



A photograph of a power transmission tower and a wind turbine against a cloudy sky at sunset or sunrise. The tower is a lattice structure with multiple cross-arms supporting power lines. The wind turbine is a three-bladed model with a tall tower. The sky is filled with soft, white and grey clouds, and the overall lighting is warm and golden.

NPG Co. TRANSELECTRICA

PRELIMINARY REPORT
January – December 2022

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

**In accordance with the provisions of article 63 from Law 24/ 2017 on the capital market and
Regulation 5 / 2018 issued by the Financial Supervisory Authority (ASF)**

For the time period ended on 31 December 2022- preliminary

Date of the report:	27 February 2023
Name of trading company:	NPG Co. TRANSELECTRICA SA, company managed under two-tier system
Headquarters:	Bucharest, Str. Olteni nr. 2 - 4, sector 3, postal code 030786
Phone/fax number::	021 303 5611/ 021 303 5610
Cod unic la ONRC:	13328043
Code with the ONRC:	J40/ 8060/ 2000
LEI code (Legal Entity Identifier)	254900OLXOUQC90M036
Date of Company establishment:	31.07.2000/ OUG 627
Share capital:	733,031,420 lei, subscribed and paid
Regulated market where the issued securities are transacted:	Bucharest Stock Exchange, Premium category
Main characteristics of the issued securities:	73,303,142 shares of RON 10/share nominal value each, in dematerialised nominative ordinary indivisible freely marketable form as of 29.08.2006, TEL symbol
Market value:	1,590,678,181 lei (21.70 lei/share on 31.12.2022)
Accounting standard applied:	International Financial Reporting Standards
Audit:	The preliminary financial statements elaborated as of 31.12.2022 have not been audited. The amounts corresponding to December 31, 2021 are audited by the external financial auditor

RESPONSIBLE PERSONS' STATEMENT

To the best of our knowledge, the unaudited preliminary stand-alone financial statements as of and for the 12 months' period ended on 31 December 2022 have been elaborated in accordance with the Order of the Minister of Public Finance no. 2844/2016 with later amendments and additions, for the approval of Accounting Regulations in accordance with International Reporting Standards, and they provide a true and fair view in compliance with the real situation of financial position and profit and loss account of NPG Co. Transelectrica S.A..

This report gives a true and fair view about the preliminary economic-financial situation and the activities of NPG Co. Transelectrica S.A.

Bucharest, February 27, 2023

**Gabriel
ANDRONACHE**

**Directorate
Chairman**

**Ștefăniță
MUNTEANU**

**Directorate
Member**

**Cătălin-Constantin
NADOLU**

**Directorate
Member**

**Bogdan
TONCESCU**

**Directorate
Member**

**Florin-Cristian
TĂTARU**

**Directorate
Member**



Key figures 2022 vs 2021

KEY FIGURES

FINANCIAL HIGHLIGHTS

RON **6,286** mn ▲ **67%** Revenues
y/y

RON **895** mn ▲ **214%** EBITDA
y/y

RON **529** mn ▲ n/a Net profit

52.18 TWh ▼ **-7%** Charged
energy
volume**
y/y

OPERATIONAL

2.20% * ▼ **- 0.26** pp Grid losses
y/y

43.50 TWh ▼ **-1.5%** Transmitted
energy***
y/y

INVESTMENTS

RON **468** mn ▼ **-5%** Acquisition of
tangible and
intangible assets
y/y

RON **289.38** mn ▲ **13%** Fixed assets
recorded in the
accounts
y/y

OTC - one's own Technological Consumption (grid losses)

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

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

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

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



Financial data

The preliminary financial results for the year 2022 are not audited. The summary of the preliminary financial results as of December 31, 2022 in the extended version is presented in the Appendices to this Report.

Stand-alone profit or loss statement				
[RON mn]	2022 -unaudited-	2021 -auditet-	Δ	Δ (%)
	1	2	3=1-2	4=1/2
Charged energy volume [TWh]	52.18	56.35	(4.18)	(7%)
ALLOWED PROFIT ACTIVITIES				
Operating revenues	2,316	1,310	1,006	77%
Transmission and other revenues on the electricity market, of wich:	1,930	1,253	677	54%
<i>Regulated tariff</i>	1,401	1,152	249	22%
<i>Other revenues on the electricity market</i>	130	37	93	n/a
<i>Interconnection</i>	399	65	334	n/a
Other revenues	48	57	(9)	(16%)
Grid losses anticipatory tariff income	339	0	339	n/a
Operating expenses	1,445	1,051	394	37%
System operating expenses	902	576	325	56%
Repairs and maintenance expenses	108	97	11	11%
Personnel expenses	282	244	38	16%
Other expenses	153	133	20	15%
EBITDA	871	259	612	237%
Depreciation	272	274	(3)	(1%)
EBIT	600	(16)	615	n/a
ZERO PROFIT ACTIVITIES				
Operating revenues	3,970	2,445	1,524	62%
Technological system services revenues	488	623	(135)	(22%)
Balancing market revenues	3,482	1,823	1,659	91%
Operating expenses	3,946	2,419	1,527	63%
Technological system services expenses	467	610	(143)	(23%)
Balancing market expenses	3,479	1,810	1,670	92%
EBIT	24	26	(2)	(8%)
ALL ACTIVITIES (WITH PROFIT ALLOWED AND ZERO-PROFIT)				
Operating revenues	6,286	3,756	2,531	67%
Operating expenses	5,391	3,471	1,920	55%
EBITDA	895	285	610	214%
Depreciation	272	274	(3)	(1%)
EBIT	624	11	613	n/a
Net finance result	(5)	(9)	4	44%
EBT - Profit before income tax	619	2	617	n/a
Income tax	90	1	88	n/a
Net profit	529	0.45	529	n/a

Stand-alone statement of financial position				
[RON mn]	2022 -unaudited-	2021 -auditet-	Δ	Δ (%)
	1	2	3=1-2	4=1/2
Non-current assets				
Tangible assets	4,003	3,815	188	5%
Assets representing rights of use under a lease - buildings	22	30	(8)	(27%)
Intangible assets	13	7	6	85%
Intangible assets-capitalization of Grid Losses	325	-	325	n/a
Financial assets	86	82	4	5%
Total	4,449	3,933	515	13%
Current assets				
Inventories	42	40	2	5%
Trade and other receivables	3,343	2,996	348	12%
Profit tax recoverable	-	21	(21)	n/a
Cash and cash equivalents	315	252	63	25%
Total	3,700	3,309	392	12%
Total assets	8,149	7,242	907	13%
Shareholders' Equity	3,892	3,355	537	16%
Non-current liabilities				
Long term deferred revenues	442	443	(2)	(0%)
Long term borrowings	56	79	(24)	(30%)
Other loans and assimilated debts - Non-current building lease liabilities	15	23	(8)	(35%)
Other non-current liabilities	170	177	(8)	(4%)
Total	682	723	(41)	(6%)
Current liabilities				
Trade and other liabilities	3,368	3,034	334	11%
Short-term borrowings	92	25	67	271%
Other loans and assimilated debts - Current building lease liabilities	8	8	0	2%
Other current liabilities	106	98	9	9%
Total	3,575	3,164	411	13%
Total liabilities	4,257	3,887	370	10%
Total shareholder's equity and liabilities	8,149	7,242	907	13%

Stand-alone statement of cash flows				
[RON mn]	2022	2021	Δ	Δ (%)
Cash flows before changes to working capital	544	247	297	120%
Cash flows from operating activities	554	223	331	149%
Net cash from operating activities	484	195	289	148%
Net cash used in investing activities	(454)	(399)	(55)	(14%)
Net cash used in financing activities	33	(98)	131	n/a
Net increase/decrease in cash and cash equivalents	63	(302)	365	n/a
Cash and cash equivalents as at January 1st	252	554	(302)	n/a
Cash and cash equivalents at the end of the period	315	252	63	25%

OPERATIONAL RESULTS

I. Charged volume of electricity

Within the period January–December 2022, the total amount of electricity charged for the services provided on the electricity market (52.18 TWh) registered a decrease of 7% compared to the same period of 2021 (the difference between the two periods being of - 4.2 TWh).

Profit segment allowed



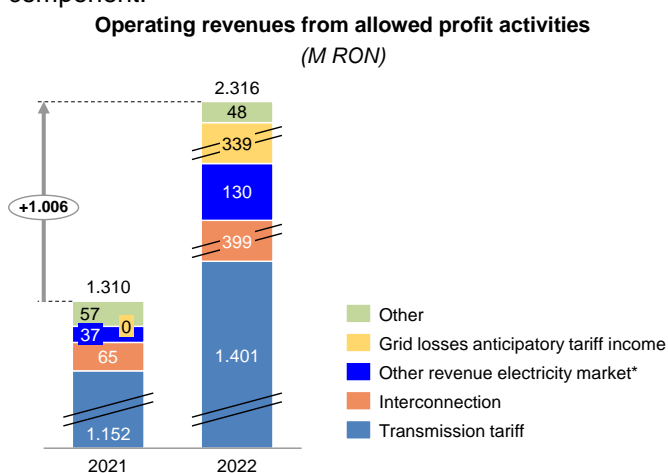
Operational revenues

The segment of **activities with permitted profit** recorded a 77% increase in revenues (2,316 million RON in 2022 compared to 1,310 million RON at the end of 2021) in the context of the increase in revenues from interconnection and the recording of revenues from OTC capitalization.

Starting with September 30, 2022, the Company applies the provisions of the Emergency Governmental Decision no. 119/2022, whereby the additional costs of the purchase of electricity achieved between January 1, 2022 and August 31, 2023, in order to cover the own technological consumption, compared to the costs recognized in the regulated tariffs, are capitalized quarterly.

For the year 2022, the Company recorded revenues in the amount of 338.5 million RON, representing additional OTC calculated as the difference between the net cost with the purchase of OTC and the OTC cost included in the regulatory tariff.

Thus, the capitalized costs are depreciated over a period of 5 years from the date of capitalization and are remunerated with 50% of the regulated rate of return approved by ANRE, applicable during the depreciation period of those costs and are recognized as a distinct component.



* ITC, reactive energy, OTC transactions, energy exchanges

The increase in transport revenues and other revenues on the energy market (1,930 million RON at the end of

2022 compared to 1,253 million RON in 2021) is mainly influenced by the increase in the average transport tariff (for revenues from the regulated transport tariff), in the conditions of the decrease in the amount of electricity delivered to consumers, as well as the evolution of interconnection revenues.

Between January and December 2022, **the revenues from the allocation of interconnection capacity** registered a significant increase, from 65 million RON in 2021 to 399.2 million RON in 2022, motivated by the following:

- the unit price of electricity which has increased throughout the European Union, causing a large price difference between the markets coupled with the increase in the participants' interest in buying interconnection capacity,
- the energy deficit registered at the European level.

Implicit allocations, in which capacity and energy are simultaneously assigned, are strongly influenced by the variations in the price of electricity on the stock exchanges in Europe.

The interconnection capacity allocation mechanism consists of organizing annual, monthly, daily and intraday tenders. The annual, monthly and intraday ones (borders with Serbia, Ukraine) are explicit - only the transport capacity is tendered, and the daily and intraday ones (borders with Hungary and Bulgaria) are implicit - they are allocated simultaneously with energy and capacity, through the coupling mechanism.

On June 17, 2021, the Day-Ahead Market in Romania switched to functioning in a coupled mechanism at the European level, together with the implementation of the DE-AT-PL-4M MC project, also known as Interim Coupling, the Romania-Hungary border being integrated in the single day-ahead market coupling (SDAC).

Starting from October 27, 2021, the Romania-Bulgaria border has been integrated into the single day-ahead market coupling (SDAC), with the cross-border capacity between Romania and Bulgaria being implicitly allocated.

On June 8, 2022, the Core FB MC project (Core Flow-Based Market Coupling) was commissioned, thus initiating day-ahead market coupling based on flows in the Core capacity calculation region. The flow-based market coupling mechanism optimizes the European electricity market for 13 countries (Austria, Belgium, Croatia, Czech Republic, France, Germany, Hungary,

Luxembourg, Netherlands, Poland, Romania, Slovakia and Slovenia).

The extension of market coupling has the effect of levelling the price of energy in Europe, which is also one of the main objectives of Regulation (EU) 2015/1222 "for establishing some guidelines on capacity allocation and congestion management".

The use of net revenues from the allocation of interconnection capacity is carried out in accordance with the provisions of ANRE Order no. 171/2019 updated and EU Regulation no. 943 of June 5, 2019 regarding the internal electricity market, as a source of investment financing for the modernization and development of interconnection capacity with neighboring systems.

In coupled markets, energy transactions are made without paying capacity reservation charges on the lines, which facilitates trade and the coupling mechanism makes energy flows to go from the cheapest to the most expensive markets.

Inter TSO Compensation (ITC) revenues

These revenues were slightly higher at the end of 2022 (4 million RON) compared to the same period in 2021 (3.3 million RON), the increase being caused by the international political situation that led to an increase in scheduled energy exchanges with Ukraine.

Starting from September 01, 2022, the tariff for exchanges with perimeter countries changed from 0.6 EUR/MWh to 1.2 EUR/MWh, which led to an increase in revenues recorded in the last months of the year.

Revenues from electricity transacted for OTC were obtained mainly from the sale of surplus energy resulting from the difference between the long- and medium-term forecast and the short-term forecast on the Intraday Market administered by OPCOM and respectively from the difference between the forecast OTC and the actual OTC achieved on the Balancing Market.

In the interval January-December 2022 (as in 2021), the main factor that had a significant impact on the income/expenses from energy transactions for OTC coverage, is represented by the context of price increases on the entire energy market, on all horizons of time, under the conditions of the decrease in the achieved OTC value.

The twelve months of 2022 have increased compared to the same period of 2021 based on the current price situation on the wholesale electricity market, which is significantly different from the situation in previous years, being strongly influenced by the conflict in Ukraine and the international energy crisis.

Income from emergency energy assistance to neighboring

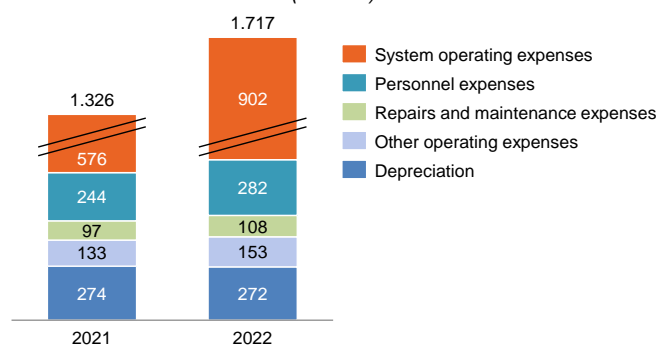
On December 31, 2022, **revenues emergency energy assistance to neighboring** in the amount of 45.3 million RON were recorded, regarding the *emergency energy assistance* (exported energy) to Ukraine in August and September 2022 following the request of the neighboring TSO, in accordance with the provisions of the Contract concluded with UKRENERGO.

Also, in the October-December period, due to the damage to the energy infrastructure in Ukraine, failure aid was granted to the Republic of Moldova.

Operational expenses

In the segment of the **activities with allowed profit**, the expenses (including depreciation) registered an increase of 29% (1,717 million RON in 2022 compared to 1,326 million RON in 2021).

