

NPG Co. TRANSELECTRICA S.A.

**ANNUAL
CONSOLIDATED
REPORT**

2021



Report of the Supervisory Board regarding the consolidated financial statements elaborated in accordance with the International Financial Reporting Standards

The Supervisory Board relies on the corporative governance principles, which provide the Company's responsible professional ethical attitude in relation with main stakeholders. The Board analyse the Company's strategy and the premises of the environment it operates in, with a view to plan Transelectrica's development and its performance, thus providing rigorous expression of objectives.

The 2021 consolidated financial statements have been submitted for the Supervisory Board's examination, and the Company's Directorate provided detailed information about the annual results. During the meeting for the verification of the 2021 financial statements, the Audit Committee provided the Supervisory Board with an analysis of results relating to 2021 financial year and recommended the Supervisory Board to endorse the consolidated financial statements, elaborated in accordance with OMFP 2844/2016.

At the same time the Directorate's Annual Report, drawn up in accordance with the requirements of the capital market was verified by the Supervisory Board members. The 2021 Annual Consolidated Report provides a fair accurate picture of the Company's results in the financial year 2021.

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

**With highest consideration,
Supervisory Board represented by the
Supervisory Board Chairman**

Statement of responsible persons

To the best of our knowledge the consolidated financial-accounting statements of 31 December 2021, elaborated in accordance with OMFP 2844/2016 approving the Accounting regulations compliant with the International Financial Reporting Standards as approved by the European Union, provide an accurate image conformant with the actual circumstances of assets, liabilities, financial position, profit and loss account of NPG Co. Transelectrica S.A., and the Directorate's Report includes accurate information true to real facts with respect to the Company's development and performance, as well as the description of the main risks and uncertainties specific to the activities performed.

Directorate,

**Gabriel
ANDRONACHE**

**Directorate
Chairman**

**Ștefăniță
MUNTEANU**

**Directorate
Member**

**Cătălin-Constantin
NADOLU**

**Directorate
Member**

**Marius-Viorel
STANCIU**

**Directorate
Member**

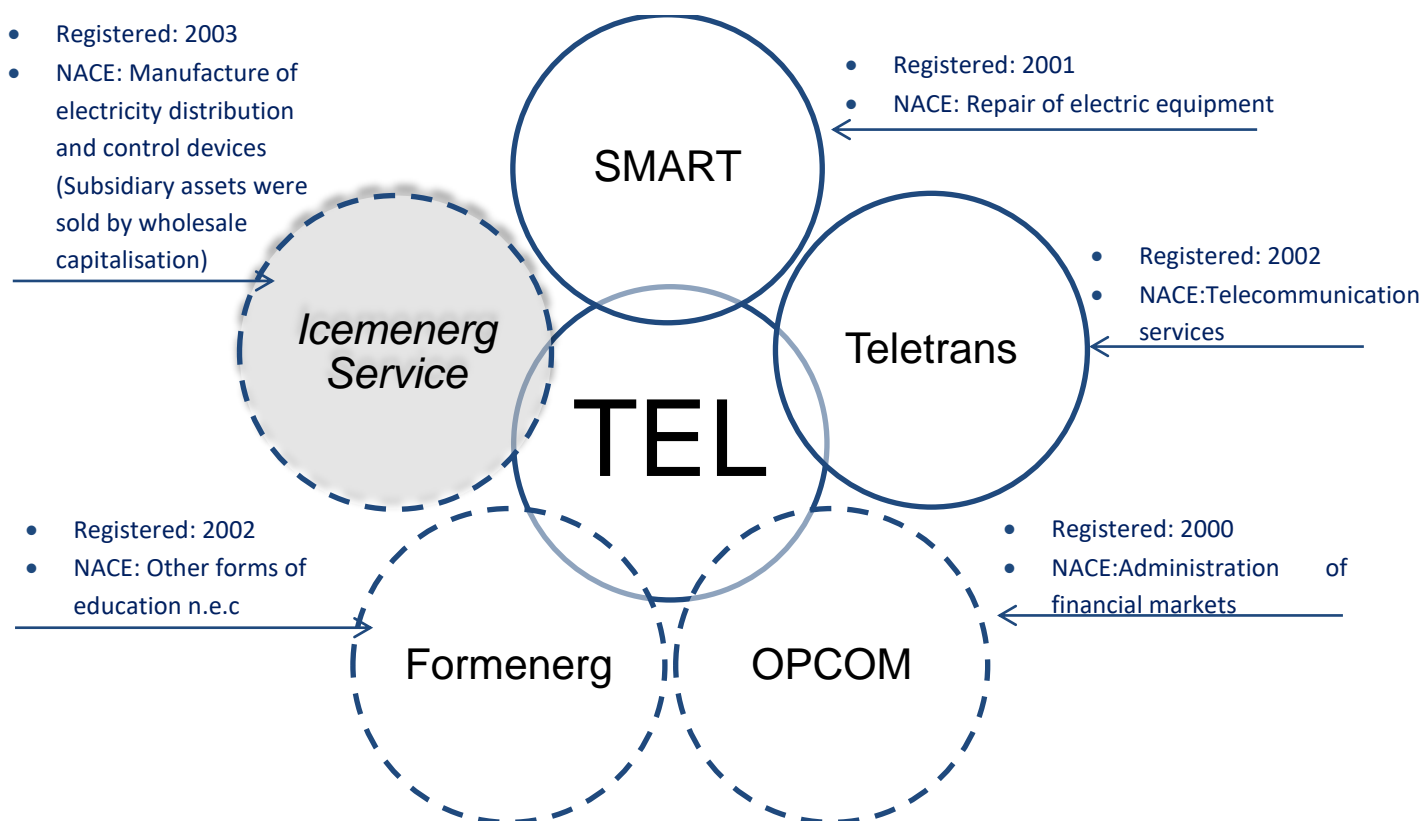
**Florin-Cristian
TĂTARU**

**Directorate
Member**

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SUBSIDIARIES PRESENTATION



On the date of this report Transelectrica has six subsidiaries in its structure, Romanian legal persons, organised as joint stock companies where it is the sole shareholder, namely: Formenerg, Teletrans, Smart, Icemenerg Service, Icemenerg SA (Energy Research and Modernising Institute ICEMENERG SA is a subsidiary cancelled by ONRC at present).

Among the Company's subsidiaries, only Smart and Teletrans are included in the Group's financial consolidation area. Formenerg and Icemenerg-Service have not been taken into consideration for consolidation because, according to the applicable accounting legislation, the impact of their activities is considered insignificant for consolidation purposes, while Transelectrica does not exercise actual direct control over OPCOM's decision-making, which is managed according to regulations established by ANRE.

SMART



Subsidiary SMART SA has as main business the review and repair of live devices and equipment, transformers and autotransformers, as well as the remedy of incidents in electric installations and micro-production of electric equipment. The company has 8 branches without legal personality, situated in the same locations as its territorial units.

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

As general strategic objectives the following is at least taken into account:

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

Decision 12375/22.12.2014 of BA chairman in 2014 indexed the share capital of Smart SA with the value of lands which ownership certificates were obtained for and introduced the Romanian State shareholder. Later such decision was cancelled when the Appeal Court Bucharest issued civil ruling 835/2019 under file 7763/2/2018.

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

On 20.11.2020 Subsidiary SMART SA registered with the National Trade Register Office of Bucharest Tribunal the changes from civil sentence 598/11.06.2020, as well as the amendments in the Articles of Association approved by AGA on 25.09.2019 as per civil ruling 835/2019, pronounced by the Appeal Court Bucharest.

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

On 31 December 2021 the share capital was of 38,529 thousand Lei. SMART results are consolidated with the Company's financial ones.

TELETRANS



Subsidiary TELETRANS SA was established by Decision 13/04.12.2002 of AGA from Transelectrica as per Law 31/1990 and Orders 3098 and 3101 / 23.10.2002 of the Ministry of Industry and Trade and it is the provider of specific communication & IT services for the operational and managerial governance of Transelectrica; its main business being the supply of specific telecommunication services and information technology in electrical transmission networks.

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

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

The competences of TELETRANS are structured by the following main lines:

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

TELETRANS uses optical fibre network built according to the reliable OPGW technology, with access points in 110 localities, as well as crossborder links with Hungary, Bulgaria and Serbia and it provides EMS/SCADA integration for electricity producers from renewable sources and the new command-control systems of refurbished substations.

On 31.12.2021 the share capital was of 6,874 thous Lei, Transelectrica being single shareholder. Teletrans' results are consolidated with the Company's financial ones.

Teletrans shares are 100% held by Transelectrica.

FORMENERG



Company FORMENERG SA was established under Decision 33/19.11.2001 of the Shareholders' General Assembly of Transelectrica SA by externalising the activities of Subsidiary Training and Qualifying the Personnel of the Energy Sector.

FORMENERG became operational on 21 March 2002.

Subsidiary FORMENERG is a company mainly dealing with the initial and continuous training of staff with attributions in the energy sector from all domains related to energy of the national economy, as well as other beneficiaries; it also provides hotel services, lease services and event organisation.

