delivered today, 05.12.2023, the decision to be made available to the parties through the court registry.Document: Decision 251/2023 05.12.2023. Hearing for appeal: 27 March 2024
90	5965/3/2024	TMB	R : Transelectrica P: ISPE	Claims	1,040,720 lei	No set hearing.

## Annex 7 - Glossary of terms

"ANRE"	National Electricity Regulatory Authority
"BAR"	Regulated asset base
"BVB"	Bucharest Stock Exchange, the operator of the regulated market on which the Shares are traded
"CCM"	The collective labour agreement concluded at the level of the Company
"EEC"	European Economic Community
"EEC"	Wind Power Plant
"CEF"	Photovoltaic Power Plant
"CET"	Electric Power Station for Heating
"CHEAP"	Pumped storage hydroelectric power plant
"CNE"	Nuclear power plant
"Company", "NPG CO."	National Power Grid Company "Transelectrica"- SA
"OTC"	Own Technological Consumption
"CS"	Supervisory Board
"CSR"	Corporate responsibility
"d. c."	Double circuit
"DEN"	National Energy Dispatcher
"EBIT"	Operating profit before interest and income tax
"EBITDA"	Operating profit before interest, income tax, depreciation and amortisation
"EBT"	Operating profit before income tax
"EMS-SCADA"	Main infrastructure for dispatching (Energy Management System - Supervisory Collection And Data Acquisition)
"ENTSO-E"	European Network of Transmission System Operators for Electricity
"ENS"	Energy not delivered to consumers
"Euribor", "Libor", "Robor"	Interbank interest rates
"Formenerg"	The company FORMENERG SA
"Group"	The company and its subsidiaries
"HG 627/ 2000"	Government Decision No 627/2000 on the reorganisation of the National Electricity Company - S.A., published in the Official Gazette No 357 of 31 July 2000
"HG"	Government Decision
"Icemenerg Service"	Company Subsidiary "ICEMENERG-SERVICE" Bucharest,
"IFRS"	International Financial Reporting Standards
"ISO"	Independent System Operator
"ITO"	Independent Transmission Operator
"KPI"	Key Performance Indicator
"LEA"	Overhead power lines
"Leu" or "Lei" or "RON"	Official currency of Romania
"MO"	Official Gazette of Romania
"OG"	Government Ordinance
"ONRC"	National Trade Registry Office
"OPCOM"	Operator of the Romanian Electricity Market OPCOM SA



"TSO"	Transmission system operator
"OUG"	Government Emergency Ordinance
"pa"	For certain
"PCCB"	Centralised Bilateral Contracts Market
"PCR"	Price Coupling of Regions agreed for the future model of the Single European Electricity Market
"PE"	Balancing Market
"PCI"	Projects of Common Interest
"DAM"	Market for the Next Day
"RET"	Electricity Transmission Network, electricity network of national and strategic interest with nominal line voltage higher than 110 kV
"SEN"	National Power System
"Smart."	Society for the Maintenance Services of the Electric Transmission Network SMART SA
"SSF"	Functional system service
"SST"	Technology System Service
"TEL"	Stock market indicator for Transelectrica
"Teletrans"	Society for Telecommunications and Information Technology Services in Electric Transmission Networks TELETRANS SA
"TSR"	Total shareholder return
"EU"	European Union
"u.m."	Unit of measurement
"USD" or "US dollars"	US dollar, the official currency of the United States of America
"WACC"	Weighted Average Cost of Capital



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