Operating expenses from allowed profit activities
(M RON)

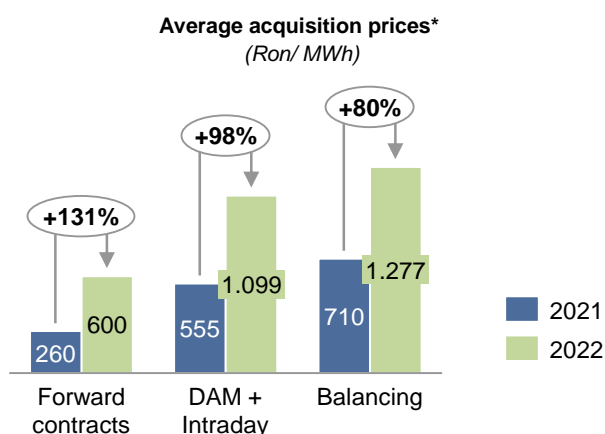


OTC: In the interval January-December 2022, the costs of purchasing energy to cover own technological consumption amount to 827 million RON, higher by 57% (+300 million RON) compared to January-December 2021, motivated by the following:

- due to its characteristics, the Own Technological Consumption (OTC) in the Electric Transmission Network (RET) is strongly dependent on weather conditions, the structure of electricity production and consumption at the national level, the distribution of electricity flows in the internal transmission network and on the interconnection lines with the neighboring electric energy systems, its value being very little to not controllable under the conditions of an interconnected and coupled regional energy market;
- the average price of energy purchased from PZU, which in 2022 was more than 2 times higher compared to the similar period of 2021, significantly exceeding the values recorded in recent years. The same trend was noticed at the European level.
- the unpredictability of the market was manifested by the accentuated and rapid increase in prices, in the

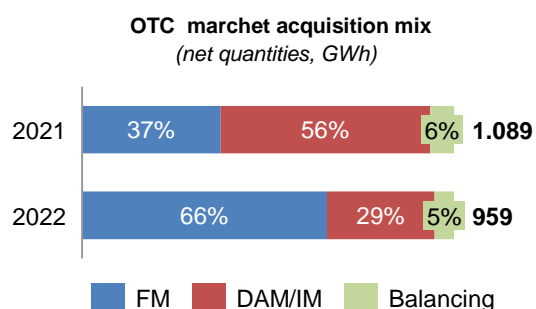
context of the increase in the price of the carbon emissions certificate, of a level of electricity production capacities insufficient to replace the production based on fossil fuels, especially that on coal and gas, in the context of market liberalization and the armed conflict in Ukraine, the lack of competition between producers and suppliers for the purchase of energy, in order to be able to fulfill their contracts;

- considering that the day-ahead markets are coupled within the CORE FB MC mechanism starting from June 2022, the increase in prices at the European level, determined by reduced hydraulics, in the context of prolonged drought and very high temperatures across Europe, as well as the reduced availability of nuclear power plants in France, had a significant impact in increasing the electricity deficit and the costs recorded for OTC coverage.



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

On all markets, average prices were considerably higher than those in 2021, and the acquisition mix (net quantity) has the following components in the two analyzed periods:



At the same time, considering the provisions of Emergency Governmental Ordinance no. 153/2022, Transelectrica will purchase electricity to cover Technological Own Consumption (OTC) through the Centralized Electricity Purchase Mechanism provided for in the Appendix to the Emergency Governmental Ordinance for the period January 01, 2023 – March 31, 2025.

Therefore, for the year 2023, the Company concluded a contract for the purchase of a quantity of

714,402.3MWh, representing 75% of the quantity related to the validated consumption forecast.

Expenses on electricity consumption in RET substations registered a 61% increase in 2022 compared to 2021 (39.6 million RON in 2022 compared to 24.6 million RON in 2021) due to the increase in energy purchase prices but also of the applicable legislative changes starting July 1, 2021, respectively the provisions of ANRE Order no. 82/2021.

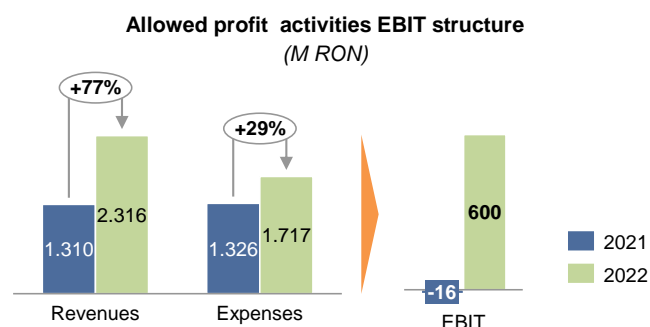
In order to carry out the activity of transmission of electricity in the power stations and the operation of the National Electro-energetic System in safe conditions, Transelectrica must purchase electricity to cover the consumption related to internal services from the high-voltage power stations under the Company's administration.

Inter TSO Compensation (ITC) expenses

In the year 2022 these expenses were higher by a percentage of 84% and represent the monthly payment obligations/collection rights for each transmission and system operator (TSO) that are established within the compensation/settlement mechanism for the effects of the use of the transmission power grid (RET) for electricity transits between TSOs that have adhered to this mechanism within ENTSO-E.

Operational result

Profit allowed activities recorded a result that increased by 615 million RON compared to the one recorded in the same period last year, the increase being mainly due to the revenues from the interconnection and the revenues from the OTC capitalization, starting with September 30, 2022, a date from which the Company applies the provisions of the Emergency Governmental Ordinance no. 119/2022.



The wholesale electricity market is fundamentally different compared to the situation in 2021, strongly influenced by the increase in prices on the electricity market, which led to an increase in the Company's costs in the segment of activities with allowed profit.

In this sense, the evolution of energy prices on the European spot market can be observed. The situation at

the European level has deteriorated rapidly since the second half of 2021, with energy stress being unprecedented especially for electricity and natural gas, which constitute fuel for electricity production.

Zero profit segment

Revenues from zero-profit activities registered an increase of 1,524 million RON, from 2,445 million RON on December 31, 2021 to 3,970 million RON on December 31, 2022, mainly determined by the increase of 1,659 million RON in revenues on the balancing market.

The **zero-profit activities** segment recorded an increase in costs by 1,527 million RON, from 2,419 million RON on December 31, 2021 to 3,946 million RON on December 31, 2022, mainly determined by the increase in expenses on the balancing market.

The balancing market was mainly influenced by the following elements:

➤ regulation

- European legislative regulations regarding the energy market and national regulations with a significant impact on the evolution of the electricity market;
- the application, starting from January 1, 2022, of the rules for compensation of imbalances between all TSOs, according to the IN Platform (Imbalance Netting). In this regard, from January 01, 2022 it was commissioned the European platform, International Grid Control Cooperation (IGCC) / IN Platform (Imbalance Netting) for the process of compensation of imbalances between all TSOs, which performs the automatic frequency restoration process pursuant to part IV of Regulation (EU) 2017/1485.

➤ regarding the operation of the market

- the accentuated increase in prices on the electricity market at the European level, in the context of the resource crisis, with an impact on the manner of contracting is carried out on the markets prior to the balancing market at the local and regional level;
- the evolution of the energy market at European and regional level;
- the manner of contracting on the markets prior to the balancing market;
- the evolution of the average price registered on the balancing market;
- the evolution of the negative imbalance registered at the level of electricity suppliers on the balancing market;
- the evolution of hydraulics;
- the evolution of electricity production and consumption.

Revenues on the balancing market achieved in 2022, were 1,659 million RON higher than those achieved in 2021.

The balancing market expenses incurred in 2022 were higher by 1,669.5 million RON compared to those in 2021. These expenses result from the notifications/achievements of the participants on this market.

For the activity of managing the balancing market, according to ANRE regulations, the non-zero monthly balances (revenue surpluses) resulting from the performance of this activity are to be compensated by ex-post tariff correction (negative correction) applied by ANRE in the tariff in the years following the one in which the respective balances were recorded.

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

Technological system services are purchased by the Company from manufacturers in order to ensure the maintenance of the safety level in the operation of SEN and the quality of the electricity transmitted at the parameters required by the technical norms in force.

The contracting of these services is carried out:

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

The acquisition of technological system services is carried out competitively through daily tenders, in accordance with the provisions of Regulation (EU) 2019/943 of the European Parliament and of the Council of June 5, 2019. The system services were purchased competitively through the organization of 748 daily tenders.

In 2022, the contracting of technological system services under a regulated regime was carried out only for Reactive Energy. Transelectrica contracted Reactive Energy from Hidroelectrica SA, according to ANRE Decision no. 1078/2020.

Within the period January-December 2022, **revenues from technological system services** registered a percentage decrease of 22% compared to January-December 2021 (488 million RON on December 31, 2022 compared to 623 million RON on December 31, 2021), determined by the decrease of the tariff approved by ANRE for these services, under the conditions of

reducing the amount of electricity delivered to consumers by a percentage of 7%.

The value of **expenses regarding technological system services** in the year of 2022, registered a percentage decrease of 23% compared to the same period in 2021 (467 million RON in 2022 compared to 610 million RON in 2021).

The value of STS acquisition costs for the year 2022 was mainly determined by the following factors:

- the purchase prices of system services on the competitive market remained around the following values:

- ✓ the average purchase price of the secondary regulation reserve at the value of 77.77 RON/hMW;
- ✓ the average purchase price of the rapid tertiary adjustment reserve, power increase to the value of 38.66 RON/hMW;
- ✓ the average purchase price of the rapid tertiary adjustment reserve, power reduction to the value of 9.42 RON/hMW.

- the manifestation during 2022 of a high level of concentration of the technological system services market for secondary reserve technological system services (RS).

The company re-invoices the value of the technological system services purchased from manufacturers to the electricity suppliers licensed by ANRE, which ultimately benefit from these services.

For the year 2022, the acquisition of technological system services through daily and per-way tenders carried out in accordance with the provisions of the European Regulations, the evolution of ANRE's regulatory framework regarding the electricity market, had a significant impact on the evolution of costs with the acquisition of system services at the Company level.

For the activity of technological system services, according to ANRE regulations, the income surplus/deficit compared to 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 respective surplus/deficit was registered. The surplus/deficit of income compared to the costs resulting from the performance of this activity is calculated on tariff programming periods.

For the year 2023, it is estimated that the evolution of ANRE's regulatory framework regarding the electricity market, as well as the European context of evolution of the electricity market will have a significant impact

regarding the evolution of the costs with the acquisition of the system services through daily and on the way tenders, at the level of Transelectrica SA.

Operational result

The **EBIT** generated by the **zero-profit activities** recorded a positive result of 24 million RON, down by 2.2 million RON compared to the one recorded in the same period last year.

The regulatory framework specific to zero-profit activities contains regularization mechanisms that ensure the compensation of the excess or deficit of revenues compared to the level of expenses necessary for the performance of the respective activities.

II. Company gross profit (EBT)

Total operating revenue

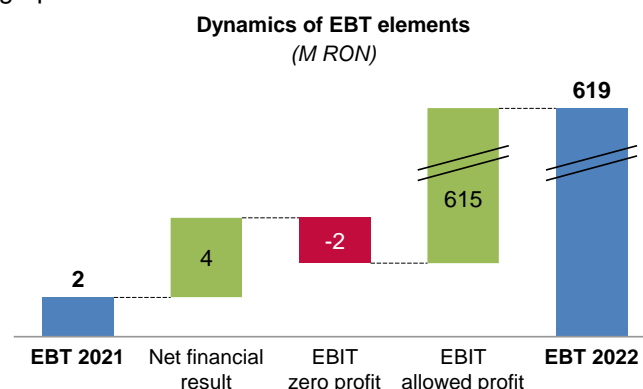
The total operating revenues achieved in 2022 registered an increase in a percentage of 67% compared to the same period of the previous year (6,286 million RON in 2022 compared to 3,756 million RON in 2021), determined mainly by the revenues from transmission, the significant increase in revenues achieved on the balancing market and other revenues from the energy market, in the conditions of the decrease in the amount of electricity delivered to consumers.

Total operational expenses

The total operating expenses (including depreciation) achieved in 2022 registered a 51% increase compared to the similar period of the previous year, 5,662 million RON in 2022 compared to 3,745 million RON in 2021).

The gross result increased during the analyzed period, from 2 million RON in 2021 to 619 million RON in 2022.

The dynamics between the result registered in 2022 compared to 2021, broken down by the constituent components of the result, is presented in the following graph:

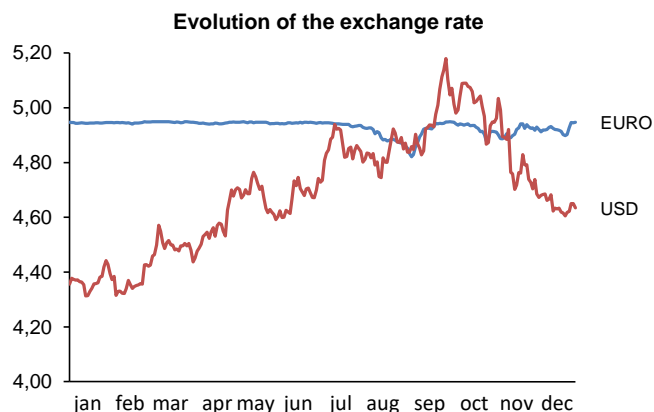


III. Financial Result

The net financial result recorded in the period January-December 2022 is negative in the amount of 4.9 million RON, based on the evolution of expenses/revenue with

exchange rate differences. The increased level was significantly influenced by the high volume of transactions related to the market coupling activity segment.

The evolution of the RON/EUR and RON/USD exchange rate in 2022 is shown in the following graph:



IV. Net result

The preliminary net result at the end of 2022 recorded an appreciation compared to the previous year due to the increase in the unit price of electricity and the shortage of electricity throughout the European Union, which led to the recording of higher revenues from the allocation of capacity from interconnection, simultaneously with the application of the new regulations regarding the coverage of net costs with OTC.



FINANCIAL POSITION

I. Non-current assets

In 2022, compared to the same period in 2021, fixed assets registered a percentage increase of 13% (+515 million RON), mainly determined by the capitalization of OTC in the amount of 325 million RON.

Assets of the usage rights for leased assets-buildings

Fixed assets related to the rights to use the assets leased - buildings represent the right to use the premises leased by the Company in the Platinum office building, according to the provisions of IFRS 16 - Leasing contracts.

Starting with October 01, 2020, the rental contract valid for a period of 5 years entered into force.

On December 31, 2022, the accounting value of the right to use the spaces rented by the Company in the Platinum office building amounts to 21.9 million RON.

Intangible assets - Additional OTC

Starting with September 30, 2022, the Company applies the provisions of the Emergency Governmental Ordinance no. 119/2022, by which the additional costs of the purchase of electricity made in order to cover the own technological consumption compared to the costs recognized in the regulated tariffs, are capitalized quarterly.

Therefore, the capitalized costs are depreciated over a period of 5 years from the date of capitalization and are remunerated with 50% of the regulated rate of return approved by the National Energy Regulatory Authority, applicable during the depreciation period of those costs and are recognized as a distinct component.

For the year 2022, the Company has capitalized the amount of 338.5 million RON representing the additional OTC calculated as the difference between the net cost with the purchase of OTC and the OTC cost included in the regulatory tariff, simultaneously with the recording of depreciation expenses related to the period October-December 2022, in the amount of 14 million RON.

Financial assets

Financial fixed assets on December 31, 2022 registered an increase of 4 million RON (5%) compared to December 31, 2021, representing the reclassification of some guarantees. The value of financial fixed assets on December 31, 2022 is of 86 million RON.

II. Current assets

Current assets registered a percentage increase of 12% on December 31, 2022 (3,700 million RON) compared to the value recorded on December 31, 2021 (3,309 million RON), mainly due to the increase in commercial receivables and other receivables, but also in cash elements and equivalents.