FORMENERG SA is the oldest professional training centre in Romania, with a 50 years' experience in the field of professional training, that has managed to upgrade and adapt to its clients' requirements, currently providing a wide range of courses in various fields: management, marketing, finance, accounting, legislation, IT, quality, environment, labour health and safety, constructions, energy strategy, ECDL, communication, human resources, EU funds, public procurement, technical courses, and energy-specific courses.

FORMENERG competences are structured by the following main lines:

- Training activities
- Launching new courses
- Participating to bids
- Re-licensing the courses
- Improving the company's technical-material base;

On 31.12.2021 the share capital was of 1,948 thous Lei, fully paid and represented by 194,842 shares of 10 Lei nominal value each.

FORMENERG shares are 100% held by Transelectrica.

ICEMENERG – SERVICE

Company ICEMENERG SERVICE-SA focused on the design, manufacture and distribution of metering, running and control apparatuses meant for the power system, being ISO 9001 and IQ NET certified by SRAC ROMANIA, licensed by ANRE.

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

On 27.04.2021 by letter 18759 the Special Administrator of Subsidiary ICEMENERG Service SA notified that on 23.04.2021 following auction the assets of Subsidiary ICEMENERG Service SA, both the current and non-current ones were capitalised throughout, buyer being Portland Trust Developements Five SRL.

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

OPCOM



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

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

- Organisation and administration of the centralised electricity markets;

- Settlement Operator by providing settlement on the Day-Ahead Market and the Intraday Market, namely establishing the payment obligations / collection rights on the Balancing Market and the quantitative and value imbalances of Balancing Responsible Parties;
- Organiser and administrator of the green certificates market;
- Exercising as administrator of the Platform transacting the greenhouse gas emission certificates;
- Exercising the administration of centralised markets in the natural gas sector;
- Supervising the operation of managed markets;
- Gathering and publishing market statistical data, according to the provisions of the energy law;

OPCOM has collaboration relations with the Stock Exchange Bucharest in order to find projects whereby the two entities will propose transacting by-products to manage the relativity risk of the energy price and execute compensation and settlement through a national Clearing House (Central Counterpart in Romania - CCP.RO).

CCP.RO Bucharest SA was established on 04.11.2019. In this project compared to the requirements of the European regulatory framework applicable to the documentation to approve the CCP.RO as central counterpart, the two parties negotiated the Contract on the framework for compensation and settlement of transactions concluded on the Centralised Market of Bilateral electricity Contracts, namely transaction by continuous negotiation (PCCB-NC) managed by OPCOM.

Throughout 2021 OPCOM kept collaborating with NASDAQ, supplier of the transaction platform for PCCB-NC, with a view to develop the technical solution to implement the technical export possibility for transactions and transaction accounts for a certain market, in real time.

Transelectrica does not exercise actual direct control over OPCOM's decision-making, which is managed by regulations established by ANRE.

On 31.12.2021 the share capital of Co. OPCOM was of 31,366 thousand Lei, Transelectrica participating as majority shareholder to the share capital on that date. The shareholder structure is the following:

- CNTEE Transelectrica SA – 97.84%
- Romanian State by the Secretariat General of Government – 2.16%.

IDENTIFICATION DATA**SMART**

Headquarters	Bucharest 1, Blvd. Gen. Gh. Magheru 33
Working location	Bucharest 4, Blvd. Gheorghe Sincai 3, Formenerg Building, first floor
Number in the trade register	J40/ 8613 / 2001
Single Registration Code	14232728
Share capital	38,529 thousand Lei, divided into 3,852,860 nominative shares of 10 Lei nominal value each
Single shareholder	Transelectrica
Establishment act	GD 710/ 2001 on establishing the subsidiary trading company for Maintenance Services in the Electricity Transmission Grid SMART SA by reorganising certain activities of the National Power Grid Company Transelectrica S.A.

TELETRANS

Headquarters	Bucharest 3, Blvd. Hristo Botev 16-18
Working location	Bucharest 1, Polona 68 Business Center, 68-72 Polona Str.
Number in the trade register	J40/ 12511/ 2002
Single Registration Code	15061510
Share capital	6,874,430 Lei, divided into 687,443 nominative shares of 10 Lei nominal value each
Single shareholder	Transelectrica
Establishment act	SGA Decision 13 of 20.03.2002 of CNTEE Transelectrica and orders 3098 & 3101/23.10.2002 of the Ministry of Industry and Resources

FORMENERG

Headquarters / Working location	Bucharest 4, Blvd. Gheorghe Sincai 3
Number in the trade register	J40/ 2265/ 2002
Single Registration Code	14529126
Share capital	1,948 thousand Lei, divided into 194,842 nominative shares of 10 Lei nominal value each
Single shareholder	Transelectrica
Establishment act	SGA Decision 33 of 19.11.2001 of Transelectrica

ICEMENERG SERVICE

Headquarters	Bucharest 3, Blvd. Energeticienilor 8
Number in the trade register	J40 / 11414 / 2003
Single Registration Code	15689117
Share capital	493 thousand Lei, divided into 49,300 nominative shares of 10 Lei nominal value each
Single shareholder	Transelectrica
Establishment act	GD 925 of 1 September 2010 on establishing, organising and operation of the National Institute of Energy Research-Development ICEMENERG Bucharest

OPCOM

Headquarters / Working location	Bucharest 3, Blvd. Hristo Botev 16-18
Number in the trade register	J40 / 7542/ 2000
Single Registration Code	13278352
Share capital	31,366 thousand Lei divided into 3,136,609 nominative shares of 10 Lei nominal value each
Shareholders	Transelectrica – 97.84% Romanian State – 2.16%
Establishment act	Governmental Decision (GD) 627/ 2000

GOVERNANCE STRUCTURES

The executive management of Subsidiaries on the date of this report is provided by the following persons:

SMART:

Gheorghe BOLINTINEANU	General Director
Mihai Liviu NEGOESCU	Economic Director

TELETRANS:

Dragoș-Ștefan ROIBU	General Director
Alia Mekkaoui	Economic Director

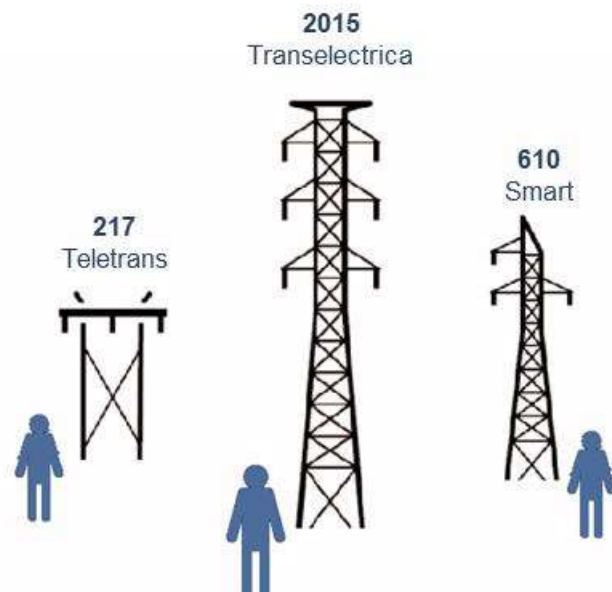
FORMENERG:

Lucian BICA	General Director
Marcel NICULESCU	Economic Director

OPCOM:

Victor IONESCU	General Director
Silvia FEDIUC	Economic Director

Number of employees in 2021



CONSOLIDATION RESULTS 2021-2019

The financial results of the Group's activities were as follows (thousand RON):

	2021	2020	2019	21/20
Operating revenues	3.784.002	2.392.901	2.441.522	▲ 58%
Operating expenses*	(3.488.722)	(1.941.674)	(2.044.708)	▲ 80%
EBITDA	295.280	451.227	396.813	▼ (35%)
Depreciation and amortization	(283.791)	(274.917)	(287.346)	▲ 3%
EBIT	11.489	176.309	109.468	▼ (93%)
Net finance result	(9.229)	(5.271)	(8.686)	▲ 75%
EBT	2.260	171.038	100.782	▼ (99%)
Income tax	(956)	(29.138)	(12.077)	▼ (97%)
NET RESULT	1.304	141.901	88.705	▼ (99%)

*Operating expenses without depreciation and amortization

	2021	2020	2019	21/20
Non-current assets	3.957.875	3.717.685	3.584.632	▲ 6%
Current assets	3.320.342	1.472.985	1.182.377	▲ 125%
TOTAL ASSETS	7.278.217	5.190.670	4.767.009	▲ 40%
Shareholders' equity	3.384.861	3.425.012	3.297.323	▼ (1%)
Non-controlling interests	0	0	19.748	▲ n/a
Non-current liabilities	743.747	698.284	705.214	▲ 7%
Current liabilities	3.149.609	1.067.374	744.725	▲ 195%
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	7.278.217	5.190.670	4.767.010	▲ 40%

	2021	2020	2019	21/20
Cash flows from operational activities	199.319	610.274	247.077	▼ (67%)
Net cash used in the investment activity	(399.465)	(285.187)	(318.737)	▲ 40%
Net cash used in financing activities	(105.045)	(94.870)	(94.203)	▲ 11%
Net increase/decrease in cash and cash equivalents	(305.191)	230.217	(165.864)	▼ (233%)
Cash and cash equivalents as at January 1 st	569.847	339.630	505.494	▲ 68%
Cash and cash equivalents at the end of the period	264.656	569.847	339.630	▼ (54%)

ACTIVITIES

In 2021 the two Subsidiaries included in the consolidation performed activities in accordance with their main businesses as follows:

• TELETRANS



The services offered by TELETRANS to third clients mainly consist of IT&C services using its own network, which operates on the excess optical fibre of TRANSELECTRICA (a pair of fibres and two pairs on certain segments) and of interconnection solutions for the electricity generators from renewable sources to the National Power System.