The commercial receivables increased by 201 million RON (2,395 million RON on December 31, 2022 compared to 2,194 million RON on December 31, 2021). The most important developments were:

- customers from the operational activity which, due to the increase in transactions resulting from the energy market coupling mechanisms, generated a higher balance of receivables from the operational activity (1,696 million RON as of December 31, 2022 compared to 1,408 million RON as of December 31, 2021).

The main customers in the balance on the electricity

market are represented by: OPCOM, MAVIR, Electrica Furnizare SA, Ciga Energy SA, IBEX, Cinta Energy SA, RAAN, Hidroelectrica SA, Joint Allocation Office SA (JAO), Complexul Energetic Oltenia SA.

The share of the clients presented above is about 77% in total commercial receivables.

- customers - the support scheme, which recorded a 37% decrease in balances for the analyzed period, mainly determined by the decrease in the invoiced value for the collection of the monthly contribution, closely related to the decrease in the value of the contribution for cogeneration, established by ANRE.

On December 31, 2022, the Company registers receivables from the bonus support scheme for the promotion of high-efficiency cogeneration in a proportion of approximately 5% compared to 9% on December 31, 2021, of total commercial receivables. The company carries out the activities related to the bonus support scheme for the promotion of high-efficiency cogeneration, as the administrator of the support scheme, in accordance with the provisions of HGR no. 1215/2009, "the main duties being the monthly collection of the contribution for cogeneration and the monthly payment of bonuses".

On December 31, 2022, the Company registers receivables in the amount of 131 million RON, represented by the invoices issued, related to the bonus support scheme for the promotion of high-efficiency cogeneration, of which:

- over-compensation for the period 2011-2013 in the amount of 76.70 million RON, respectively from RAAN – 63.46 million RON and CET Govora SA – 13.23 million RON;

- undue bonus for 2014 in the amount of 3.91 million RON, respectively from RAAN – 1.98 million RON, and CET Govora – 1.93 million RON;

- undue bonus for 2015 in the amount of 0.56 million RON, respectively from CET Govora – 0.53 million RON, Interagro – 0.03 million RON;

- undue bonus for 2020 in the amount of 0.52 million RON from Donau Chem;

- contribution for cogeneration not collected from the suppliers of electricity consumers in the amount of 21.2 million RON, respectively from: Transenergo Com – 5.88 million RON, PetProd – 4.39 million RON, Romenergy Industry – 2.68 million RON, RAAN – 2.38 million RON, UGM Energy – 1.50 million RON, CET Govora – 0.90 million RON, KDF Energy – 0.88 million RON and others.

Until the date of this report, the Company has fully collected the receivables related to the over-compensation of the activity regarding the support scheme for the year 2021 (amount of 22.89 million RON): CET Govora (15.04 million RON), BEPCO (4.26 million RON) and Electrocentrale Bucuresti (3.59 million RON), as well as the amount of 32.63 million RON from the undue bonus established by ANRE Decisions for the year 2022.

In order to settle the receivables generated by over-compensation and undue bonus, the Company requested the producers qualified in the support scheme to make mutual compensations. For the producers (RAAN, CET Govora) which did not agree with this way of settling mutual claims and debts, the Company applied and continues to apply the provisions of art. 17 paragraph 5 of the ANRE President's Order no. 116/2013 for the approval of the Regulation on establishing the method of collecting the contribution for high-efficiency cogeneration and payment of the bonus for the electricity produced in high-efficiency cogeneration and withheld from payment the amounts related to the due support scheme.

Other receivables as of December 31, 2022, in the amount of 166.6 million RON, mainly include:

- various debtors (104 million RON), of which:

- late payment penalties calculated for non-paying customers, in the amount of 95.16 million RON (of which the amount of 35.35 million RON represents penalties related to the support scheme). The largest late payment penalties were registered by the clients: RAAN (16.90 million RON), Romelectro (13.42 million RON), CET Govora (9.61 million RON), Electrocentrale București (9.41 million RON), Eco Energy SRL (8.91 million RON), Petprod SRL (8.89 million RON), Next Energy Partners (8.39 million RON).
- compensations owed by suppliers for non-delivery of electricity: Arelco Power (0.99 million RON) and Enol Grup (2.54 million RON).
- the debt 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 RON.

- expenses recorded in advance in the amount of 9.2 million RON are mainly represented by the ENTSO-E contribution for 2023 (6.99 million RON).

- other social claims in the amount of 1.85 million RON representing medical leaves paid by the employer to employees and to be recovered from the National Health Insurance Fund, according to the legislation in force.

Advances to suppliers paid on December 31, 2022 are represented by debtor suppliers for services in the amount of 697 million RON compared to December

2021 when they were in the amount of 701 million RON. 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 and FBMC – Flow Based Market Coupling) in the amount of 593.6 million RON - for ICP, FBMC and SDAC and 103.4 million RON – for SIDC.

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

The launch of flow-based energy market coupling in the Core region, on June 8, 2022, represented the transition from the ICP – Interim Coupling Project coupling mechanism to FBMC – Flow Based Market Coupling, optimizing 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 a CCP, the Company has the responsibility of transferring the financial flows generated by the electricity flows, following the coupling process.

The VAT to be recovered represents the amount of 291.8 million RON related to the statements for the period September-December 2022 and October 2020, of which, until the date of the report, the amount of 194 million RON has been collected.

The largest existing depreciation adjustments in the balance as of December 31, 2022, represent commercial receivables and related penalties for CET Govora (25.1 million RON), Eco Energy SRL (24.7 million RON), Petprod SRL (23.5 million RON), Arelco Power (14.8 million RON), Total Electric Oltenia SA (14.2 million RON), Romenergy Industry (13.5 million RON), Romelectro SA (11.8 million RON), Elsaco Energy (9.3 million RON), RAAN (8.5 million RON), Next Energy Partners SRL (8.4 million RON).

III. Liabilities

Long-term liabilities in the amount of 682 million RON on December 31, 2022 registered a percentage decrease of 6% compared to the value recorded on December 31, 2021 in the amount of 723 million RON.

Interest-bearing debts

As of December 31, 2022, the amount of long-term liabilities decreased compared to December 31, 2021 mainly due to repayments made under existing loan agreements. Instead, the value of short-term loans increased from the balance of 25 million RON in December 2021 to 92 million RON on December 31, 2022 by using some amounts from the short-term bank loans contracted for current activity and for the payment of the electricity purchased for OTC.

At the same time, **short-term liabilities** increased by 13%, from 3,164 million RON on December 31, 2021 to 3,575 million RON on December 31, 2022, mainly due to the increase in commercial and other receivables. The following elements had an impact on the evolution of commercial debts:

- **suppliers on the energy market** that increased by 63 million RON and record a balance in the amount of 1,956 million RON in December 2022 compared to 1,893 million RON in 2021.

This evolution was mainly influenced by:

- the increase *in the balance of liabilities related to operational activity* by 212 million RON, which was mainly determined by the decrease in the fourth quarter of 2022 in the volume of transactions resulting from the coupling of electricity markets.

The suppliers on the electricity market are mainly represented by: IBEX, MAVIR, Hidroelectrica SA, OPCOM, Joint Allocation Office, Complexul energetic Oltenia, Electrocentrale București SA, ELEKTROENERGIEN SISTEMEN OPERATOR EAD, CIGA Energy SA, Electrica Furnizare SA. On December 31, 2022, their share in total energy suppliers is of 91.7%.

- *the significant decrease in liabilities related to the support scheme to suppliers (producers)* by 181 million RON was determined by the reduction of the value of the monthly bonus for high-efficiency cogeneration from December 2022, compared to December 2021.

On December 31, 2022, payment obligations to suppliers (producers) are recorded in the amount of 35.5 million RON (RAAN – 32.2 million RON and CET Govora SA – 3.4 million RON), representing the monthly cogeneration bonus , the previous over-compensation for the years 2014 and 2015, the bonus not granted for the year 2015.

The amounts representing the Company's debts related to the support scheme towards RAAN and CET Govora were withheld for payment based on art. 17 paragraph 5 of the Order of the President of ANRE no. 116/2013, as the suppliers (producers) register payment obligations towards the Company on the bonus support scheme.

- **suppliers of fixed assets** decreased by 21.1 million RON due to the payment of overdue payments,

- "other debts" on the other hand, **increased** by 270.4 million RON, from the balance of 965.5 million RON in 2021 to 1,235.9 million RON on December 31, 2022.

The structure of "other debts" is presented as follows:

- *various creditors* in the amount of 389.7 million RON (increased by 244 million RON compared to December 31, 2021) are mainly represented by the net position of the support scheme regarding high-efficiency cogeneration, debt position, in the amount of 380 million RON and solution study contracts for connecting to RET (6.4 million RON),
- *creditor customers* on December 31, 2022 amount to 771 million RON (increased by 19 million RON compared to December 31, 2021) and represent amounts received in advance from OPCOM (532 million RON), MAVIR (212 million RON) , IBEX (24.5 million RON) in transactions related to price coupling mechanisms, ICP (Interim Coupling Project), SIDC (Single Intraday Coupling), SDAC (Single Day-ahead Coupling) and FBMC (Flow Based Market Coupling).
- *the debt for fixed assets related to the rights of use of assets leased - buildings*, according to the provisions of IFRS 16 – Leasing contracts, amounts to 8 million RON (short-term liabilities).
- *other debts* in the amount of 51.9 million RON are represented, mainly, by the payment guarantees of contracts on the electricity market concluded by Transelectrica in the amount of 34.9 million RON and not-exigible VAT during the reporting period in the amount of 16.7 million RON.

Provisions recorded a decrease in value in the analyzed period compared to 2021, from 51.7 million RON on December 31, 2021 to 43.6 million RON on December 31, 2022, decrease mainly determined by:

- the decrease in the value of the provisions set up for litigations which, on December 31, 2022, amount to 24.7 million RON compared to 31.2 million RON recorded at the end of 2021,
- provisions for mandate contracts which, on December 31, 2022, show a balance of 18.9 million RON (20.4 million RON on December 31, 2021) and which mainly represent the remuneration of executive and non-executive directors representing the variable component related to the allocated OAVT packages and unused during the mandates executed in the period 2013-2017, the remuneration of the variable component of the non-competition compensation and of the related fixed gross monthly allowances remaining until the end of the mandate, respectively 2024 for which the Company is in litigation.

IV. Shareholders' equity

The equity registered an increase determined mainly by the registration in the carried forward result of the net profit in the amount of 529 million RON, achieved on December 31, 2022. Therefore, the equity on December 31, 2022 amounts to 3,892 million RON compared to 3,355 million RON at December 31, 2021.

SHARE EVOLUTION

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

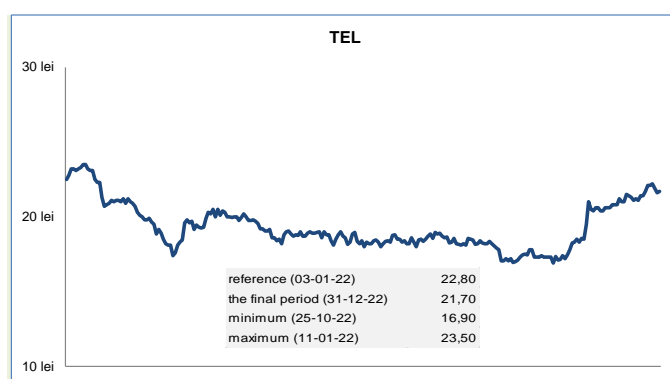


On August 29, 2022, Transelectrica completed 16 years from the date of its listing on the Bucharest Stock Exchange in the framework of the program "A strong market - Development of the capital market", being the first listed company with majority state capital.

The year 2022 started with a trading price of 22.80 RON/share, predicting the maximum price of the period of 23.50 RON/share from January 11, 2022. At the end of the period, the price of a TEL share was of 21.70 RON, bringing a stock market capitalization of 1,591 million RON, in value recovery compared to the minimum price of 16.90 RON recorded on October 25, 2022.

The company has the ability to adapt to the economic context generated by the energy crisis aggravated by the war between Russia and Ukraine, the repercussions being observed even in the share price which during the period decreased by 26% compared to the reference value from the beginning of the year, implicitly the value of the market registering a decrease of 429 million RON.

Evolution of TEL share



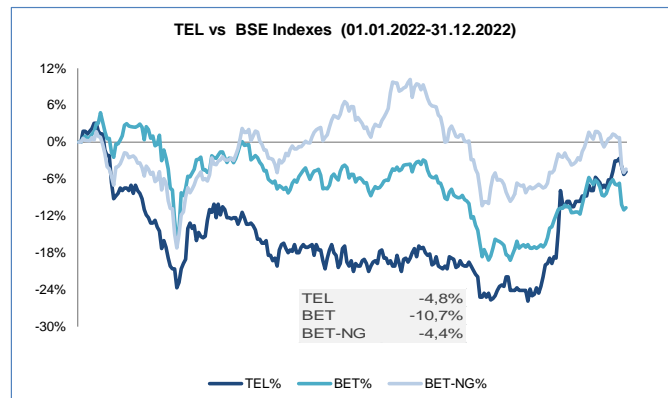
In 2022, the trading of TEL shares on the capital market in Romania recorded 14,957 transactions with an average number of 60 transactions/day and 2,142,121 traded shares, with a total value of 42,039 thousand RON.

Transelectrica shares are part of the structure of the following stock indices: BET, BET-NG, BET-TR, BET-XT, BET-XT-TR, BET-BK, BETPlus, BET-TRN, BET-XT-TRN. Among them, the most representative for the Company are:

- the BET index (Bucharest Exchange Trading - the reference index of the capital market that reflects the evolution of the 20 most liquid companies listed on the regulated market of BVB),
- the BET-NG index (Bucharest Exchange Trading Energy & Related Utilities - sectoral index that reflects the evolution of companies in the field of energy and related utilities listed on the regulated market of BVB).

According to the last periodic adjustment date recorded on December 09, 2022, TEL shares have a weight of 1.25% in the BET index and 3.89% in the BET-NG index.

The evolution of the TEL share in relation to the two indices can be found in the graph below:



MAIN RISKS AND UNCERTAINTIES

Risk is an objective concept, which means that it is measurable and can be minimised through preventive measures. Exposure to risk occurs when an action gives rise to a possible gain or loss that cannot be anticipated with certainty.

Uncertainty refers to a situation where there are several alternatives that lead to a specific outcome, but the probability of the outcome is not certain. This is due to insufficient information or knowledge about the current state. It is therefore difficult to define or predict the outcome or future events.

It is clear that knowledge of threats allows them to be ranked according to the likelihood of their occurrence, the extent of their impact on objectives and the costs of measures to reduce the chances of their occurrence or to limit undesirable effects.

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

Among the items that could have affected the Company's liquidity are:

- interest rate fluctuations;

In order to limit the impact of interest rate fluctuation on liquidity, the company took out long-term loans with fixed interest rates and negotiated the best interest rates;

The increase in electricity prices generated by the current economic context led to a significant increase in the Company's working capital financing needs, which was addressed by taking out a short-term credit line with an interest rate of Robor 1M+0.05%.

As a result of maintaining high prices, at the level of the entire economy, the need to call on external funds to support the operational activity was resolved by extending, to 2 years, the credit line contracted in March.

- exchange rate movements;

To honor foreign currency obligations, to limit the impact of exchange rate fluctuations, the Company has opened foreign currency accounts at various banks. In addition, Transelectrica negotiates the best exchange rates.

In addition, Transelectrica negotiates the best exchange rates.

- provisions in the grant agreements : in the grant agreements, there are clauses on compliance with financial indicators (covenants), changes of control over the Company, *pari passu* clauses.

Breach of these clauses may, subject to prior notice and a reasonable period of time, result in early repayment of the credit, with some loans having penalty clauses for early repayment.

To date, the Company has not received any notices of early repayment for default (there have been no

instances of default under the Company's financing agreements).

- credit risk: a financial loss due to the inability or unwillingness of a contractual partner to meet its contractual obligations. This risk arises mainly from trade receivables. In 2022, no problems were encountered in the relationship with clients and invoices were collected on time.
- the risk of non-collection of securities in investment projects: the main cause of this type of risk is the existence of banking companies or insurance companies offering security services without having the financial capacity to honour their obligations under the security instruments issued. During the year 2022 this risk did not materialise at Company level.
- risk of non-compliance with legal conditions: the liquidity of the Company could be affected by fines due to non-compliance reported during regular control activities by the competent institutions (ANAF, CCR, MFP, etc.). At the level of 2022, this risk has not materialised,
- the level of taxation, including the introduction of new taxes and charges. This risk has not materialised in 2022.

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

- the risk of credit rating deterioration as a result of worsening macroeconomic and political indicators and 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.

As of the date of this report, Moody's rating agency has not issued another rating, the Company is rated Baa3 (rating granted in October 2021).

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, which has exceeded 15% and the uncertain situation at the country's borders.

- investment risk due to financial difficulties at the level of subsidiaries mainly due to the competitive environment,
- process hampered by the procurement of the works in the RET Maintenance Programme, which may lead to incomplete implementation;
- the process of procuring the works in the Annual Investment Programme is hampered, which may

lead to the works being carried out below the planned quantitative or qualitative levels.

Regarding the elements, events or uncertainty factors that have influenced the activity of European funds for financing investment projects we mention:

- The volatility of the construction and energy materials market, as well as the current geopolitical context, have led to a spectacular increase in prices and therefore in the budgets and estimates of investment projects financed by non-reimbursable European funds, with an impact on the value of the Company's contribution to project financing,
- the amendment of the legislation in the field of price adjustment of contracts in the framework of projects financed by non-reimbursable European funds, in order to rebalance the contracts, has generated uncertainties related to the application of the adjustment formulas and different interpretations for the different types of contracts concluded or to be concluded, which has led to delays in the implementation of the projects and in the respect of the work execution plans, with an effect on the implementation deadlines.

The current price situation on the wholesale electricity market continues to maintain the same trend started in 2021, significantly exceeding the values recorded in recent years.

In this context, the Company has been faced in certain periods with a cash shortage caused by:

- European context of electricity market developments, with significant impact on the Company's costs.
- accelerated price increases in both the Day-Ahead and Intraday Markets, and the increased volume of transactions undertaken by the Company to achieve OTC hedging as close to delivery as possible.
- revenue/expense developments in the balancing market.

In order to remedy the temporary lack of liquidity, Transelectrica has resorted to short-term financing by taking out a revolving credit facility.

Compania attaches due importance to the analysis of the risk environment and identifies in advance possible risks that may arise in the future and whose approach must be prepared in advance, it does not limit itself to dealing with the consequences of events that may occur, but adopts a reactive management style, implementing a preventive component through measures taken in advance, aimed at mitigating the risks occurrence.

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 the year 2022, thanks to the solutions found and measures taken in time, the Company met its financial obligations.

The energy transmission companies together with ENTSOE have 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 some energy systems and indirectly create additional demand for gas for electricity supply.

According to the report, it is considered that storages play an essential role to ensure the energy security of each country, and without preparation for the winter of 2023/2024 in terms of gas storage, the situation could deteriorate in 2023.

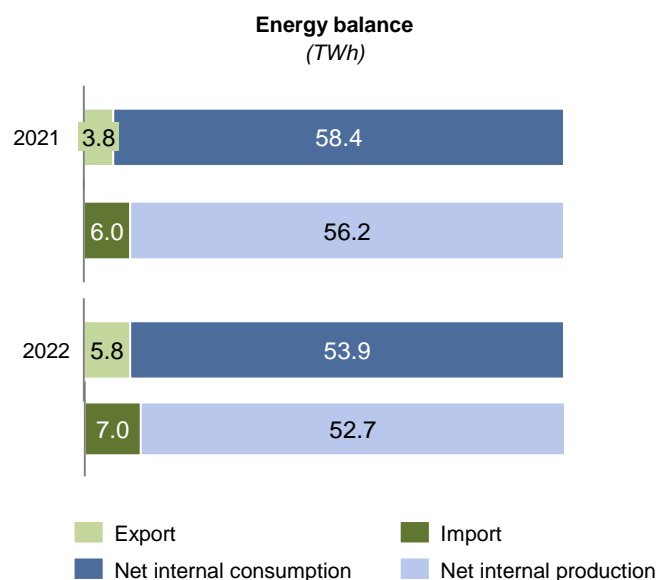


Operational data

ENERGY BALANCE WITHIN SEN

Analyzing the evolution of the energy balance components, in the period January - December 2022, net domestic consumption¹ and net energy production decreased by 8% and 6% respectively compared to the same period of the previous year.

Cross-border physical export trade in 2022 recorded a 51% increase compared to 2021 and cross-border import flows recorded a 16% increase.



In the period January-December 2022, electricity consumption at SEN level recorded decreases in all twelve calendar months.

The decrease in consumption was influenced on the one hand by the increase in primary fuel prices, a phenomenon reflected in the final price of electricity, and on the other hand by the average monthly temperatures, which systematically recorded positive anomalies and were generally above climatological norms.

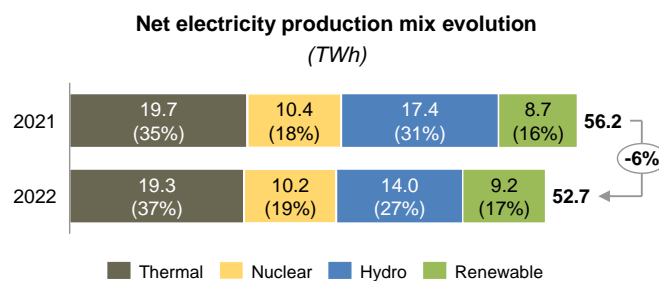
Another element that led to the reduction of national electricity consumption is the entry into force of Regulation (EU) 2022/1854 of October 6, 2022 regarding an emergency action to address the issue of high energy prices. Article 3 para. (1) of the Regulation stipulates that Member States shall endeavour to

¹the 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

implement measures to reduce the total gross monthly electricity consumption by 10% compared to the average gross monthly electricity consumption in the corresponding months of the reference period².

PRODUCTION MIX

In terms of production mix, in the period January - December 2022 compared to the same period in 2021, there was a decrease in the Thermal and Nuclear component by 2% and in the Hydro component by 20%. The Renewable component increased by 5%.



An analysis of the weights of the net generation mix components for the period January - December 2022 shows that the largest weight, 37%, is represented by the Thermo component followed by the Hydro component 27%, and the weight of energy produced from renewable and nuclear sources are approximately 17% and 19% respectively.

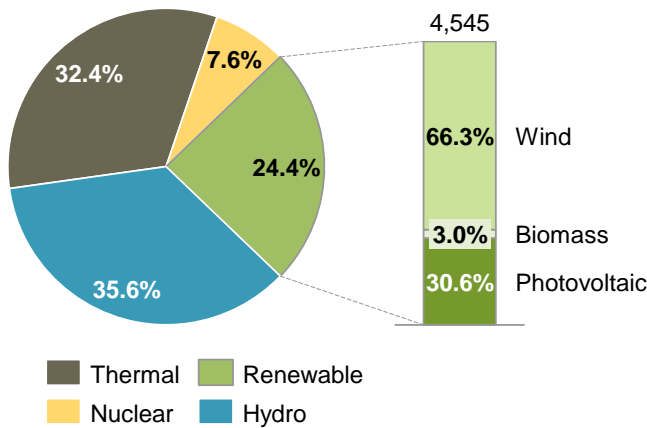
NATIONAL GENERATION FLEET

Installed capacity in thermal power plants increased by approximately 1% in 2022, from 5,966 MW installed on December 31, 2021 to 6,052 MW installed on December 31, 2022.

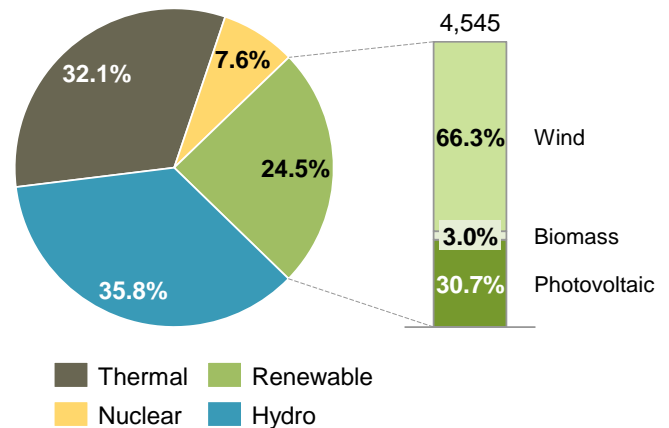
The installed capacity for the period January - December 2022 versus January - December 2021 is shown in the following charts:

²Art. 4 para.(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 between December 1, 2022 to March 31, 2023.

Installed capacity 2022 (18.652 MW. gross value)



Installed capacity 2021 (18.569 MW. . gross value)



The new geopolitical and energy market reality generated by the crisis in Ukraine, which has amplified the existing energy crisis in the European Union, has highlighted that the continued use of coal in electricity generation should be seen as a necessary temporary solution to help reduce the EU's dependence on an unreliable source of natural gas as a step towards the implementation of the European Green Pact.

CROSS-BORDER FLOWS

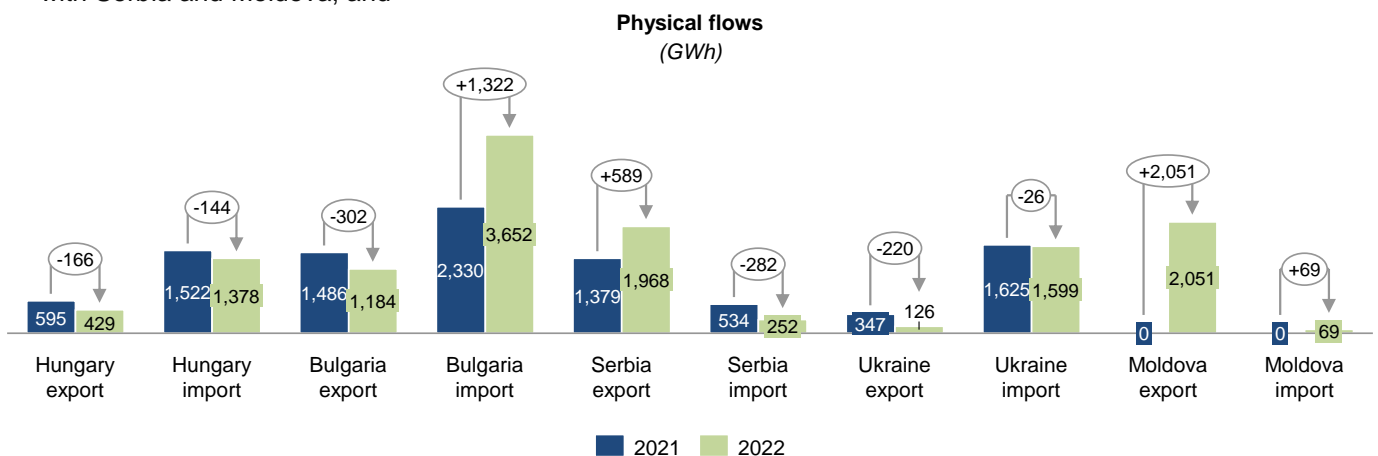
The distribution of **physical** import/export flows on interconnection lines in the period January - December 2022 compared to January - December 2021 is as follows:

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

- Imports increased on the Bulgarian and Moldovan borders and decreased on Serbia, Hungary and Ukraine.

Specifically, compared to January - December 2021, physical export flows decreased with Bulgaria (-20% -302 GWh), Hungary (-28% -166 GWh) and Ukraine (-64% -220 GWh) and increased on the border with Serbia (+43% +589 GWh) and Moldova (+2.051GWh), while physical import flows increased on the interconnection lines with Bulgaria (+57% +1,322 GWh) and Moldova (+69 GWh) and decreased on Serbia (-53% -282GWh), Hungary (-9% -144GWh) and Ukraine (-2% -26GWh)

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



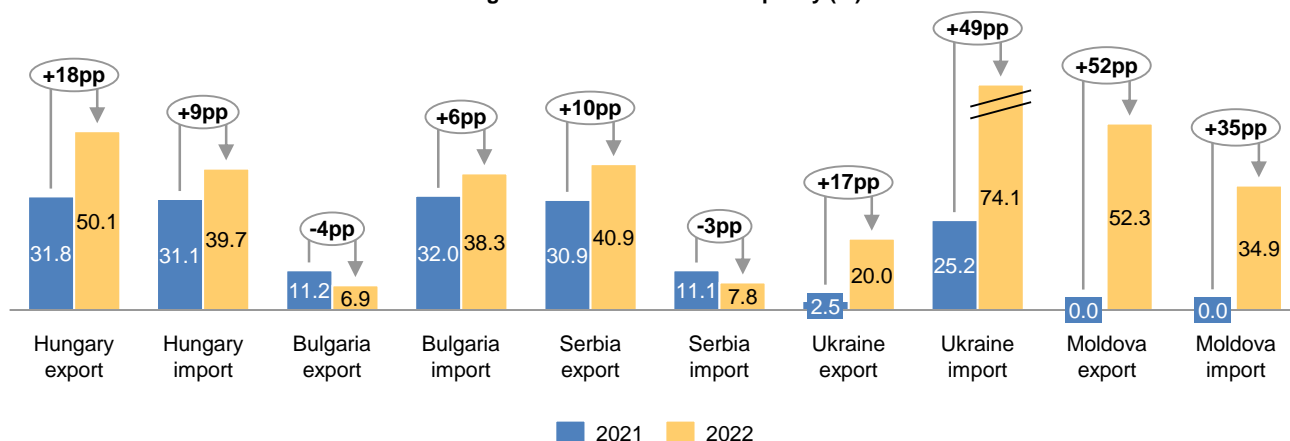
Compared to 2021, there has been an overall increase in the utilisation degree of allocated capacity for both imports and exports, i.e. an increase in **commercial exchanges** of 8% for imports, 28% for exports and 83% for energy in transit, against a background of much lower hydroelectricity compared to last year and lower domestic electricity consumption compared to the same period in 2021.

In the period from January to December 2022 the utilisation of the total allocated capacity on the

interconnection lines increased for export on the border with Moldova and significantly increased on the import direction on the border with Ukraine.

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

Usage rate of total allocated capacity (%)



The increase in capacity utilisation degree allocated in 2022 compared to 2021 is also due to the inclusion of imported and exported quantities of electricity as a result of the Company's participation as an operational member in the European Imbalance Netting Platform (IGCC) starting December 17, 2021.

Starting January 01, 2022 the European platform, International Grid Control Cooperation (IGCC)/In Imbalance Netting (IN) platform for the imbalance netting process between all TSOs, which performs the automatic frequency restoration process under Part IV of the Regulation (EU) 2017/1485, became operational.

The International Grid Control Cooperation (IGCC) is the project that was chosen in 2016 by ENTSO-E to become the future European platform for the imbalance compensation process, as defined in the Commission Regulation (EU) 2017/1485 of August 2, 2017 laying down guidelines for the operation of the electricity transmission system (Article 22).