1. Process informatics / SCADA

- EMS / SCADA integration services for renewable energy producers and the new command-control systems in refurbished substations.
- Preventive or corrective maintenance services for the main critical IT systems that provide the functions of the transmission system operator and balancing market.
- Services for the management of process informatics systems - administration and updating of databases, saving of diagrams and archives, back-up.

2. IT & C

Fiber optic data transport services:

- Provision of STM1/STM4 and Ethernet over SDH/DWDM capabilities;
- Data transport services at STM16 / STM64, 1Gb, 10Gb, Lambda level;
- Services of type n x Mb, n x 1Gb, 10 Gb on IP / MPLS equipment;
- Specialized technical assistance.

IP communications services:

- Internet provided in over 100 points in the national fiber optic network;
- Secure VPN networks on IP / MPLS network;
- Metropolitan / national customer interconnection through exchange centers;
- IT outsourcing;
- Computer Science for Business Management.

3. Collocation

- Collocation centers in Bucharest (RoNIX node) and Timișoara
- Territorial presence points from 35 county seats
- 400 kV and 220 kV Transelectrica substations.

Infrastructure

- backbone of approximately 5000 km, with national coverage, in a redundant topology with 9 rings, which provide DWDM / SDH / PDH and Ethernet telecommunications services;
- DWDM & IP / MPLS backbone of approximately 4,000 km, with national coverage, in a redundant topology with 4 rings.

The fiber optic network on which the two backbones are made is built in a reliable OPGW technology and provides access points in 110 settlements as well as cross-border connections with Hungary, Bulgaria and Serbia (in the future also with Ukraine, Moldova and Turkey) .



Teletrans holds the certifications of the Quality Management System in accordance with the requirements of ISO 9001: 2008, the Environmental Management System in accordance with the requirements of ISO 14001: 2004, the Occupational Health and Safety Management System in accordance with the requirements of OHSAS 18001: 2007 and the Information Security Management System at Executive level, in accordance with the requirements of ISO / IEC 27001: 2013.

Affiliation

The subsidiary is a member of several professional organizations in the field of IT&C and energy

- at national level:
 - The Romanian National Committee of the World Energy Council
 - The National Association of Internet Service Providers in Romania
 - Romanian Society of Energy Engineers
 - National Association for Information Systems Security
- at international level:
 - International Council on Large Electric Systems
 - European Utilities Telecom Council
 - Réseaux Internet Protocol Européens.

• SMART



The main company activity consists of revisions and repairs to primary equipment of electric networks; remedial of incidents in electric installations; provision of energy services, micro-production of electric equipment.

Smart S.A. was established in order to provide maintenance and repair services to the installations of NPG Co. Transelectrica S.A. and it shall provide with priority the resources necessary for PTG maintenance, according to its established mission.

In addition the company can also carry out other related activities to sustain its main business, in accordance with applicable legislation and its own by-laws while providing safe operation of the National Power System.

The Company of Maintenance Services for the Electricity Transmission Grid Smart S.A. has designed, documented and implemented an Integrated Management System for quality, environment, labour security and health in accordance with the requirements of the following reference standards:

- ISO 9001:2015 "Quality management systems; Requirements" - for quality;
- ISO 14001:2015 "Environmental management systems; Specifications and usage guide" - for environment;
- ISO 45001:2018 "Management systems of occupational health and security" - for labour security.

The Integrated Management system quality-environment-labour safety and health is certified by SRAC and IQNet - certificates no.1111 / 11.01.2021 for ISO 9001:2015, no. 112 / 11.01.2021 for ISO 14001:2015 and no.139 / 11.01.2021 for ISO 45001:2018, valid until 23.12.2023, with annual supervision. Through the integrated management system, the company guarantees to the customers that the provided services are at least in accordance with the specified requirements.

Smart S.A. obtained two permits from CNCAN for the quality management system in the nuclear field, namely Permit no. 19-045 for the provision of services for nuclear facilities, according to the Orders of CNCAN President no. 65, 66, 71, 72/2003.

Smart SA has been certified by the National Regulatory Authority in the Energy domain for the following types of work:

- **A3** - testing electric equipment and installations in order to certify the technical conformity of power plants in relation to the applicable technical norms: Certificate no. 15264 / 4.11.2019 valid indefinitely with the necessary endorsements.
- **D1**- designing overhead and underground power lines with any standardized nominal voltages: Certificate no. 15265 / 4.11.2019 valid indefinitely with the necessary endorsements.

- **D2** - building overhead and underground power lines with any standardized nominal voltages: Certificate no. 15266 / 4.11.2019 valid indefinitely with the necessary endorsements.
- **E1**- designing transformer substations, power substations and installations for the electric part of power plants with any standardized nominal voltages: Certificate no. 15267 / 4.11.2019 valid indefinitely with the necessary endorsements.
- **E2** - executing transformer substations, power substations and works for the electric part of power plants with any standardized nominal voltages: Certificate no. 15268 / 4.11.2019 valid indefinitely with the necessary endorsements.

Also Smart holds permits issued by MAI-IGSU to carry out work such as:

- Installation and maintenance of fire limiting & extinguishing systems and installations, except for those containing certain greenhouse fluorinated gas, permit 5501/08.02.2016 granted for indefinite period.
- Installation and maintenance of signal, alarm and warning systems and installations in case of fire, permit 5502/08.02.2016, indefinite validity.
- Designing signal, alarm and warning systems and installations in case of fire, permit 6599/10.01.2017 of indefinite validity.
- Designing systems and installations fire limiting & extinguishing, permit no. 7087 / 08.06.2017 of indefinite validity.

Smart S.A. is certified for forestry activity by the Ministry of Environment, Waters and Forests - Certificate no. 1128 / 23.07.2020 valid until 31.07.2022.

The company carries out activities such as:

- as a maintenance service provider:
 - revisions and inspections
 - repairing electrical equipment and installations
 - interventions in accidental events
 - expertises, diagnoses and technical analyzes
 - configurations, adjustments and parameterizations of command-control systems
- as a provider of refurbishment and modernization services:
 - power substations
 - overhead power lines
- as a provider of special technology services:
 - live work – LW
 - rehabilitation of transformer insulation Design
- as a consulting and design provider:
 - design
 - consultancy and assistance.



Smart's national and international affiliations are as follows

- ✓ A - LST - R (Live Work Association in Romania - Founding Member)
- ✓ CIGRE (International Council of Large High Voltage Electrical Networks)
- ✓ CNR - CIGRE (Association of the Romanian National Committee CIGRE)
- ✓ CNR - CME (Romanian National Committee of the World Energy Council)
- ✓ SIER (Romanian Society of Energy Engineers)
- ✓ ASRO (Romanian Standardization Association).

FINANCIAL POSITION STATEMENT

The consolidated statement of financial position is as follows(thousand RON):

	31 December 2021	31 December 2020	31 December 2019
Non-current assets			
Tangible assets	3.881.441	3.636.262	3.518.276
Assets representing rights of use under a lease - buildings	32.690	37.773	6.329
Intangible assets	7.404	7.310	30.258
Financial assets	36.340	36.340	29.769
Long Term Receivables	0	0	0
Total non-current assets	3.957.875	3.717.685	3.584.632
Current assets			
Inventories	48.681	47.640	47.412
Trade and other receivables	2.985.893	854.250	710.334
Profit tax recoverable	21.112	1.248	0
Other financial assets	0	0	85.000
Cash and cash equivalents	264.656	569.847	339.630
Total current assets	3.320.342	1.472.985	1.182.377
Total assets	7.278.217	5.190.670	4.767.009
Shareholders' equity			
Share capital	733.031	733.031	733.031
Share premium	49.843	49.843	49.843
Legal reserve	137.927	137.833	129.096
Revaluation reserve	801.800	872.379	955.201
Other reserves	31.186	17.482	15.813
Retained earnings	1.631.074	1.614.444	1.414.339
Total shareholders' equities attributable to Group owners	3.384.861	3.425.012	3.297.323
Non-controlling interests	0	0	19.748
Total equity	3.384.861	3.425.012	3.317.071
Non-current liabilities			
Long term deferred revenues	443.437	352.029	360.641
Long term Borrowings	79.455	101.671	122.835
Other loans and assimilated debts - Non-current building lease liabilities	24.656	30.532	0
Deferred tax liabilities	120.927	126.852	145.380
Employee benefits obligations	75.272	87.200	76.357
Total non-current liabilities	743.747	698.284	705.214
Current liabilities			
Trade and other liabilities	3.007.137	878.850	561.864
Other loans and assimilated debts - Current building lease liabilities	8.966	7.417	6.329
Other tax and social security liabilities	20.527	25.052	10.875
Current Borrowings	27.579	33.574	58.917
Provisions	53.662	93.011	70.990
Short term deferred revenues	31.738	29.393	37.749
Income tax payable	0	77	(2.001)
Total current liabilities	3.149.609	1.067.374	744.724
Total shareholders' equity and liabilities	7.278.217	5.190.670	4.767.009

PROFIT AND LOSS ACCOUNT

Group profit and loss account statement is the following (thousand RON):

	31 December 2021	31 December 2020	31 December 2019
Operating revenues			
Transmission revenues	1.252.286	1.035.250	1.081.981
System service revenues	623.720	795.026	741.693
Balancing market revenues	1.822.564	494.999	523.104
Other revenues	85.432	67.626	94.743
Total operating revenues	3.784.002	2.392.901	2.441.522
Operating expenses			
System Operating Expenses	(576.409)	(309.846)	(351.741)
Balancing market expenses	(1.809.588)	(494.999)	(523.104)
Technological system services expenses	(609.608)	(566.016)	(676.468)
Depreciation and amortization	(283.791)	(274.917)	(287.346)
Personnel expenses	(317.510)	(338.889)	(268.840)
Repairs and maintenance expenses	(60.288)	(75.971)	(68.746)
Materials and consumables	(31.316)	(26.700)	(53.693)
Other operational expenses	(84.003)	(129.253)	(102.116)
Total operating expenses	(3.772.513)	(2.216.591)	(2.332.054)
Operating result	11.489	176.310	109.468
Financial revenues	6.669	10.083	10.023
Financial expenses	(15.898)	(15.354)	(18.709)
Net finance result	(9.229)	(5.271)	(8.686)
Profit before income tax	2.260	171.039	100.782
Income tax	(956)	(29.138)	(12.077)
Result for the year from continuing operations	1.304	141.901	88.705
Profit of the period			
Attributable to:			
Owners of the Group	1.304	142.668	88.779
Non-controlling interests	-	(767)	(74)
Basic and diluted earnings per share (lei/share)	0,02	1,94	1,21

CASH FLOWS

The Group's cash flows are as follows (thousand RON):

	31 December 2021	31 December 2020	31 December 2019
Cash flows from operational activities			
Profit of the period	1.304	141.901	88.705
Cash flows before changes to working capital	260.089	497.725	368.585
Changes in:			
Inventories	186	(512)	6.098
Clients and assimilated accounts	(2.176.952)	(151.398)	350.671
Trade payables and other liabilities	2.134.476	295.234	(420.787)
Other loans and assimilated debts - Building lease	-	31.242	-
Other taxes and social insurance liabilities	(4.525)	8.259	(1.300)
Deferred revenues	14.904	(15.276)	(28.583)
Cash flows from operational activities	228.178	665.274	271.922
Paid interests	(4.978)	(7.368)	(9.022)
Paid income tax	(23.881)	(47.632)	(15.823)
Net cash generated from operational activities	199.319	610.274	247.077
Cash flows from the investment activity			
Acquisition of tangible and intangible assets	(495.323)	(377.100)	(237.518)
Participation titles held in SELENE CC Societe Anonyme	-	(242)	-
Proceeds from EC non-reimbursable financing	93.151	-	-
Received Interests	2.684	7.153	5.004
Participation titles held in TSC NET	-	-	(1.232)
Proceeds from sale of tangible assets	-	-	8
Dividends received	23	2	-
Other financial assets	-	85.000	(85.000)
Net cash used in the investment activity	(399.465)	(285.187)	(318.737)
Cash flows used in financing activities			
Withdrawals from long term loans	-	-	29.540
Repayments of non-current borrowings	(23.726)	(24.858)	(52.215)
Repayments of current borrowings	(6.157)	(24.008)	(4.487)
Building lease payments	(11.490)	(10.394)	-
Dividends paid	(63.672)	(35.610)	(67.042)
Net cash used in financing activities	(105.045)	(94.870)	(94.203)
Cash and cash equivalents as at January 1st	569.847	339.630	505.494
Net increase/decrease in cash and cash equivalents	(305.191)	230.217	(165.864)
Cash and cash equivalents at the end of the period	264.656	569.847	339.630

DISPUTES

- **RAAN**

On the docket of Mehedinti Tribunal, Civil Section II, Administrative and Fiscal Disputes Section file **3616/101/2014** was recorded involving the “claims in the amount of 1,090,831.70, value of invoice no. 1300215/31.12.2013”, a file in which the Company is the defendant, the plaintiff being the Independent Authority for Nuclear Activities, RAAN.

Civil ruling 127 pronounced on 10.10.2014 by Mehedinti Tribunal admitted the request filed by plaintiff RAAN and ordered CNTEE Transelectrica SA to pay the amount of 1,090,831.70 Lei, constituting the value of invoice 1300215/31.12.2013.

The Company filed appeal and requested the court by the decision it would take to allow the appeal as it was filed and reverse the judgment and sentences under appeal and referring the case to the trial court in the territorial jurisdiction for judgement, and stating the compliance with the requirements of Articles 1616 and 1617 of the Civil Code, reason for which it is also required to declare the occurrence of mutual debts compensation and their redemption up to the amount of the smallest of them, namely the total amount requested by the plaintiff in the application for summons, ordering the appeal - plaintiff to pay the expenses made with this appeal.

The appeal was registered on the docket of the High Court of Cassation and Justice that decided to reverse decision 843/2015 and to remand the case for retrial to the same court, the Appeal Court Craiova.

Ruling 124/2017 of the Appeal Court of Craiova admitted the appeal filed by Transelectrica and cancelled sentence 127/2014 pronounced by Mehedinti Tribunal, while the case was referred for retrial to Bucharest Tribunal, Section VI Civil. On the docket of the Bucharest Tribunal the case was registered under no. 40444/3/2017 which by civil ruling 4406/04.12.2017 admitted the request filed by RAAN and ordered Transelectrica to pay the amount of 1,090,831.70 Lei. The sentence was appealed.

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

Under such circumstances RAAN calculated penalties for late payment of the due cogeneration bonus amounting to 3,496,914, withheld from payment by the Company on account of non-cashed receivables. The Company refused paying the amount of 3,496,914 and did not register it as liability in the support scheme.

The subject of file **9089/101/2013/a152** is objection against the Additional liability table of debtor RAAN, the disputed amount being 89,360,986 Lei.

Transelectrica SA was recoded with 11,264,777 Lei in the table of debtor RAAN, in the category of receivables resulting from the debtor's uninterrupted activity, the actual amount the Company requested being 89,360,986 Lei, but 78,096,208.76 Lei were not registered in the preliminary receivable table because “such sum was not recorded as owed liability in RAAN's accounting books”. Moreover the judiciary liquidator considered the request to record 78,096,209 Lei was made late since it pertained to 2011 – 2013, for which reason the receivable statement should have been submitted when the insolvency procedure began, namely on 18.09.2013. The contestation of the additional liability table as Mehedinti Tribunal admitted the accounting expertise evidence.

On the contestation judgment term 14.06.2018 the decision was taken to suspend it until settlement of file **3014/2/2014** on the docket of the ICCJ, and on 14.02.2019, Mehedinti Tribunal decided joining file 9089/101/2013/A152 to file **9089/101/2013/a140** (pertaining to claims, payment request). Thus file judgment was deferred because the court considered it useful to settle the case by submitting Civil ruling 2969/26.09.2018, pronounced by the High Court of Cassation and Justice under file 3014/2/2014, pertaining to cancelling Decision 743/2014 of ANRE President.

Settlement of Mehedinti Tribunal by Ruling 163 / 20.06.2019: It admitted the exception of decline. It partly admits the main issue and associated contestation. It compelled the defendant to pay to the claimant the amount of 16,950,117.14 Lei accrued receivable during the procedure, judging to record it in the creditors' table constituted against debtor RAAN by this sum. The other associated demands were denied. In accordance with article 453 para 2 from the Civil Procedural Code it compelled the defendant to pay 1000 Lei law court expenses to the claimant. Appeal right was granted. It was pronounced at public hearing. Document: Ruling 163/20.06.2019.

On the 06.11.2019 hearing date the appeal was rejected as groundless; final decision. Ruling 846/06.11.2019.

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

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

On the 03.02.2021 hearing term ICCJ admitted the exception of tardive review request and did no longer pronounce on its inadmissibility.

Under RAAN's bankruptcy file registered under number **9089/101/2013**, Mehedinti Tribunal deferred the case on 08.10.2020 and 04.02.2021 terms. Settlement in brief: a term was granted to continue liquidation procedures, to represent the debtor's interests in the disputes on the dockets of law courts; to consolidate the creditors' list; to continue public auctions capitalising the debtor's assets.

The following term was established on 10.02.2022.

Between RAAN and Transelectrica there are other 4 files under various court terms.