The IGCC initiative was started in 2010 by operators in Germany and subsequently extended to the central European systems, as a way of optimising secondary frequency regulation - exchange power by reducing the counter-actions of member operators' regulators, resulting in an optimised use of the system reserve

"Frequency Restoration Reserve with automatic activation" of the RRF at the overall level.

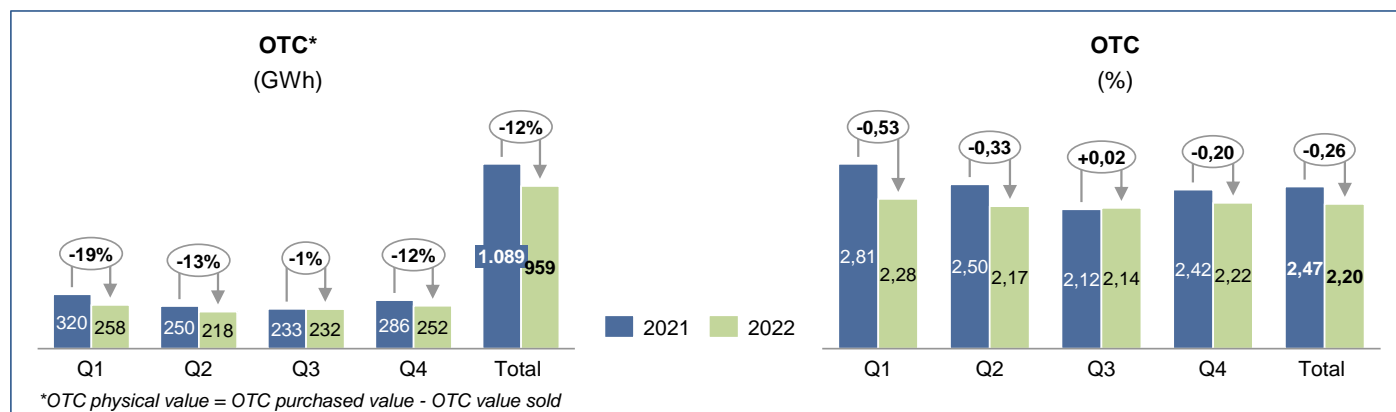
In August and September 2022, following the request of the neighbouring TSO, it was decided to grant emergency aid (exported energy) to Ukraine.

The reason for the granting of the emergency aid to Ukraine was that in the interconnection Continental Europe interzonal voltage oscillations were detected in the east-west direction with very weak damping and the TSO in Spain requested Ukraine, according to the procedures for emergency interconnection of the energy systems of Ukraine and the Republic of Moldova, to reduce the export balance to 0 MW.

Also against the backdrop of the damage to the energy infrastructure in Ukraine as a result of the armed conflicts in that country, which implicitly led to an increase in Moldova's electricity deficit, the Republic of Moldova was granted emergency aid in October-December.

• ONE'S OWN TECHNOLOGICAL CONSUMPTION

Compared to January-December 2021, in the same period in 2022 the OTC in the RET decreased by ca. 12% and the percentage OTC decreased from 2.47% to 2.20%.



*OTC physical value = OTC purchased value - OTC value sold

Due to its characteristics, the Own Technological Consumption (OTC) in the Electricity Transmission Network (RET) is strongly dependent on the weather conditions, the structure of the electricity generation and the 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 2022, such as rainfall and the distribution of physical cross-border flows, are not under Traselectrica's control.

OTC DEVELOPMENT FACTORS

In January 2022 OTC decreased compared to January 2021 by 14.6%, mainly due to more advantageous distribution of physical flows on interconnection lines, which led to reduced transmission of energy away from sources, but also due to favourable weather conditions with less precipitation, which resulted in lower corona losses.

The percentage of losses relative to energy entering the RET decreased from 2.94% in January 2021 to 2.42% in January 2022. Energy entering the meter increased by 3.6% in January 2022 (141 GWh) compared to the same period in 2021, due to an increase of 3.2% (100.3 GWh) in energy received from generators connected to the RET and an increase of 10.1% (46.6 GWh) in energy received from imports, against a decrease of 1.8% (5.9 GWh) in energy received from the RED.

In February 2022 OTC decreased compared to February 2021 by 32.4% mainly due to more favourable distribution of physical flows on interconnection lines and favourable generation dispatching, which led to reduced transmission away from sources, but also due to favourable weather conditions with lower precipitation, which reduced corona losses.

The percentage of losses relative to energy entering the RET decreased from 2.93% in February 2021 to 2.04% in February 2022. Energy input to the meter decreased by 2.8% (100.8 GWh) in February 2022 compared to the same period in 2021, on the back of a 7.4% (220.3 GWh) decrease in energy received from generators directly connected to the RET and a 7.3% (17.1 GWh) decrease in energy received from the RED, as energy received from imports increased by 33.3% (106.7 GWh).

In March 2022 OTC increased compared to March 2021, by 11%, mainly due to the more disadvantageous distribution of physical flows on the interconnection lines in the south of the country, which led to an increase in transmission away from sources.

The percentage of losses relative to energy entering the RET decreased from 2.57% in March 2021 to 2.36% in March 2022. Energy entering the meter decreased by 2.8% (106 GWh) in March 2022 compared to the same period in 2021, on the back of a decrease of 13.4% (406.1 GWh) in energy received from generators directly connected to the RET and a decrease of 21.1% (69.5 GWh) in energy received from the RED, as energy received from imports increased by 83.8% (369.7 GWh). Precipitation amounts were lower, resulting in lower corona losses.

In April 2022 OTC decreased compared to April 2021 by 2.4%, mainly as a result of favourable generation dispatch, which led to a reduction in remote transmission to sources. The percentage of losses relative to energy entering the RET decreased from 2.58% in 2021 to 2.49% in 2022. Energy entering the grid increased by 1.1% in April 2022 (38.0 GWh) compared to the same period in 2021, due to an increase of 8.6% (35.5 GWh) in energy received from imports and 1.3% (4.4 GWh) in energy received from DER, amid a decrease of 0.1% (1.9 GWh) in energy received from generators connected to the RET. Precipitation amounts were higher, leading to increased corona losses.

In May 2022 OTC decreased compared to May 2021 by 24.8% mainly as a result of more favourable distribution of physical flows on interconnection lines and favourable generation dispatching, which led to reduced transmission away from sources, and favourable weather conditions with lower precipitation, which reduced corona losses. The percentage of losses as a proportion of energy entering the RET decreased from 2.59% in 2021 to 1.9% in 2022. Energy entering the grid increased by 2.5% (79.2 GWh) in May 2022 compared to the same period in 2021, as a result of an increase of 6.3% (159.9 GWh) in energy received from generators directly connected to the RET and an increase of 49.4% (113.5 GWh) in energy imported from imports, while energy received from the RED decreased by 41.4% (194.2 GWh).

In June 2022 OTC decreased compared to June 2021 by 11.6%, as a result of lower energy entering the RET contour, favourable generation dispatching in the territory leading to reduced transmission away from sources, and favourable weather conditions characterised by lower precipitation leading to reduced corona losses. The percentage of losses as a proportion of energy entering the RET decreased from 2.35% in 2021 to 2.11% in 2022. Energy entering the meter decreased by 1.6% (55.1 GWh) in June 2022 compared to the same period in 2021, on the back of a 3.8% (104.5 GWh) decrease in energy received from generators directly connected to the RET and a 55.9%

(266.2 GWh) decrease in energy received from the RED, as energy received from imports increased by 143.7% (315.6 GWh).

In July 2022 the OTC increased compared to July 2021 by 1%, due to the increase in energy entering the RET contour. The percentage of losses relative to energy entering the RET decreased from 2.05% in 2021 to 2.0% in 2022. Energy entering the contour increased by 3.4% in July 2022 (124.3 GWh) compared to the same period in 2021, due to a 40.5% (198.9 GWh) increase in energy received from imports, amid a 25.2% (54 GWh) decrease in energy received from DER and a 0.7% (20.6 GWh) decrease in energy received from generators connected to the RET. Precipitation amounts were lower, resulting in lower corona losses.

In August 2022 the OTC increased compared to August 2021 by 9.1% mainly as a result of the more disadvantageous distribution of physical flows on interconnection lines, which led to increased transmission of energy away from sources, but also due to unfavourable weather conditions, characterised by higher precipitation, which increased corona losses. The percentage of losses to energy entering the RET increased from 1.92% in 2021 to 2.16% in 2022. Energy entering the grid decreased by 3% (110.8 GWh) in August 2022 compared to the same period in 2021, due to a 15.2% (99.2 GWh) increase in energy received from imports, on the back of an 8.5% (12 GWh) decrease in energy received from DER and a 6.8% (198 GWh) decrease in energy received from generators connected to the RET.

In September 2022 the OTC decreased compared to September 2021 by 10.3%, as a result of the decrease in energy entering the RET contour and as a result of the advantageous distribution of physical flows on the interconnection lines, 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 2.41% in 2021 to 2.28% in 2022. Energy entering the grid decreased by 5.2% (187.5 GWh) in September 2022 compared to the same period in 2021, on the back of a decrease in energy received from generators directly connected to the RET by 3% (84.1 GWh) and energy received from imports by 23.7% (139.1 GWh), while energy received from the RED increased by 20.2% (35.7 GWh). Precipitation amounts were higher, which increased corona losses.

In October 2022 the OTC decreased compared to October 2021 by 24.4%, due to the decrease in energy entering the RET contour, to the more favourable physical import/export flows on the interconnection lines on the border with Bulgaria and on the 400 kV Isaccea - Vulkanesti (Republic of Moldova) LEA, to the more

favourable distribution of generation in the territory and the favourable weather conditions with lower rainfall amounts, which resulted in lower corona losses. The percentage of losses in relation to the energy entering the RET decreased from 2.13% in 2021 to 1.76% in 2022. The energy entering the grid decreased by 8.3% in October 2022 (318.9 GWh) compared to the same period in 2021, due to a 23.6% (165.5 GWh) decrease in energy received from imports, a 4.8% (141.5 GWh) decrease in energy received from generators connected to the RET and a 6.2% (11.9 GWh) decrease in energy received from the RED.

In November 2022 the OTC increased compared to November 2021 by 1.9% mainly due to increased energy entering the RET contour, more unfavourable physical import/export flows on the North-West border interconnection lines and unfavourable weather conditions characterised by higher rainfall, which increased corona losses. The percentage of losses as a proportion of energy entering the RET decreased from 2.30% in 2021 to 2.27% in 2022. Energy entering the grid increased by 3.1% (120.4 GWh) in November 2022 compared to the same period in 2021, due to a 5.7% (164.4 GWh) increase in energy received from generators connected to the RET and a 13.3% (23.9 GWh) increase in energy received from the RED, amid a 9.0% (67.9 GWh) decrease in energy received from imports.

In December 2022 the OTC decreased compared to December 2021 by 13.7%, mainly as a result of the decrease in energy entering the RET contour, the more advantageous distribution of physical flows on the North-West interconnection lines and on the 400 kV Isaccea - Vulcanesti LEA, which led to a reduction in the transmission of energy away from sources. The percentage of losses in relation to energy entering the RET decreased from 2.81% in 2021 to 2.60% in 2022. Energy entering the meter decreased by 6.4% (265.4 GWh) in December 2022 compared to the same period in 2021, against the background of a decrease in energy received from generators directly connected to the RET by 6.3% (200.9 GWh), energy received from the RED by 21.1% (60.6 GWh) and energy received from imports by 0.6% (3.9 GWh). Precipitation amounts were lower, which resulted in lower corona losses.

In conclusion overall in the first quarter of 2022, the OTC in the RET decreased by approximately 19.4% compared to the same period in the first quarter of 2021, as a result of the more favourable distribution of physical flows on the interconnection lines in the first two months and favourable weather conditions throughout the period, factors which led to a reduction in corona losses. Relative to energy entering the contour losses decreased from 2.81% to 2.28%.

The overall second quarter of 2022 the OTC in the RET decreased by approx. 12.8% compared to the same period in 2021, as a result of favourable generation dispatching in April and June and advantageous physical flow distribution on interconnection lines in May, which led to a reduction in transmission away from sources, but also due to favourable weather conditions in May and June, which reduced corona losses. Relative to energy entering the contour losses decreased from 2.5% to 2.17%.

The overall third quarter of 2022, the OTC in the RET decreased by 0.7% compared to the same period in 2021, due to a 1.6% reduction in energy entering the RET contour and due to favourable weather conditions in July, which reduced corona losses during the period. Relative to energy entering the contour losses increased from 2.12% to 2.14%. It should be noted that *the values for September 2022 are preliminary.*

The overall fourth quarter of 2022, the OCT in the RET decreased by 11.9% compared to the same period in 2021, mainly as a result of a 3.9% reduction in energy entering the RET contour, the physical flows on the more advantageous interconnection lines and due to the favourable weather conditions in October and December, which reduced corona losses during those periods. Relative to energy entering the contour losses decreased from 2.42% to 2.22%. It should be noted that *the values for December 2022 are preliminary.*



RET development

NON-CURRENT ASSETS REGISTERED IN ACCOUNTING BOOKS

The increase in the total value of tangible assets at 31 December 2022 compared to 31 December 2021 was due to the increase in the value of tangible assets in progress concurrent with the recording of depreciation tangible assets.

The value of fixed assets recorded in accounting in 2022 is 289.4 million lei (256 million lei in the same period of 2021), an increase of 33 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:

- Connection of Isaccea-Varna 400 kV LEA and

Isaccea-Dobrudja 400 kV LEA in Medgidia South 400 kV Station, Phase I - Extension of Medgidia South 400 kV Station - 58.6 million lei;

- Refurbishment of the 220/110 kV Hashdat Station - 54.3 million lei;
- Refurbishment of the 220/110 kV Iaz station - 40.9 million lei;
- Upgrade of the 220/110/20 kV Răureni Station - 25,4 million lei;
- Installation of AT2 400 MVA, 400/231/22 kV and related cells in Iernut Station and modernization of the control system of 400/220/110/6 kV Iernut Station - 22,9 mil lei;
- Replacement of HV and Trafo in electric stations - Phase 2, stage 2 - LOT 1 - LOT 2 - 15,3 mil lei.

TANGIBLE AND INTANGIBLE ASSETS

Purchases of tangible and intangible assets in January-December 2022 amount to 468 million lei, decreasing compared to the same period of 2021 when purchases amounted 495 million lei.

At the same time, the balance of tangible assets in progress according to the financial position as at December 31, 2022, in the amount of 1,049.2 million lei, is represented by the projects in progress, the most significant of which are listed below:

- 400 kV d.c. Cernavodă - Stâlpuri LEA and connection in Gura Ialomiței - 347 million lei;
- 400 kV d.c. Gutinaș - Smârdan LEA - 126,4 mil lei;
- Switching to 400 kV voltage of the Porțile de Fier - Reșița - Timișoara - Săcălaz - Arad axis - Phase I - 400 kV line s.c. Porțile de Fier - (Anina) - Reșița - 115,5 mil lei;
- Upgrade of the 400(220)/110/20 kV Munteni Station - 47,7 million lei;
- Connection to the RET of CEE 300 MW Ivești, CEE 88 MW Fălciu 1 and CEE 18 MW Fălciu 2 through the new (400)/220/110 kV Banca Station - 46,9 mil lei;
- Upgrade of the 220/110/20 kV Arefu Station - 43,5 million lei;
- Refurbishment of the 220/110/20 kV Ungheni Station - 31,7 million lei;
- Refurbishment of the 400/110/20 kV Smârdan Station - 28 million lei;

- Refurbishment of the 220/110/20 kV Baru Mare Station - 20,6 million lei;
- Upgrade of the 220/110 kV Dumbrava Station - 20,1 million lei;
- Extension of the 400 kV Gura Ialomiței Station with two cells: LEA 400 kV Cernavodă 2 and 3 - 19,3 mil lei;
- Switching to the 400 kV voltage of the Porțile de Fier - Resita - Timișoara - Săcălaz - Arad axis - Phase I - 400/220/110 kV Resita Station - 19.3 million lei;
- Increasing the transmission capacity of the 220kV Ștejaru - Gheorgheni - Fântânele line - 16.4 million lei;
- Refurbishment of the 110 kV Medgidia South Station - 13,7 million lei;
- Extension of the 400 kV Cernavodă Station - Phase I+II, Replacement of 2 compensation coils, Connection of new lines - 12,2 mil lei;
- 110 kV, 220 kV and 400 kV mobile cells - 11.3 million lei.