- **COURT OF AUDIT**

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

On 13.06.2018 the claimant's case was partly admitted. It partly cancelled the defendant-issued conclusion 7/20.02.2014, decision 37/9.12.2013 and the control report 35521/6.11.2012 with respect to the measures in the above decision, indicated in points I.1, I.3, I.6, I.8, I.11, II.14, II, 15, II.17, II.18, II.20, II.21, II.22 and partially the measure of pct. II.13, meaning to remove the phrase "including what has been found about the invoices issued by FLOREA ADMINISTRARE IMOBILIARA SRL". The court rejected the remainder of the claimant's request as groundless. It approved the electricity technical expertise report drafted by Toaxen Vasile as expert; compelled the defendant to pay 121,375 Lei law suit expenses to the claimant (partially expert fees and judiciary stamp tax). Appeal right was granted within 15 days from notification; Document- Ruling 2771/13.06.2018.

At the public hearing of 21.10.2020 the appeals filed by the claimant and the defendant against sentence nr. 2771 of 13 June 2018 by CAB, Section VIII Administrative & fiscal disputes were denied as groundless; final.

Following an audit performed in 2017, the Court of Audit issued several measures to be implemented by the Company as a result of some deficits, which were detected upon such control. The Company filed 8 contestations against the measures decided by Romania's Court of Audit (CCR) under Decision 8/27.06.2017, requesting their cancellation as well as cancelling Conclusion 77/03.08.2017, registered under number 29117/08.08.2017 in the Company's Registration Office, namely the Audit Report 19211/26.05.2017. Contestations are under settlement on the docket of the Appeal Court Bucharest (**2 files: 6576/2/2017** on cancelling the findings of items 7.1, 7.2. and 8, and the measure decided in item II.10, term on 20.01.2021, settlement: the inadmissibility exceptions claimed in the contestation were denied; the request was denied as groundless and **file 6581/2/2017** on cancelling the findings of item 6 and the measure decided in item II.9, **hearing term on 04.12.2022**) and on the docket of the High Court for Cassation and Justice (**file 6578/2/2017** on cancelling the findings of item 9 and the measure decided in item II.11, **hearing term on 08.06.2022**).

Five files were settled for final by the Appeal Court Bucharest's denying the cancellation request and appeals denied by the High Court of Cassation and Justice (**file 6574/2/2017** on cancelling the findings of item 5.2 and the measure decided in item II.8, **file 6577/2/2017** on cancelling the findings of item 13 and the measure decided in item II.13, turned into **file 1614/1/2020**, **file 6580/2/2017** on cancelling the findings of item 10 and the measure decided in item II.12, **file 6582/2/2017** on cancelling the findings of item 11 and the measure decided in item I.5 and **file 6583/2/2017** on cancelling the findings of item 5.1 and the measure decided in items II.7 and II.8).

In January-July 2020 Romania's Court of Audit performed control in all Territorial Transmission Units of CNTEE Transelectrica, and from 25.05 to 27.08.2020 such verification continued in the Company's executive offices. CCR's control pertained to the *"situation, development and administration mode of the state's public and private patrimonial assets, as well as the legality of obtained revenues and of expenses made in 2017-2019" in CNTEE Transelectrica SA*.

The above-mentioned control on such topic began on 25.05.2020 in the Company's executive offices was suspended by CCR because another control was initiated on the *"management of public resources during the emergency period"*. It started on 02.06.2020 and ended on 26.06.2020.

The Audit Report elaborated by CCR auditors about the *"control on the management of public resources during the emergency period"*, registered in the Company under no. 24225/26.06.2020, have ascertained no deficiencies, consequently no decision was issued with measures.

When the audit ended on the administration of the state's public and private patrimonial assets and the legality of obtained revenues and expenses made in 2017-2019, completed on 06.10.2020, Audit Report 40507/06.10.2020 was issued and on 09.11.2020 Romania's Court of Audit by Department IV issued Decision 15 with 10 measures, deadline on 31.05.2021, which term was extended by CCR to 31.12.2021 upon Company's request.

The Company filed objections and submitted Contestation 50090/26.11.2020 registered under no. 139775/26.11.2020 by the Court of Audit, requesting cancellation of such measures. CCR auditors examined and reviewed the Company's Contestation by Conclusion 2/10.03.2021, and admitted only one measure of the 10 decided.

Transelectrica SA fought against the deeds issued by the Court of Audit and constituted file 2153/2/2021 on the docket of the Appeal Court Bucharest.

On the 10.12.2021 term the Company's suing was denied as groundless. It denied the suspension request as groundless; appeal right within 15 days from notification, and appeal right within 5 days from notification as regards the suspension request; such appeal to be submitted to the Appeal Court Bucharest.

- **ANRE**

CNTEE Transelectrica SA filed complaint against Order 51/ 26.06.2014 of ANRE president registered with ANRE under no. 47714 / 04.08.2014 and contestation with the Appeal Court Bucharest, registered under file **4921/2/2014**, whereby it requested amending the fore-mentioned order either by issuing a new one recalculating the RRR at 9.87% (recalculated using a (β) coefficient of 1.0359, according to the internal analysis of Transelectrica) or should this request be rejected, using the same percentage 8.52% established by ANRE for 2013 and semester I of 2014.

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

On the 25.09.2018 term the settlement in brief decided to resort again to the expert letter, in view of conducting the expertise report and submit it to the file, mentioning to prove the impossibility to submit the expertise report until hearing term in which case the case will be postponed.

On the 22.01.2019 hearing term the court provided principle agreement with the request of accessory intervention in the defendant's interest (ANRE), expressed by intervenient ALRO SA, with appeal at the same time with the principal issue. On 25.06.2019 the case was postponed in order to enable the parties to acknowledge the content of the expertise report and a new hearing term was set on 10.09.2019.

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

On 06.10.2020 the request was denied, with the following settlement in brief: the exception of inadmissibility was denied as groundless. The file case was denied as groundless. Appeal right was granted within 15 days from notification; pronounced by placing the settlement to the parties' disposal by means of the court clerk; Ruling 362/2020.

On the 11.01.2021 term the request was admitted to complete the device. It decided completing the device of civil ruling 362/06.10.2020 with the settlement pronounced on the accessory intervention request, meaning: the accessory intervention request was admitted filed by intervenient ALRO SA in support of defendant ANRE. Appeal right was granted within 15 days from notification, to be referred to the Appeal Court Bucharest.

This dispute did not impact the relationship with ANRE or the Company's financial results.

Transelectrica filed appeal to be judged on 11.05.2022.

- **OPCOM**

On 24.11.2014 subsidiary the Romanian Gas and Electricity Market Operator OPCOM SA summoned CNTEE Transelectrica SA in order to compel it paying the amount of 582,086 Euro (2,585,162 Lei), representing the amount paid by it as fine, from the total fine amount of 1,031,000 Euro, such request being included in file **40814/3/2014**.

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

Also subsidiary SC OPCOM SA requested the court to order the Company to pay the amount of 84,867.67 Lei as legal interest related to the period 11.06.2014 – 24.11.2014, plus legal expenses amounting to 37,828 Lei.

The action filed by OPCOM SA was subject of file 40814/3/2014 on the docket of Bucharest Tribunal, Section VI Civil, involving claims, disputes with professionals.

In the court session of 24.07.2015 the court admitted the application for summons filed by claimant Romanian Gas and Electricity Market Operator OPCOM SA in contradiction with defendant National Power Grid Company Transelectrica SA and ordered the defendant to pay the amount of 582,086.31 Euro to the claimant, representing the amount paid by it in the defendant's stead from the fine amounting to 1,031,000 Euro, charged by the Decision of the European Commission on 5.03.2014 in the case AT.39984 and the legal interest related to the amount of 582,086 Euro, calculated as of 11.06.2014 and up to the actual payment date. The court compelled the defendant to pay the amount of 37,828 Lei as legal expenses to the claimant. Appeal right was granted within 30 days from notification. Transelectrica SA filed appeal against ruling 4275/2015, pronounced under the above-mentioned file, which was registered on the docket of the Appeal Court The Appeal Court's settlement in brief: Admits the appeal. Changes entirely the civil ruling appealed against, meaning it denies as groundless the suing. It compels the recurrent-claimant to pay law suit expenses amounting to 16,129 to the defendant, representing judiciary stamp fee. Appeal right within 30 days from notification. It was pronounced at public hearing on 10.10.2016. Document: Ruling1517/2016 of 10.10.2016.

OPCOM SA filed appeal, which was registered with the High Court of Cassation and Justice.

Hearing term with the ICCJ: 13.03.2018. ICCJ settlement in brief: It admitted the appeal filed by the recurrent-claimant Romanian Gas and Electricity Market Operator OPCOM SA against decision 1517/10.10.2016 pronounced by the Appeal Court Bucharest, Section V Civil. It cancelled the appealed decision and sent the case for new judgment to the appeal instance; final.

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

On 27.11.2018 CNTEE Transelectrica SA filed appeal, which is under filtering with the ICCJ.

ICCJ settlement of 30.06.2020 was thus: the parties will be notified the report on the principle admissibility of the appeal filed by Transelectrica against ruling 1813/2018 of 1 October 2018, pronounced by the Appeal Court Bucharest, Section V Civil; mention should be made they are entitled to submit an opinion on the report within 10 days from notification.

On the 10.11.2020 term the ICCJ settlement was thus: in principle it admitted the appeal filed by Transelectrica against ruling 1813/2018 of 1 October 2018, pronounced by the Appeal Court Bucharest.

On the 16.03.2021 term the court panel denied as groundless the appeal filed by Transelectrica against ruling 1813/2018 of 1 October 2018, pronounced by the Appeal Court Bucharest, Section V Civil; final.

The Company paid 2,845,587 (582,086.31 Euro) to subsidiary OPCOM SA, which represents the amount claimant OPCOM SA paid instead of the defendant (Company) of the total 1,031,000 Euro fine, applied on 05.03.2014 by Decision of the European Commission.

The object of file **22567/3/2019** is compelling defendant OPCOM SA to pay 4,517,460 Lei pertaining to invoice TEL 16 AAA 19533/29.07.2016, representing VAT amount corresponding to the contribution of CNTEE Transelectrica SA to the share capital of OPCOM SA, issued under Loan Contract 7181RO/2003, a commitment to finance the investment project "Electricity Market Project", compelling OPCOM SA to pay 1,293,778.27 Lei under invoices TEL 19 T00 17/28.01.2019 and TEL 19 T00 131/10.07.2019 representing legal penalty interest, calculated for not paying invoice TEL 16 AAA 19533/29.07.2016.

It suspended case judgment until final settlement of file 31001/3/2017, pertaining to cancellation of AGA Opcom decision (where Transelectrica is not a party and on 01.02.2021 the filed appeals were denied, under final ruling).

TMB settlement: the prescription exception was admitted. The case was denied as written-off; appeal right granted within 30 days from notification, to be submitted to Bucharest Tribunal, Section VI Civil. It was pronounced on 03.12.2021 by placing the settlement to the parties' disposal by the court clerk.

- **CONAID COMPANY SRL**

In 2013 Conaid Company SRL sued CNTEE Transelectrica for its unjustified refusal to sign an addendum to the connection contract or a new connection contract and requested compensations for the expenses incurred to that date amounting to de 17,419,508 Lei and unrealised profits in 2013-2033 amounting to 722,756,000 Euro. So far the Company concluded no addendum to the connection contract since the suspensive conditions of the contract have not been complied with by Conaid Company SRL. A new connection contract should have been concluded by 11 March 2014, expiry date of the technical connection endorsement. On the date of these financial statements the amounts claimed by Conaid Company SRL were considered contingent liabilities, since it is unlikely to settle this liability by taking out resources including economic benefits, and the liability amount cannot be assessed with sufficient credibility. File **5302/2/2013** was on the docket of the High Court of Cassation and Justice. The Administrative and Fiscal Disputes section pertained to an obligation to issue administrative deed, case stage- appeal, hearing term on 09.12.2015. On this term the High Court of Cassation and Justice admitted the appeals in principle and set the substance term of appeals on 08 April 2016. Judge panel 4, summoning the parties.

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

The file was registered under no. 12107/3/2017 on the docket of Bucharest Tribunal. By civil ruling 4364/23.11.2017 the Tribunal admitted the exception of inadmissibility and denied the request as inadmissible. It also denied the intervention request in the claimant's interest. Appeal right was granted within 30 days from notification. Appeal was filed to the Appeal Court Bucharest and placed at the parties' disposal by the court clerk office on 23.11.2017.

On 02.11.2018 on the docket of Bucharest Tribunal, Section VI Civil a new suing request was filed by Conaid Company SRL under file **36755/3/2018**, by which the claimant requested the court to compel Transelectrica SA to “repair the prejudice caused to the claimant as a result of the defendant’s culpable non-execution of obligations in quantum of 17,216,093.43 Lei, consisting of actual damage incurred and unrealised benefit, provisionally estimated at 100,000 Euro... taking into account the unjustified refusal of Transelectrica SA to conclude and sign an addendum to Contract C154/27.04.2012, and in case the instance deem in formal terms the claimant’s obligation of suspensive terms cannot be considered as fulfilled, such non-execution is owed to the exclusive guilt of Transelectrica SA, as the defendant prevented the compliance with the terms”.

On the 15.10.2019 term it denied as groundless the exceptions of absence of active procedural quality and absence of interest. It joined the case with the prescription exception. Appeal right granted with the first case. Pronounced by placing the settlement to the parties’ disposal by means of the court’s clerk office.

Term was granted on 26.11.2019 to continue with case research, summoning the parties. Appeal right was granted with the first case. It was pronounced by placing the settlement to the parties’ disposal by means of the court’s clerk office.

*The new hearing term was set on **12.04.2022** – in order to issue letter to the expert.*

- **FF WIND ENERGY INTERNATIONAL SRL**

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

On the 28.12.2018 hearing term the court denied the suing as filed as groundless. It acknowledged the defendant did not request law court expenses, appeal right within 30 days from notification. According to article 425 para 3 and article 471 para 1 of the Civil Procedural Code the appeal and its grounds were submitted to Bucharest Tribunal, Section VI Civil. The court clerk office notified it on 28.12.2018. Document: Ruling 3891/ 28.12.2018.

Company FF Wind Energy International SRL filed appeal, which was heard on 18.06.2019, while pronouncement was deferred on 23.07.2019, when the settlement in brief was: “It denies the appeal as groundless. Appeal right within 30 days from notification. Appeal requests to be submitted to the Appeal Court Bucharest, Section VI Civil, pending the nullity sanction. Document: Ruling 1191/23.07.2019”.

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

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

On the 13.10.2020 hearing term the settlement was thus: filter – the appeal request was admitted in principle with the following details- the exception of appeal nullity was denied, which was claimed by the intimated-defendant Transelectrica SA in the contestation. It admitted in principle the appeal filed by claimant FF Wind Energy International SRL through its judiciary administrator Aktiv Lex Insolvency SPRL against civil ruling 1191 of 23 July 2019, pronounced by the Appeal Court Bucharest.

On the 14.09.2021 hearing term the appeal filed by FF Wind Energy International SRL was denied as groundless; **final**

- **ANAF**

At the offices of Transelectrica SA a general fiscal inspection took place targeting the interval December 2005 – December 2010. Such general fiscal audit began on 14.12.2011 and ended on 26.06.2017, date of the final discussion with Transelectrica SA.

ANAF-DGAMC established additional fiscal liabilities payable by the Company, namely income tax and VAT, as well as accessory fiscal liabilities (interest/delay indexations and penalties) with respect to

technological system services (STS) invoiced by energy suppliers, considered non-deductible after the fiscal audit.

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

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

These invoices were subject to a dispute with ANAF, which had sent a tax inspection report on 20 September 2011 estimating the amount of collected VAT for a number of 123 unused invoices identified as missing.

The Company contested Taxation decision F-MC 439/30.06.2017 within legal terms, according to OG 92/2003 of the Fiscal Procedural Code.

ANAF issued the enforcement title 13540/22.08.2017 based on which the additional payment obligations established under the Taxation decision F-MC 439/30.06.2017 were executed.

The Company requested the Appeal Court to cancel the enforcement title 13540/22.08.2017 in file 7141/2/2017. Settlement in brief: It admitted the exception of the material incompetence of the Appeal Court Bucharest, SCAF. It declined the case settlement competence in favour of Law Court of Bucharest District 1. No appeal was granted. Such was ruled in open court on 08.02.2018. Document: Ruling 478/2018 of 08.02.2018.

After declining the competence, the casefile 8993/299/2018 was pending with the 1st District Court through which the Company disputed the enforcement started on the grounds of enforcement order no. 13540/22.08.2017 which is based on the Notice of assessment F-MC 439/30.06.2017.

Upon Company's contestation of the fiscal administrative document - Decision F-MC 439/30.06.2017, ANAF notified the Company its Decision 122/13.03.2018 through which it rejected, as groundless, the contestation filed by CNTEE Transelectrica SA; the decision was received on 16.03.2018, after filing the application for summons which was subject to casefile 1802/2/2018.

Settlement in brief: It admits the request of judgment suspension filed by the appellant. On the grounds of Article 413 (1) (1) of the Civil Procedure Code, judgement is suspended until the final settlement of case file no. 1802/2/2018, pending with the Court of Appeal Bucharest, Section VIII Administrative and Fiscal Disputes. Appeal right during the entire suspension, to be submitted to the Law Court of Bucharest 1. It was ruled in open court. Document: Conclusion – Suspension 17.04.2018.

On the docket of the Appeal Court was the case file 1802/2/2018 through which the Company contested the fiscal administrative document – Decision F-MC 439/30.06.2017.

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

On CAB term on 21.07.2020 pronouncement was deferred; on 30.07.2020 the case was placed back on the docket, for additional explanations.

On the 20.10.2020 term the request was partly admitted with the following settlement in brief: the litispended requests were partly admitted.