ANNUAL INVESTMENT PROGRAM

The breakdown of investment expenses as at December 31, 2022 by the main chapters of the annual investment programme correlated with the main chapters of the Company's Development Plan is as follows:

The performance degree of the investment programme at December 31, 2022 is 97.5%.

No.	Types of expenditures	2022 Investment Programme* (RON thou.)	Achieved (RON thou.)	
			12M 2022	12M 2021
	Grand total (A + B)	472.551	460.560	499.378
A	Company's own expenses	447.239	439.885	479.510
B	Investments financed from the connection fee	25.312	21.066	19.869

*2022 Annual Investment Programme, revision A10

EUROPEAN FUNDS

In Q4 2022, the contracting process for the non-reimbursable financing from the Modernization 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 euros represents 30% of the total funding obtained by Romania through the Modernization 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.

At the same time, in 2022 the implementation of 2 investment projects financed by European non-reimbursable funds was carried out, as follows:

- *400 kV d.c. Gutinaş Smârdan LEA* (The construction of the LEA will use 445 poles 21 m high, equipped with cables, insulation and protective conductors, including an end cell in Gutinaş station),

In Q4 of 2022, the procedure for signing the addendum no.4 to the POIM financing contract for the 400 kV d.c. Gutinaş Smârdan LEA project was completed, which provides for an increase in the eligible value of the project by €16,470,297, from €33,439,927 to €49,910,224, corresponding to a financing rate of 66.88%. The total value of the investment, excluding VAT, is €75,812,524.

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

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

- *Cernavodă-Stâlpu internal line (financed by European funds under the Connecting Europe Facility (CEF) mechanism).*

At the same time, Transelectrica in partnership with Delgaz Grid submitted to the European Climate Infrastructure and Environment Executive Agency (CINEA) - European Commission the application for grant funding through the Connecting Europe Facility for the Carpathian Modernization of Energy Network (CARMEN) project of common interest.

In view of the continuation of the partnership and the common interest to implement the CARMEN Project, Delgaz Grid and Transelectrica submitted on 15.12.2022 to the European Commission the application for reconfirmation of the CARMEN project in the EU PIC List VI.

The necessary steps have been taken to include the project "*Interconnection of the electricity systems of Romania and the Republic of Moldova through the construction of the strategically important investment objective of the 400 kV Suceava - Balti overhead power line, including relevant works in the Suceava and Balti stations*" in the list VI of PMIs (Projects of Mutual Interest), according to the TEN-E Regulation.

At the same time, a good inter-institutional collaboration is maintained to ensure the legal framework necessary for the implementation of projects of common interest and national importance that the Company implements.

COMPANY FINANCIAL INVESTMENTS

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

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

- **TSCNET**
- **JAO**
- **SEE RSC**

TSCNET (TSCNET Services GmbH)

It was established to serve the Transmission System Operators (TSO) of eastern-central-western European part (CORE region) in view of coordinated implementation of European network codes. Affiliation means participating to the shareholders of TSCNET by purchasing company shares.

Decision 9 of SEGA of 05 June 2018 approved Company affiliation to the Security Coordinating Centre of CORE region, TSCNET by participating to its share capital with 470,500 Euro (1 share – 2.500 EUR).

JAO (Joint Allocation Office)

Beginning with 2019 bids allocating long-term capacities have been performed in coordinated manner by JAO, which was nominated Operator of the Single Allocation Platform (SAP).

Transelectrica was invited by JAO to become part of its shareholders.

Decision 10 of SEGA of 20 August 2018 approved the Company's affiliation to the Joint Allocation Office (JAO) by cash subscription of 259,325 Euro, being allotted 50 shares.

SEE RSC (Centre Coordinating the Electricity Network of South-Eastern Europe)

Through the Romanian – Bulgarian border Romania is part of the coordinated calculation region of cross-border transfer capacities South-East Europe (SEE). In terms of regional coordination of operational safety services, this region will be served by an independent legal entity exercising the part of regional operational safety coordination centre (further called SEE RSC).

The Company's affiliation to the shareholders of SEE RSC became effective on 22.05.2020 by cash subscription of 50,000 Euro, being allotted 50,000 shares.

On 25 February 2022, the Extraordinary General Meeting of Shareholders approved the exit of the Company from the shareholding of Selene CC, with full recovery of the capital invested by the Company in this company to date (50,000 euro).



Significant events

IANUARIE – DECEMBER 2022

- **Common integration tests and new launch date for the Core Flow-Based Market Coupling project**

The project parties involved in the Core Flow-Based Market Coupling project reported that the first phase of the joint regional testing (Full Integration Testing -FIT) was successfully completed on 13 January 2022.

FIT testing focused on the functionality of all systems involved in the FB MC process and between them, proved that the solution is capable of performing the FB MC process.

- **Enforcement of Civil Ruling no. 3982/08.10.2018 of the Bucharest Court of Appeal**

Following the ruling of the Bucharest Court of Appeal, ANRE Decision no.167/16.02.2022 and ANRE Document 29104/17.02.2022, the following was established:

The regulated procurement price of the technological system services provided by Hidroelectrica for Transelectrica, recalculated for the past periods is:

- 01.07.2015 - 30.06.2016 in the amount of 676,67 lei/group hour and
- 01.07.2016 - 30.06.2017 in the amount of 713,42 lei/hour-group.

The resulting price difference between the prices approved by ANRE by Decisions 1377/25.06.2015 and 1035/22.06.2016 in relation to Decision 167/16.02.2022 is in the amount of 21,340,716 lei, according to ANRE's clarifications, detailed below:

Item name	M.U	ANRE Decision nr.1377/2015	ANRE Decision nr.1035/2015
Recalculated STS-ER regulated supply price	lei/hour-group	686,67	713,42
Regulated price for STS-ER supply approved in previous decision	lei/hour-group	86,85	101,91
Regulated supply price STS-ER difference to be recovered	lei/hour-group	589,82	611,51
Number of hours of STS-ER provision	hour-group	17.074	18.430
Difference to be recovered	lei	10.070.587	11.270.129
Total difference to be recovered (Decision No 1377/2015 and Decision No 1035/2015)		21,340,716 lei	

Transelectrica will pay Hidroelectrica the total amount mentioned until 31.12.2022, and will recover the full

amount of 21,340,716 lei through the regulated tariff for system services in the following tariff period.

- **Agreement for EIB advisory services**

In order to improve the management processes of investment projects by removing existing blockages and streamlining some activities, the Company has signed a pro-bono support services agreement with the European Investment Bank (EIB) for an in-depth analysis of the Company's internal processes.

This assistance is also intended to expand access to a base of national and international contractors, who until now and for reasons yet to be identified have not collaborated with Transelectrica.

- **Resolution No. 1 of the Ordinary General Meeting of Shareholders of February 25, 2022**

On February 25, 2022 the Ordinary General Meeting of Shareholders approved:

- Establishment of the investment programme for the financial year 2022 and estimates for 2023 and 2024
- Budget for 2022 and estimates for 2023 and 2024

- **Resolution No. 2 of the Ordinary General Meeting of Shareholders of February 25, 2022**

On February 25, 2022, the Extraordinary General Meeting of Shareholders approved the exit of the National Power Transmission Company "Transelectrica"-SA from the shareholding of the regional centre for the coordination of safety in the operation of power systems in South-East Europe - Selene CC, with full recovery of the capital invested by Transelectrica in this company so far (50,000 euros).

- **Continental European TSOs are fully engaged in synchronisation with the energy systems of Ukraine and Moldova**

At the Energy Council meeting on 28 February 2022, Member States stressed the importance of the possibility of urgent synchronisation of the Ukrainian electricity network with the electricity network of Continental Europe and the need to consider the impact on the Republic of Moldova.

The Continental European TSOs are focused on identifying the key conditions necessary to support Ukraine's electricity supply as a matter of priority and have committed to respond positively to the request and have analysed the conditions for an emergency

synchronisation, while ensuring the security of the power system in Continental Europe. (www.entsoe.eu).

- **The Republic of Moldova and Ukraine have completed the process of synchronization to the European energy network ENTSO-E**

On 11 March, the TSO of Continental Europe concluded that the conditions for emergency synchronisation of the Moldovan-Ukrainian electricity systems with that of Continental Europe have been met and finalised the technical procedures for connecting the networks on 16 March 2022.

Throughout the process, Continental European TSOs receive support from the European Commission, Member States and regulators (www.entsoe.eu).

- **Extension of mandates and changes in the composition of the governing bodies**

In accordance with its statutory and legal powers, the Supervisory Board decided at its meeting of 23 March 2022, with reference to the expiry on 24.04.2022 of the terms of office as provisional members of the Directorate Gabriel ANDRONACHE, Ștefăniță MUNTEANU, Cătălin Constantin NADOLU, Marius-Viorel STANCIU and Florin Cristian TĂTARU, as follows:

➤ the extension, under the terms and conditions of Article 64² of GEO no. 109/2011 on the corporate governance of public companies with subsequent amendments and additions, for 2 months from 25.04.2022, of the terms of office of the following provisional members of the Directorate:

- Gabriel ANDRONACHE,
- Ștefăniță MUNTEANU,
- Cătălin-Constantin NADOLU and
- Florin-Cristian TĂTARU.

➤ the appointment as a member of the Directorate, pursuant to the terms and conditions of Article 64² of GEO no. 109/2011 on corporate governance of public companies as amended and supplemented, for a term of 2 months starting on 25.04.2022, of Mr. Bogdan TONCESCU, this appointment becoming effective subject to the express acceptance of the mandate as a member of the Directorate of NPG "Transelectrica" SA.

- for the period 25 April - 24 June 2022, Chairman of the Directorate, alternatively called Chief Executive Officer of the National Electricity Transmission Company "Transelectrica" SA, was appointed Mr. Gabriel ANDRONACHE, in accordance with the provisions of Article 23 para. (1) of the Constitution of the National Power Transmission Company "Transelectrica"-SA.

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- **Presentation of annual financial results 2021**

On 25 March 2022 the presentation of the financial results for 2021 was organised. The format of the presentation was teleconference, starting at 12 p.m (Romanian time).

- **Regulated tariffs applicable from 1 April 2022**

On 28.03.2022 was published in the Official Gazette no.299/28.03.2022 the ANRE Order no. 33/23.03.2022 on the modification of the average tariff for the transmission service, the components of the transmission tariff for the introduction of electricity into the network (T_G) and for the extraction of electricity from the network (T_L), charged by the Company. Therefore, the regulated tariffs for the electricity transmission service, applicable from 01 April 2022, are:

Service	Tariff applicable from 01 January 2022	Tariff applicable from 01 April 2022	Variation
	lei/MWh	lei/MWh	%
The average tariff for the transmission service, of which	23.96	28.10	+17.3%
Transmission Tariff - feed-in component - (T_G)	1.49	2.53	+69.8%
Transmission Tariff - off-grid component - (T_L)	22.47	25.57	+13.8%

- **Major indirect holdings of NN Group N.V. (more than 5% of TEL's share capital)**

The percentage held on 11 April 2022 by NN Group N.V., is 5.62% of the share capital of the Company.

- **Resolution No. 3 of the Ordinary General Meeting of Shareholders of 18 April 2022**

On 18 April 2022, the Ordinary General Meeting of Shareholders approved the appointment of the following members of the Company's Supervisory Board with a four-month term of office, starting on 22 April 2022 and ending on 21 August 2022:

- ✓ Mrs Oana-Cristina BALACCIU;
- ✓ Mr Adrian-Nicolae BLĂJAN;
- ✓ Mr Cătălin-Andrei DASCĂL;
- ✓ Mr Victor-Florin DUMITRIU;
- ✓ Mr Dumitru Virgil ORLANDEA;
- ✓ Mr Costin-Mihai PĂUN;
- ✓ Mr Alexandru-Cristian VASILESCU.

At the same time, it established the remuneration of the members of the Supervisory Board as being calculated in accordance with Article 8 of GEO no. 109/2011, approved with amendments and additions by LG no. 111/2016 and approved the form of the mandate contract to be concluded with the members of the Supervisory Board and the power of attorney of the person who will sign on behalf of the Company the

mandate contracts of the members of the Supervisory Board.

• **Resolution No. 4 of the Ordinary General Meeting of Shareholders of 28 April 2022**

On 28 April 2022 the Ordinary General Meeting of Shareholders approved:

- Separate financial statements of NPG "Transelectrica"-SA for the financial year 2021;
- Consolidated financial statements of NPG "Transelectrica"-SA for the financial year 2021;
- Allocation of accounting profit remaining after deduction of income tax as at 31.12.2021;
- Establishment of reserves related to the revenues from the allocation of transmission capacity on interconnection lines in 2021, from the surplus realised from taxable and non-taxable revaluation reserves on the change of use;
- Discharge of the members of the Directorate and the members of the Supervisory Board for the financial year 2021.

• **Appointment of the Chairman and Advisory Committees to the Supervisory Board**

On 3 May 2022, the Supervisory Board elected Mr Cătălin-Andrei DASCĂL as Chairman of the SC and appointed the members of the Advisory Committees of the Supervisory Board as follows:

- Nomination and Remuneration Committee:
 - Alexandru-Cristian VASILESCU-President
 - Oana-Cristina BALACCIU
 - Costin-Mihai PĂUN
 - Dumitru Virgil ORLANDEA
 - Cătălin-Andrei DASCĂL.
- Audit Committee:
 - Oana-Cristina BALACCIU - President
 - Adrian-Nicolae BLĂJAN
 - Victor- Florin DUMITRIU
 - Cătălin-Andrei DASCĂL
 - Costin-Mihai PĂUN.
- Energy Security Committee:
 - Costin-Mihai PĂUN - President
 - Alexandru-Cristian VASILESCU
 - Victor- Florin DUMITRIU
 - Adrian-Nicolae BLĂJAN
 - Dumitru Virgil ORLANDEA.

• **CARMEN Smart Grid Project officially became a Project of Common Interest of the European Union**

The Smart Grid Carpathian Modernized Energy Network (CARMEN) project, developed by Delgaz Grid SA and NPG Transelectrica SA in partnership with the

Hungarian transmission operator, MAVIR Magyar Villamosenergia-ipari Átviteli Rendszerirányító ZRt, has received final approval from the European Union and has been included in the fifth list of Projects of Common Interest (PCI).

Projects of Common Interest are key cross-border energy infrastructure projects for building a more integrated and resilient internal European energy market and for pursuing energy and climate objectives.