Ruling 122/13.03.2018 was partly cancelled, on settling the contestation filed against Taxation Decision F-MC 439/30.06.2017 issued by the National Agency of Fiscal Administration, General Dispute Settlement Division, Taxation Decision F-MC 439/30.06.2017 issued on 12.07.2017 by the National Agency of Fiscal Administration, General Directorate Managing Large Tax-Payers, Taxation Decision F-MC 439/30.06.2017 issued by the National Agency of Fiscal Administration, General Directorate Managing Large Tax-Payers and the Tax audit report F-MC 222 concluded on 30.06.2017, which was used for the taxation decision, meaning:

- It removed the paying liability of the income tax amounting to 18,522,280 Lei, VAT in sum of 5,694,636 Lei and fiscal accessories pertaining to such main fiscal debts in quantum of 48,436,653 Lei, fiscal liabilities established for the 349 fiscal invoices of special regime found as missing from the claimant's books;

- It removed the non-deductible nature of 27,001,727 Lei when calculating the the taxable income, sum representing technological system services invoiced by electricity suppliers, considered as non-deductible after the fiscal audit and compelling the payment of main fiscal arrears and accessories on this amount;
- It removed the non-deductible nature of 343,629.91 Lei when calculating the taxable income, sum representing “weed-removing services” and payment obligation for the main fiscal arrears and accessories pertaining to such sum;
- It removed the non-deductible nature of 230,685.49 Lei when calculating the taxable income, sum representing expenses for promotional and protocol objects and payment obligation for the main fiscal arrears and accessories pertaining to such sum;
- It removed the non-deductible nature of VAT in quantum of 46,417.1 Lei pertaining to 343,629.91 Lei, representing “weed-removal services” and payment obligations of the main fiscal arrears and accessories of this amount;
- It removed the non-deductible nature of VAT in quantum of 37,693.88 Lei pertaining to 230,685.49 Lei representing expenses for promotional and protocol products and payment obligation for the main fiscal arrears and accessories of such amount;
- It removed the mention about obliging the Transmission Branch Sibiu of CNTEE Transelectrica SA to register 576,846.80 Lei as taxable revenue on 30.06.2010 at the latest, date when the audited unit was accepted to be recorded in the creditors’ table with such sum; it maintained the mention about the taxable revenue nature of 576,846.80 Lei when calculating the profit according to the provisions of article 19 para 1 of Law 571/2003 on the Fiscal Code, with later amendments and additions, corroborated with item 23 let. d of HG 44/2004 including the Methodological Norms to apply Law 571/2003, income tax chapter, namely chapter VII on the function of accounts from Order 3055 of 29 October 2009 approving the accounting regulations compliant with European directives and compelling the payment of main fiscal arrears and accessories of such sum;
- It removed the Minutes ascertaining the “determination of the deductible value added tax lower than that recorded by the claimant, thus resulting a difference of 13,141 Lei” (annex 15) and compelling the payment of main fiscal arrears and accessories of this amount;
- it removed the payment obligation for delay penalties of penalising juridical regime, calculated for more than 6 months from the inception date of the fiscal audit, regarding the main fiscal liabilities maintained by judgment in this ruling, as established by the Taxation Decision F-MC 439/30.06.2017 issued on 12.07.2017 by the National Agency of Fiscal Administration, General Directorate Managing Large Tax-Payers, Taxation Decision F-MC 439/30.06.2017 issued by the National Agency of Fiscal Administration, General Directorate Managing Large Tax-Payers and Decision 122/13.03.2018 on settling the contestation against the Taxation Decision F-MC 439/30.06.2017 issued by the National Agency of Fiscal Administration, General Dispute Settlement Division;

It maintained the other provisions of Taxation Decision 122/13.03.2018 on settling the contestation against the Taxation Decision F-MC 439/30.06.2017 2017 issued by the National Agency of Fiscal Administration, General Dispute Settlement Division, the Taxation decision F-MC 439/30.06.2017 issued on 12.07.2017 by the National Agency of Fiscal Administration, General Directorate Managing Large Tax-Payers, Taxation decision F-MC 439/30.06.2017 issued by the National Agency of Fiscal Administration, General Directorate Managing Large Tax-Payers. It denied the other litispended requests as groundless.

It denied as groundless the request to grant court expenses as judiciary stamp tax. It compelled the defendants to jointly pay to the claimant the law court expenses amounting to 4000 Lei, representing fee for the accounting-fiscal expertise, in proportion to request admission. Appeal right was granted within 15 days from notification, to be submitted to the Appeal Court Bucharest; Ruling 382/20.10.2020.

• ROMENERGY INDUSTRY

File **2088/107/2016** on the docket of Alba Tribunal pertains to “Bankruptcy - Request to be added in the creditors’ list”. Transelectrica filed request to be added in the creditors’ list with 16,112,165.18 mill Lei, and such trade receivable was admitted and inserted in the preliminary Table.

Settlement in brief: Establishing the term on *14.10.2019* to continue the bankruptcy procedure by capitalising the goods and recovering receivables. The judiciary liquidator will execute and submit to the file: - on each 15th day of the months for the previous months the monthly activity reports provided in para 1 of article 59 Law 85/2014; - for the verification term, 5 days before it the synthetic report of 120 days, provided in the final part of para 3 of article 59 Law 85/2014.

On the 27.01.2020 term the verification date is set on 11.05.2020 to continue the bankruptcy procedure by capitalising the assets and recovering the arrears. The judiciary liquidator will execute and submit to the file: - every 15th day of the month the monthly activity reports of the previous month, as provided in para 1 din article 59 Law 85/2014; - for the verification term, 5 days before it the 120 days' synthetic report, provided in the final part of para 3 from article 59 Law 85/2014.

On the 22.06.2020 term the case was deferred. Settlement in brief: approval was given to the report on the funds obtained by liquidating the debtor's assets and the 03.06.2020 distribution plan.

On the 18.01.2021 term the case was deferred. Settlement in brief: Report 1334 was approved on the funds obtained by liquidating the debtor's assets and Plan 1335 of funds distribution.

A term was set on 16.05.2022 to continue the bankruptcy procedure by capitalising the assets and recovering receivables.

- **RESITA CITY**

File **2494/115/2018***, registered on the docket of Caras Severin Tribunal pertained to suing whereby claimant Resita City requested that the defendant CNTEE Transelectrica SA should be compelled to pay the following amounts:

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

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

On 25.10.2019 term the territorial incompetence of Bucharest Tribunal was admitted. It declined the case settlement competence in favour of Caras-Severin Tribunal. It ascertained the occurrence of the negative competence conflict between Bucharest Tribunal and Caras-Severin Tribunal. It suspended the case and referred the file to the High Court of Cassation and Justice, in view of settling the negative competence conflict. No appeal right was granted.

Pronouncement to be made by placing the settlement to the parties' disposal by the court clerk. Ruling 2376/25.10.2019.

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

File **2494/115/2018****, term: 16.11.2020 with Caras Severin Tribunal; Settlement in brief: the case deferral request was admitted, filed by claimant Resita City by its Mayor, in contradiction with defendant Transelectrica SA, având pertaining to claims based on article 413 para (1) pt. 1 Civil Procedural Code; appeal right as long as the file judgment suspension lasts to the superior court. Document: Conclusion – Suspension;

At the same time the Company is involved in disputes with former Directorate and Supervisory Board members, and for such disputes the Company updated the provisions representing OAVT amounts (virtual shares option).

The Company is involved in disputes in contradiction with SMART and Teletrans Subsidiaries as follows:

SMART S.A. disputes

- **File 48509/3/2017 registered with Bucharest Tribunal, Section VI Civil**

File object: NPG Transelectrica SA requests by suit to compel SMART SA to:

- Restitute to our company 7,652 thou. Lei, which is added VAT, as prejudice incurred by our company as a result of defendant's enrichment without just cause, in the main, and as undue payment, in the second place;
- Compelling the defendant to pay the unrealised benefits associated to the amount paid as enrichment with no just cause, in principal and as undue payment in the secondary, calculated from the date when the undersigned made the undue payments to the defendant until notifying

the law court, in quantum of 2,773 thou. Lei, as well as compelling the defendant to further pay the unrealised benefits until the defendant's actual repayment of the amount representing the principal debt.

File stage: Settlement in brief: In accordance with article 413 para. 1 pt. 1 Civil Procedural Code it decided suspending the case until final settlement of file **6577/2/2017** on the docket of CAB, Section II Administrative and Fiscal Disputes (**new ICCJ no. 1614/1/2020**). Deadline for appeal file no. 1614/1/2020: 27.01.2022, a request for reinstatement was filed which has a trial date of 15.03.2022.

Remarks about the circumstances that initiated the proceedings:

Between 16.01.2017 - 26.05.2017, our Company was subject to a control of Romania's Court of Audit, performed by a team of external public auditors from the Court of Audit's Department IV. After such control they issued the Audit Report recorded in the Company under no. 19211 of 26.05.2017, which our Company contested; later on CCR issued Decision 8/27.06.2017.