• **Resolution No. 5 of the Extraordinary General Meeting of Shareholders of 16 May 2022**

The Extraordinary General Meeting of Shareholders on 16 May 2022 decided:

- to add to the Company's object of activity the activities coded according to CAEN: 3511 Electricity generation and to amend the Articles of Association accordingly by adding in Art. 6 lit. B by adding the following wording: "*Production of electricity (exclusively for the Company's own consumption) - activity of electricity generating installations; including thermal, nuclear, hydroelectric, gas turbine, diesel and recoverable energy plants - CAEN code 3511*".

- relocation of the Company's headquarters from Bucharest, Bdul. General Gheorghe Magheru no. 33, sector 1 to the Municipality of Bucharest, Olteni str. no.2-4, sector 3, "Platinum Center" building and the corresponding amendment of art.3 paragraph (1) of the Articles of Association, the new wording being as follows:

"(1) "Transelectrica" has its head office in Romania, Bucharest, Olteni str. 2-4, sector 3, building "Platinum Center" and secondary office in Bdul. Hristo Botev nr. 16 - 18, sector 3."

• **Refurbishment of the Hashdat Power Station**

On 31 May 2022, the company marked the completion of the refurbishment of the 220/110 kV Hășdat Transformer Station (Hunedoara county), an investment of over 60 million lei, made with its own funds, during an inauguration ceremony.

The upgrading of the 220/110 kV Hășdat station, commissioned in 1970, aimed at bringing the installations to a level of safety and reliability corresponding to the area in terms of energy, using modern technologies used worldwide.

The investment will help to improve the quality of energy transmission service and increase the security of supply to consumers connected to the electricity transmission network.

The upgrading of the 220 kV and 110 kV voltage levels creates the conditions for reducing maintenance costs

as well as for remote monitoring and diagnosis of equipment.

- **Registration of the Company's registered office with the ONRC**

In accordance with the Resolution of the General Meeting of Shareholders no. 5/2022, the amendments provided for in the Articles of Association of the National Power Transmission Company "Transelectrica" SA approved by the shareholders at the extraordinary meeting held on 16 May 2022 have been registered at the National Trade Register Office (ONRC).

Therefore, the new head office of NPG "Transelectrica" S.A. is in Bucharest, Olteni str. 2-4, sector 3, building "Platinum Center".

- **Appointment of provisional members of the Executive Board**

At its meeting of 21 June 2022, in view of the expiry on 24 June 2022 of the terms of office of Gabriel ANDRONACHE, Ștefăniță MUNTEANU, Cătălin Constantin NADOLU, Florin Cristian TĂTARU and Bogdan TONCESCU as provisional members of the Directorate, pursuant to Article 64² para. (1) of GEO no. 109/2011 on the corporate governance of public companies with subsequent amendments and additions, have been appointed as provisional members of the Directorate:

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

The term of office of the members of the Directorate shall be 4 months starting from 25 June 2022 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 Directorate of the National Electricity Transmission Company "Transelectrica"-SA under the terms of GEO no. 109/2011, if the procedure is completed within this period.

- **Electricity trade with Ukraine/ Republic of Moldova**

On 28 June 2022 the Transmission System Operators (TSOs) of Continental Europe confirmed that the technical preconditions to allow electricity trade between Ukraine and neighbouring countries have been met.

This follows the successful synchronisation of the power systems on 16 March 2022 and the acceptance of

Ukrenergo as an observer member of ENTSO-E on 26 April 2022.

These achievements have been the result of intensive efforts by all European TSOs, in particular Ukrenergo and operators in neighbouring countries.

Electricity trade with Ukraine/Republic of Moldova is planned to start on 30 June 2022 on the interconnection between Ukraine and Romania.

The trading of electricity on the other interconnectors (Ukraine-Slovakia, Ukraine-Hungary and Moldova-Romania) will follow later, after finalisation of the tendering rules.

Total marketed capacity will be limited to 100 MW in the first phase, and after this initial phase, it is expected that marketed values will gradually increase, following a monthly assessment of the impact of the changed volumes on the stability and security of the power system.

- **Transelectrica and Moldelectrica signed the contract that makes possible the electricity trade between Romania and Moldova**

On 11 August 2022, the Transmission and System Operators (TSOs), Transelectrica and Moldelectrica (the Transmission and System Operator of the Republic of Moldova), signed the contract that will allow the allocation of capacity for commercial exchanges of electricity on the interconnection line between Romania and the Republic of Moldova.

Electricity trade with the Republic of Moldova will start immediately after the completion of the whole process involving the harmonisation of technical details and commercial aspects. Thus, the first electricity transactions between Romania and the Republic of Moldova are expected in October this year.

- **Resolution No. 6 of the Ordinary General Meeting of Shareholders of 18 August 2022**

The Ordinary General Meeting of Shareholders on 18 August 2022 approved: the appointment of the provisional members of the Supervisory Board of the Company:

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

by four months from 22.08.2022 until 21.12.2022, the approval of the fixed indemnity of the members of the Supervisory Board, the approval of the form of the mandate contract to be concluded with provisional

members of the Supervisory Board and the empowerment of the representative of the majority shareholder of the General Secretariat of the Government at the AGOA to sign on behalf of the Company the mandate contracts with the persons appointed as provisional members of the Supervisory Board, concomitantly with the approval of the formulation and filing of the claims against the former members of the Supervisory Board mentioned in the Decision of the Court of Accounts of Romania no. 15/2020.

- **Resolution No. 7 of the Extraordinary General Meeting of Shareholders of 18 August 2022**

The Extraordinary General Meeting of Shareholders on 18 August 2022 approved:

- amendment of Article 20(2) of the Articles of Association, the new wording being as follows: "(2) Meetings of the Supervisory Board shall be convened by a notice sent at least 5 (five) calendar days before the proposed date of the meeting. The period of notice shall not include the day of transmission and the day on which the meeting is to be held,
- amendment of Article 21(3) of the Articles of Association by adding the following wording to point (g): "(g) amendments to the organisational structure (organisation chart) of the Company and to the rules of organisation and functioning",
- amendment of Article 25(b) of the Articles of Association and shall read as follows: "b) approves, with the consent of the Supervisory Board, the organisational structure (organigram) of the Company and the rules of organisation and functioning".

The updated form of the Articles of Association can be found in full on the Company's website.

- "Electricity Transmission Network Development Plan for the period 2022 - 2031 - main coordinates", which contains the presentation of the necessary RET development projects and the programming of their implementation over time, while mandating the Company's Directorate to approve the amendments to the "RET Development Plan for the period 2022-2031" that will arise from the public consultation launched by the National Energy Regulatory Authority, in compliance with the main coordinates approved by the General Meeting of Shareholders.
- **Acceptance of mandates of provisional members of the Supervisory Board**

The provisional members of the Supervisory Board, appointed by the Decision of the Ordinary General Meeting of Shareholders no. 6 of 18 August 2022, namely: ATANASIU Teodor, DASCĂL Cătălin - Andrei, ORLANDEA Virgil Dumitru, PĂUN Costin-Mihai, STERP VINGĂRZAN Gheorghe, VASILESCU Alexandru-

Cristian and ZEZEANU Luminița, have signed before the notary public the declaration of acceptance of their mandates.

The terms of office of all provisional members of the Supervisory Board appointed on 18 August 2022 are therefore effective.

- **Submission of application for funding through the Connecting Europe Facility programme**

The CARMEN Smart Grid project partners submitted their application for grant funding under the open call for projects of the programme on 30 August 2022.

The Smart Grid Carpathian Modernized Energy Network (CARMEN) project is being developed by Delgaz Grid SA and NPG Transelectrica SA in partnership with the Hungarian transmission operator, MAVIR Magyar Villamosenergia-ipari Átviteli Rendszerirányító ZRt.

The CARMEN project has a value of approximately 120 million euros and the investment covers works to be carried out over 4 years, from 2023 to 2026, in order to transition the infrastructure in the concession area of Delgaz Grid S.A. and NPG Transelectrica S.A. to the Smart Grid concept.

- **Transelectrica - a key presence at the most important global event in the field of energy systems - CIGRE Paris 2022 Conference**

Transelectrica was represented from 28 August to 2 September 2022 at both expert and leadership level at one of the most significant international events in the field of high-voltage grids - the CIGRE Paris Conference, now in its 49th session. The event brought together leading representatives from the international community of energy specialists, with more than 3,800 delegates from around 100 countries.

The company was represented at management level by Mr. Florin Cristian TĂTARU, member of the Directorate, respectively by the members of the Supervisory Board, Mr. Cătălin-Andrei DASCĂL - President, Mr. Costin Mihai PĂUN and Mr. Virgil ORLANDEA.

In the margins of the Conference, Transelectrica's management team had an official meeting with the ENTSO-E delegation led by the President of the Association, Mr Hervé LAFFAYE, as well as a meeting with representatives of RTE International on issues related to the implementation of new technologies in the context of the transformation of the European energy sector.

- **Appointment of the Chairperson and approval of the composition of advisory committees within the Supervisory Board**

In accordance with its statutory and legal powers, the Supervisory Board of Transelectrica, meeting on 6

September 2022, elected Mr. Cătălin-Andrei DASCĂL as Chairman of the Supervisory Board and appointed the members of the advisory committees of the Supervisory Board as follows:

- Nomination and Remuneration Committee:
 - Alexandru-Cristian VASILESCU - Chairman
 - Gheorghe STERP VINGĂRZAN
 - Costin-Mihai PĂUN
 - Dumitru Virgil ORLANDEA
 - Cătălin-Andrei DASCĂL
- Audit Committee:
 - Luminița ZEZEANU - Chairman
 - Teodor ATANASIU
 - Gheorghe STERP VINGĂRZAN
 - Cătălin-Andrei DASCĂL
 - Costin-Mihai PĂUN
- Energy Security Committee:
 - Costin-Mihai PĂUN - Chairman
 - Alexandru-Cristian VASILESCU
 - Luminița ZEZEANU
 - Teodor ATANASIU
 - Dumitru Virgil ORLANDEA.

• **The "Energetician's Trophy" - 2022 Edition**

Between 19-23 September 2022, in Buzău, more than 100 Transelectrica energy experts from all the territorial units competed in the most important professional competition in the field: the "Trofeul Energeticianului" - 2022 Edition, which brought together the best experts in specialist areas essential to the Company's core business.

At the end of four days of theoretical and practical tests, in which Transelectrica specialists from all over the country competed, the best 31 of them took 1st, 2nd and 3rd places in the 10 categories of expertise (operational management, CTSI operational management staff, refurbished substation service staff, non-refurbished substation service staff, protection, SCADA system, acceptance staff for work on overhead power lines, OMEPA staff, budget-finance-accounting staff and investment staff).

The Transelectrica Energy Engineer Trophy - 2022 Edition rewarded excellence, professionalism, good training and highlighted the exceptional professional strengths of young engineers and mentors within the Company who work both to maintain the security of the National Energy System and to develop an electricity transmission infrastructure based on digitalization and modern technologies.

• **Resolution No. 8 of the Ordinary General Meeting of Shareholders of 29 September 2022**

On 29 September 2022, the Ordinary General Meeting of Shareholders approved the adjustment of the Company's Income and Expenses Budget for 2022,

while setting 21 October 2022 as the date of registration of the shareholders on whom the effects of the Ordinary General Meeting of Shareholders' Decision will be reflected.

• **Signing of grant contracts from the Modernisation Fund**

On 10 October 2022, Transelectrica's management signed in an official framework, at the Romanian Government, nine non-reimbursable financing contracts from the Modernisation Fund worth 424 million euros for the realisation of 9 national energy infrastructure development projects.

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

The major benefits of these investments will materialize relevant indicators such as: increasing the transmission capacity of RET by about 1700 MW, construction of about 480 km of new overhead power lines, extension of 5 power stations with 400 kV voltage level, digital concept retrofitting

- for the first time in Romania - of Alba Iulia Station, 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.

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

At the meeting held on 14 October 2022, the Supervisory Board of the Company, with reference to the expiry on 24.10.2022 of the terms of office of the provisional members of the Directorate, decided to extend, pursuant to the terms and conditions of Article 64² of GEO no. 109/2011 on the corporate governance of public companies, as amended and supplemented, for 2 months starting on 25.10.2022, the terms of office of the provisional members of the Directorate for:

- Gabriel ANDRONACHE
- Ștefăniță MUNTEANU
- Cătălin-Constantin NADOLU
- Florin Cristian TĂTARU
- Bogdan TONCESCU

but no 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.

At the same time, Mr. Gabriel ANDRONACHE has been appointed Chairman of the Directorate, alternatively

called Chief Executive Officer of the Company, for the period from 25 October to 24 December 2022.

- **400 kV Cernavodă-Stâlpu line, historic crossing of the Danube:**

On 21 October 2021, the most difficult and challenging technical stage of the project to build the 400kV Cernavodă-Stâlpu Overhead Power Line was marked, namely the crossing of the Danube over a distance of 2.6 kilometres, of which 1.13 kilometres are above water.

The event was attended by Transelectrica's Management, the General Director of Electromontaj SA, Ionuț Tănăsoaica, the Deputy Secretary General of the Government and member of Transelectrica's Supervisory Board, Alexandru-Cristian Vasilescu, the Secretary of State in the Ministry of Energy George Niculescu, Chairman of the Committee on Industry and Services of the Chamber of Deputies, Bende Sándor, and the official representative of the European Climate, Infrastructure and Environment Executive Agency (CINEA), Ona Kostinaite-Grinkeviciene - Head of Sector CEF.



The Danube river crossing stage took about three weeks, including the preparatory phases.

Its complexity and uniqueness involved special efforts from Transelectrica's contractors and teams of experts, being the first such large-scale electrical engineering work carried out in the Romanian Transmission Grid in the last 35 years.

The double-circuit overhead power line is supported on both sides of the Danube by the tallest high-voltage pylons - 150 metres - in the entire national energy infrastructure.

The 400 kV Cernavodă-Stâlpu Overhead Power Line infrastructure objective, an investment worth a total of around 75 million euro, benefits from 27 million euro in non-reimbursable co-financing through the Connecting Europe Facility (CEF).

The project is part of the North-South Interconnection East Electricity (North-South Interconnection East Electricity) corridor and aims to strengthen 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 produced in the Dobrogea area.

The route of the projected line is 160 kilometres long and crosses the territory of three counties: Constanța county (6 kilometres with double circuit), Ialomița county (94 kilometres with double circuit and 5 kilometres with single circuit) and Buzău county (54 kilometres with double circuit).

- **Resolution No. 9 of the Extraordinary General Meeting of Shareholders of November 21, 2022**

The Extraordinary General Meeting of Shareholders on November 21, 2022 approved the contracting and payment by the Company of the professional liability insurance for members of the Supervisory Board and the Directorate within the following limits:

- in terms of minimum amount insured: 15,000,000 euro
- with regard to the maximum amount of the insurance premium: EUR 200 000

- **Resolution No. 10 of the Ordinary General Meeting of Shareholders of December 15, 2022**

The Ordinary General Meeting of Shareholders held on December 15, 2022 approved the extension of the term of office for the provisional members of the Supervisory Board of the Company by two months from the expiry date, i.e. 11.12.2022, respectively:

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

It also approved the form of the addendum to the mandate contracts extending the term of office for the provisional members of the Supervisory Board.

- **Resolution No. 11 of the Extraordinary General Meeting of Shareholders of December 15, 2022**

The Extraordinary General Meeting of Shareholders held on December 21, 2022 did not approve the amendment as from January 1, 2023 of Appendix No. 1 to the Articles of Association by replacing the terms *Units, of the Unit and the Unit* with the terms *Branches, of the Branch and the Branch*, respectively, with a mandate to the Directorate to extend the effective date

of the amendment, if necessary, by no more than 30 days and a mandate to the Chairman of the meeting to sign the updated Articles of Association.