On pages 116-117 of the Audit Report, pt. 9, the Court of Audit's control team retained that in 2014, based on contract C57/31.01.2012, Transmission Branches: Bucharesti, Pitesti, Sibiu and Constanta of NPG Transelectrica SA, according to the work orders to replace the 220 kV, 110 kV and 245 kV circuit breakers, accepted invoices for payment (with payment statements attached certified by the Transmission Branches and Smart Branches) with work statements elaborated by Smart Branches where breakers procured at overvaluated prices were included under materials, which were added 30% indirect expenses and 5% profit, which led to inefficient utilization of monetary funds in estimated amount of 7,652 thou. Lei.

- **File no. 40958/3/2016 – Bucharest Tribunal**

File object:

Transelectrica in its capacity of claimant requests compelling SMART SA to pay 2,797 thou. Lei, including VAT + 1,212 thou. Lei, representing accessories.

File stage:

TMB settlement: The exception of the prescription of the right to action, invoked by the defendant, was admitted. The action was dismissed as time-barred. The applicant's claim that the defendant should be ordered to pay the costs was rejected as groundless. With appeal within 30 days of notification. Document: Decision 2667/2021 29.10.2021.

- **File no. 24360/3/2020 – Bucharest Tribunal**

File object:

SMART SA requested the obligation of Transelectrica to pay the amount of 14.75 thousand euros + VAT, eq. 38 concrete foundations, 98.28 thousand euros + VAT, eq. additional works canal execution, 112 thousand lei + VAT, eq. Mecano type rakes, legal interest.

File stage:

TMB settlement: the extinction prescription exception was allowed. The objection of inadmissibility was qualified as a substantive defense. The action was dismissed as statute-barred, the material right to action. With the right to appeal within 30 days from the notification to the parties. The appeal is to be filed at the headquarters of the Bucharest Tribunal, Civil Section VI. Delivered in open court on May 10, 2021. Document: Decision 1263/2021; SMART filed appeal.

CAB settlement in brief: The appeal has been accepted. The appealed sentence was annulled and, judging on the substance, the exception of the extinctive prescription of the material right to action was admitted. The action was dismissed as time-barred. The appellant's claim that the respondent should be ordered to pay the costs was rejected. With an appeal within 30 days from the notification. The appeal is submitted to CAB - Civil Section VI. Delivered in open court on 11.02.2022. Document: Decision 247/2022.

TELETRANS S.A. disputes

- **File no. 20223/3/2017 registered with Bucharest Tribunal, Section VI Civil**

File object:

Teletrans SA requested compelling Transelectrica to pay 4,635 thou. Lei, the performance bond amount constituted under contract C243/2010, which is added 293 thou. Lei, legal interest calculated from due date until file initiation, 31.05.2017.

File stage:

Settlement of Bucharest Tribunal in brief: It denied the request as filed as groundless. Appel right was granted within 30 days from notification, to be submitted to Bucharest Tribunal, Section VI Civil. It was pronounced at public hearing on 18.05.2018. Document: Ruling 1505/2018 / 18.05.2018.

Appeal Court Bucharest's settlement in brief: It admitted the appeal. It changed the sentence appealed against, namely: It partly admitted the summons. It compelled the defendant to pay the claimant 4,632 thou. Lei. It denied as groundless the request petition to compel the defendant to pay legal interest. It compelled the defendant to pay the claimant 50 thou. Lei law court expenses for principal. It compelled the intimidated defendant to pay the appellant claimant 25 thou. Lei law court expenses for appeal. Appeal right was granted within 30 days from notification, to be submitted to the Appeal Court Bucharest, Section VI Civil, pending nullity. It was pronounced at public hearing on 17.12.2019. Document: Ruling 2119/2019 / 17.12.2019.

Transelectrica filed appeal which was denied as groundless; Teletrans's appeal was also denied as groundless; final.

Remarks about the circumstances that led to the dispute:

In the opinion of Transelectrica the performance bond (GBE) is restituted only if the following conditions are met cumulatively: the provider has fulfilled its contractual obligations and the purchaser has not issued claims over the GBE, within the limits of incurred prejudice.

On the expiry date of Contract C243/2010 (30.06.2014), the services under the contract were provided under good terms, except for three investment projects which were in progress and have not been completed to date.

Such facts pertaining to Teletrans's incompliance with contractual obligations were also ascertained by Romania's Court of Audit in the Audit Report 19211/26.05.2017 (item 3.3.1, pages 51-60, item 3.3.2, pages 60-66 and item 3.4, pages 66-72) and in Decision 8/27.06.2017, items 7 and 8, maintained by Conclusion 77/03.08.2017.

Transelectrica contested the control documents issued by the Court of Audit. Such contestation is under file **6576/2/2017** on the docket of the Appeal Court Bucharest.

- **File 16216/3/2017 registered with Bucharest Tribunal, Section VI Civil**

The file received a new number 153/2/2021 at CAB - Administrative and Fiscal Litigation Section**File object:**

By its summons Teletrans SA requested the court:

- To ascertain as fully provided the services under contract 03/2007, as added;
- In subsidiary to ascertain that services under contract 03/2007, as added, were provided and partially accepted;
- To oblige Transelectrica to pay 4,649 Lei, which is added VAT in amount of 883 thou. Lei, representing the amounts of invoices 115/2017, 123/2017 up to 143/2017;
- To oblige Transelectrica to pay 214 thou. Euro which is added VAT, at the exchange rate of the invoice issuance dates, representing the amounts of services provided and partially accepted in the contractual period May 2014 – November 2016, "in subsidiary if request petition II is admitted and not request petition I";

File stage:

Settlement in brief: It admitted the exception of prescription of the material right to the suit regarding fiscal invoices for February – March 2014. It denied the request pertaining to invoices 115/01.03.2015 and 123/01.03.2017 as written off. It denied the remaining request items as groundless; appeal within 30 days from notification, to be submitted to Bucharest Tribunal, Section VI Civil. It was pronounced at public hearing on 22.04.2019. Document: Ruling 1064/2019 / 22.04.2019.

The file received a new number 153/2/2021 at CAB - Administrative and Fiscal Litigation Section, in which a negative conflict of competence arose, and the case was submitted to the ICCJ for the establishment of the competent section. The ICCJ has established that the competent section is Section VI of the CAB.

Hearing term: 18.08.2021. Settlement in brief: The objection of inadmissibility of the appeal was allowed. The appeal was dismissed as inadmissible. From the date of communication of the present decision, reported to the provisions of art. 457 paragraph 3 of the Code of Civil Procedure, the term for the exercise of the appeal begins to run. Final.

Document: Decision no. 1214 / 06.09.2021.

Teletrans claimed the appeal was under screening procedure at the ICCJ.

Remarks about the circumstances that led to the dispute:

After the control performed in January–March 2017 at Teletrans's the Court of Audit found that Teletrans has not recovered and cashed from Transelectrica the amount of money requested as above.

Contact C03/2007 conditions invoice issuance and acceptance for payment by our Company's representatives from branches and the executive part confirming the mentioned services in each minutes issued by the claimant.

As a result of the improper execution by Teletrans SA of services contracted under C03/2007, the local Minutes of work acceptance were not endorsed by most Transmission Branches, for which reason the Divisions developing contract C03/2007 have not accepted either the centralising monthly Minutes of work acceptance.

Control to the Subsidiaries of NPG Co. Transelectrica SA

- **TELETRANS SA**

Romania's Court of Audit

From 13.01.2020 to 22.05.2020 Romania's Court of Audit performed inspection to Subsidiary Teletrans pertaining to *"control on the situation, development and administration of the state's public and private stocks and the legality in achieveing the revenues and making the expenses in 2018 – 2019"*.

The control was completed in the subsidiary and CCR auditors issued Report 3930/22.05.2020 and Decision 7/2020 of the Court of Audit.

In 2021, CCR verified the manner of carrying out the measures provided by Decision 7/2020.

- **SMART SA**

Romania's Court of Audit

Between 13.01-22.05.2020, the external auditors of the Romanian Court of Audit performed a control at the SMART subsidiary on *"control on the situation, development and administration of the state's public and private stocks and the legality in achieveing the revenues and making the expenses in 2018 – 2019"*.

The control was completed and CCR issued Report no. 215 / 09.06.2020 and the Decision of the Court of Auditors no. 8/2020.

Subsequently, following the assessment of the manner of carrying out the measures provided by Decision 8/2020, the Follow-up Report was issued in 2021.

ANAF-DGAMC

On 28.08.2020, the tax inspection began, with the objectives of verifying the legality and compliance of tax returns and / or transactions relevant to the tax inspection, the correctness and accuracy of fulfilling the obligations related to the establishment of tax bases and the main tax obligations regarding:

- Value added tax in the period 01/01/2015-31/12-2016;
- Income tax during 01/01/2014-31/12/2016;
- Verification of compliance with the provisions of fiscal and accounting legislation;
- Verification of other issues relevant to taxation, if they are of interest for the application of accounting tax legislation.

The ANAF control was completed by issuing the Report and the Provision regarding the measures established by the fiscal inspection bodies on 22.11.2021.

Romania's Court of Audit – Follow up

During 02.02-07.02.2022, the Romanian Court of Audit carried out a control at the SMART subsidiary to verify the manner of carrying out the measures ordered by Decision 6/2017.