- **Appointment of provisional members of the Directorate**

At its meeting of December 19, 2022, in view of the expiry on December 24, 2022 of the terms of office of Gabriel ANDRONACHE, Ștefăniță MUNTEANU, Cătălin Constantin NADOLU, Florin Cristian TĂTARU and Bogdan TONCESCU as provisional members of the Directorate, pursuant to Article 64² para. (1) of GEO no. 109/2011 on the corporate governance of public companies with subsequent amendments and completions, have been appointed as provisional members of the Directorate:

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

The term of office of the members of the Directorate shall be 4 months starting from December 25, 2022 with the possibility of extension, for reasonable grounds, 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 National Electricity Transmission Company "Transelectrica"-SA under the terms of GEO no. 109/2011, if the procedure is completed within this period.

At the same time, in accordance with Article 23 para. (1) of the Company's Articles of Association, the Supervisory Board elected Mr. Gabriel ANDRONACHE as Chairman of the Directorate, alternatively called Chief Executive Officer - "CEO" of Transelectrica SA.

- **Acceptance of the mandates of provisional members of the Directorate**

On December 19, 2022, Mr Gabriel ANDRONACHE, Mr Ștefăniță MUNTEANU, Mr Cătălin Constantin NADOLU, Mr Florin Cristian TĂTARU and Mr Bogdan TONCESCU accepted before the notary public their mandates as provisional members of the Directorate, their appointment becoming effective from December 25, 2022.

- **Contract concluded with Opcom subsidiary**

Transelectrica, as majority shareholder of OPCOM SA, on 22.12.2022, concluded a significant transaction, namely the purchase of the energy necessary to cover its own technological consumption (OTC) for the period 01.01.2023-31.03.2025, through the Centralised

Electricity Purchase Mechanism (CEPM) provided for in the Annex to Emergency Ordinance no.153/2022.

- **LiDAR technology**

For the first time for Transelectrica, LiDAR (Light Detection and Ranging), RGB (Red, Green, Blue) and infrared technologies have been tested using professional drones, within the DigiTEL 3D LineVision research-innovation project, developed by the specialists of the Technical, Energy Efficiency and New Technologies Department, in collaboration with Skyline Drones.



Currently, these technologies are being tested in a real operational environment on four 400kV overhead power line sections. At the end of last year, the LiDAR and digital scanning process was completed on the new 400kV Cernavodă-Stâlpu Overhead Power Line in the area of the Danube river crossing.

- **LATER EVENTS**

- **Resolution No. 01 of the Extraordinary General Meeting of Shareholders of January 26, 2023**

The Extraordinary General Meeting of Shareholders held on 26 January 2023 approved the amendment, with effect from 1 March 2023, of Appendix No. 1 to the Articles of Association by replacing the terms *Units, of the Unit and the Unit* with the terms *Branches, of the Branch and the Branch respectively*, with a mandate to the Directorate to extend the effective date of the amendment, if necessary, by no more than 30 days and a mandate to the Chairman of the meeting to sign the updated Articles of Association.

- **TEL disputes**

According to the communication issued by the Company on January 06, 2023 regarding the arbitration request ARB-5680 of Mr. Oleg Burlacu, former member of the Supervisory Board revoked by the GMS Resolution No. 4/2021, the Arbitration Centre in Vienna has ruled on 30.12.2022 by an Arbitral Award according to which it

admitted the claim made by the Claimant and ordered the Company to pay the amount of 792,132 lei (principal) as compensation under the mandate contract concluded in application of the Decision of the General Meeting of Shareholders no. 9/28.09.2020, gross amount plus accessories and legal costs. The arbitral award is final and binding.

- **Contract concluded with Opcom subsidiary**

Further to the information included in the Current Report, having as subject "Contract concluded with the subsidiary OPCOM S.A.", disseminated on December 21, 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 has brought to the attention the updated information relating to the year 2023 concerning the contract that NPG "Transelectrica" S.A. has concluded with OPCOM S.A. for the purchase of electricity to cover its own technological consumption requirements (OTC) for the year 2023, through the Centralised Electricity Purchase Mechanism (CEPM) provided for in the Annex to GEO no. 153/2022, as follows:

- The date of 22.12.2022 is the date of conclusion of the initial contract for the whole period of application of the CEPM (27 months) according to GEO no.153/2022,
- The date of 03.01.2023 represents the conclusion of the contract for the year 2023, i.e. the sale by OPCOM and the purchase by Transelectrica of the quantity of electricity allocated through the Centralised Electricity Purchase Mechanism (GEO 153/2022).

- **Convocation of the Extraordinary General Meeting of Shareholders on February 16/17, 2023**

The Directorate of the Company convened, in accordance with the provisions of the Law on Companies no. 31/1990, republished, with subsequent amendments and completions, the Law no. 24/2017 on issuers of financial instruments and market operations, republished, the A.S.F. Regulation no. 5/2018 on issuers of financial instruments and market operations, with subsequent amendments and completions, of Emergency Ordinance no. 109/2011 on corporate governance of public companies, with subsequent amendments and completions, and of the Company's Articles of Association in force Ordinary General Meeting of Shareholders on February 16, 2023, having on the agenda:

- Setting the term of office for members of the Supervisory Board;
- Determination of the remuneration of the members of the Supervisory Board;

- Approval of the form of the mandate contract to be concluded with the members of the Supervisory Board and empowerment of the person who will sign the mandate contracts of the members of the Supervisory Board on behalf of the Company;
- Approval of a claim against the former members of the Board of Directors for the recovery of damages in the amount of 237,044 lei, representing salary compensation/legal expenses

- **Convocation of the Extraordinary General Meeting of Shareholders on 28 February 2023**

The Directorate of the Company convened, in accordance with the provisions of the Companies Law no. 31/1990, republished, with subsequent amendments and completions, Law no. 24/2017 on issuers of financial instruments and market operations, republished, with subsequent amendments and completions, A.S.F. Regulation no. 5/2018 on issuers of financial instruments and market operations, with subsequent amendments and completions, as well as the Company's Articles of Association in force, the Ordinary General Meeting of Shareholders on February 28, 2023, with the following agenda:

- Establishment of the Investment Programme for the financial year 2023 and estimates for 2024 and 2025;
- Approval of NPG Transelectrica S.A.'s Revenue and Expenditure Budget for the year 2023, as well as estimates for the years 2024 and 2025.

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

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

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

Mr. Gabriel Andronache, Chairman of Transelectrica's Directorate, Mr. Bogdan Toncescu, member of the Directorate, and Mr. Victor Ionescu, General Manager of OPCOM, took part in the discussions.

- **Request, majority shareholder, completion of the agenda of the OGMS, convened for February 16/17, 2023**

The Romanian State, through the General Secretariat of the Government, representing 58.688% of the Company's share capital, requested on January 30, 2023 to add the following items to the agenda of the OGMS scheduled for 16/17.02.2023:

- Appointment of the provisional members of the Supervisory Board of the Company as of February 22, 2023,
- Establishment of the term of office of the provisional members of the Supervisory Board for a period of four months, from February 22, 2023 until June 21, 2023.

The proposals of the General Secretariat of the Government for appointment as provisional members of the Supervisory Board are as follows:

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

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

Transelectrica has signed a Grant Agreement worth approximately 1.1 million USD with the United States Government, represented by the United States Trade and Development Agency (USTDA), for the establishment of a Security Operations Center of the Company.

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

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

In addition, Fortinet, as a subcontractor, will contribute around 1.6 million USD to the entire project, which is the cost of using the security systems that the American company will provide for the pilot project for one year.

This brings the total value of the investment to approximately 2.7 million USD.



Other issues

SHAREHOLDER STRUCTURE

The shareholding structure of the Company as of 31.12.2022 is as follows:

Shareholder name	No. shares	Weight in total
The Romanian State through the SGG	43.020.309	58,7%
PAVĂL Holding	4.753.567	6,5%
NN Private Managed Pension Fund	4.007.688	5,5%
Other shareholders - legal entities	16.006.932	21,8%
Other shareholders - individuals	5.514.646	7,5%
Total	73.303.142	100%

RATES

Transport tariff (transport service + system functional service)

Tariff	m.u.	Tariff applied 1 Jan - 31 Mar 2022	Tariff applied 1 Apr 2022 - 31 Mar 2023	Difference (%)
Average tariff for electricity transmission service	lei/MWh	23,96	28,10	17,28%
Transmission Tariff - the component of electricity feeding into the grid	lei/MWh	1,49	2,53	69,8%
Transmission Tariff - the component of electricity extraction from the grid	lei/MWh	22,47	25,57	13,8%

In accordance with the provisions of Article 14, paragraph (1) of Government Emergency Ordinance no.27/2022 on measures applicable to end customers in the electricity and natural gas market for the period April 1, 2022 - March 31, 2023, and for amending and supplementing certain regulatory acts in the field of energy, ANRE has established the amount of additional expenses for the purchase of electricity necessary to cover its own technological consumption generated by the increase in wholesale market prices.

Thus, compared to the value of the average price of electricity for regulated OTC coverage taken into account ex-ante in the calculation of tariffs for 2021 of 288.76³ lei/MWh, the new average price of electricity for regulated OTC coverage recognized by ANRE was set at 455.28 lei/MWh. In view of the above, the table shows the average tariff for the electricity transmission service with the related component:

³ Price resulting from the calculation: $262.71 * 1.0206 * 1.077 = 288.76$, where:
262.71 lei/MWh - the forecast OTC price for 2021 in real terms of 2019
1.0206 - inflation in 2020
1.077 - the estimated inflation to be achieved in 2021, according to the autumn forecast issued by the National Forecast Commission

COMPOSITION OF THE DIRECTORATE

At the date of this report the composition of the Directorate is as follows:

Gabriel ANDRONACHE	Chairman of the Directorate
Ștefăniță MUNTEANU	Directorate Member
Cătălin-Constantin NADOLU	Directorate Member
Bogdan TONCESCU	Directorate Member
Florin-Cristian TĂTARU	Directorate Member

- electricity feeding into the grid (τ_G);
- electricity extraction from the grid (τ_L),

with applicability from April 1, 2022, according to ANRE Order no.33/23.03.2022.

The tariff for the system service (formerly technological system services), applicable from January 1, 2022, according to ANRE Order no.144/21.12.2022, is shown in the table below:

Tariff	m.u.	Tariff applied 1 Jan - 31 Dec 2022	Tariff applied 1 Jan - 31 Dec 2023	Difference (%)
System service	lei/MWh	9,32	7,73	-17,06%

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

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

DISPUTES

The most important litigations impacting the Company are presented below:

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

• ROMENERGY INDUSTRY

File 2088/107/2016 pertained to “Bankruptcy & request to be admitted in the creditors’ list”.

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

Final report drawn up by the judicial liquidator New Insolvency SPRL was approved, debtor's bankruptcy procedure was closed, debtor company was ordered to be deleted from RECOM according to Decision No. 293/12.12.2022. Procedure for settling appeals against the closing decision.

• RAAN

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

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

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

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

Transelectrica appealed within the legal term. The appeal was dismissed as groundless. Transelectrica filed review request for contradictory rulings, registered under file 1711/54/2019 and will be heard by the High Court of Cassation and Justice. The objections of untimeliness and inadmissibility were raised. The solution of the Court of First Instance: the objection of lateness of the request for review is upheld. The next hearing term set is 06.10.2022.

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

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

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

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

*Case No **26024/3/2015** - Casefile: order the defendant to pay the sum of RON 10 048 628,86. ICCJ decision of 01.03.2022: Admit the appeal filed by RAAN and refer the case back to the CAB. Final. CAB solution: Admit the appeal. It completely changes the contested sentence in the sense that: it admits the summons request as it was formulated. It obliges the defendant to pay the plaintiff the sum of 10,048,628.86 lei. With right of appeal within 30 days from communication. Decision 1933/12.12.2022*

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

*File No **28460/3/2017** - Casefile: order the defendant to pay a total of RON 12,346,063. CAB solution 27.09.2021: suspend the appeal proceedings until the final settlement of the cases No. 28458/3/2017, No. 26024/3/2015. Decision of 23.05.2022: Rejects as groundless the request to reopen the case. The appeal is suspended.*

• CET Govora

Case no. 2428/2/2014 - by the appeal which is the subject of the request, the claimant CET Govora

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

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

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

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

• MUNICIPALITY OF REȘIȚA

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

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

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

The case has been deferred until the final resolution of case no. 3154/115/2018* of the Court of Caras Severin. The new hearing date is **02.03.2023**.

• ANAF

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

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

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

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

- ✓ cancels the obligation to pay income tax in the amount of 18,522,280 lei, VAT in the amount of 5,694,636 lei and the related tax accessories in the amount of 48,436,653 lei, tax liabilities established for the 349 special tax invoices found to be missing from the claimant's management.
- ✓ removes the non-deductible character in the calculation of the taxable profit of the amount of 27,001,727 lei, representing the technological system services invoiced by the energy suppliers, considered non-deductible following the tax inspection and the obligation to pay the main and accessory tax claims related to this amount.
- ✓ removes the non-deductibility of the amount of 343,629.91 lei representing 'weed removal services' from the calculation of taxable profit and the obligation to pay the main and accessory tax claims in relation to this amount.
- ✓ removes the non-deductible character for the calculation of taxable profit of the amount of 230,685.491 lei, representing the expenses for promotional and protocol products and the obligation to pay the main and accessory tax claims related to this amount.

- ✓ removes the non-deductible nature of the VAT in the amount of 46,417.1 lei, relating to the amount of 343,629.91 lei, representing 'weed removal services' and the obligation to pay the principal and accessory tax claims in relation to this amount.
- ✓ removes the non-deductible nature of the VAT in the amount of 37,693.88 lei relating to the amount of 230,685.49 lei, representing expenditure on promotional and protocol products and the obligation to pay the principal and accessory tax claims in relation to that amount.
- ✓ removes the mention regarding the obligation of the Sibiu Transmission Branch of NPG Transelectrica S.A. to record the amount of 576,846.80 lei as taxable income no later than 30.06.2010, the date on which the audited unit was accepted as a creditor with this amount, the mention regarding the character of taxable income for the calculation of profit of the amount of 576,846.80 in accordance with the provisions of Article 19 para. 1 of Law no. 571/2003 on the Fiscal Code with subsequent amendments and additions, in conjunction with point 23 letter d of GD 44/2004 containing the Methodological Norms for the application of Law no. 571/2003, the chapter on income tax, respectively Chapter VII on the function of accounts of Order no. 3055 of 29 October 2009 approving the Accounting Regulations in accordance with European directives and the obligation to pay the main and accessory tax claims in relation to this amount.
- ✓ removes from the minutes the finding made in respect of "the determination of deductible value added tax lower than that recorded by the claimant, thus resulting in a difference in the amount of 13,141 lei" (Annex No 15) and the obligation to pay the principal and accessory tax claims in respect of that amount.
- ✓ eliminates the obligation to pay penalties for late payment which have a penalty legal status, calculated for a period of more than 6 months from the date of commencement of the tax inspection, in respect of the principal tax liabilities which have been upheld by the court by the present judgment, as determined by Tax Decision No.F-MC 439/30.06.2017, issued on 12.07.2017, by ANAF - DGAMC, Tax Decision No. F-MC 439/30.06.2017, issued by ANAF - DGAMC and by Decision No. 122/13.03.2018, on the settlement of the appeal filed against Tax Decision No. F-MC 439/30.06.2017, issued by ANAF - Directorate General for Dispute Resolution.

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

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

Transelectrica and ANAF filed an appeal in March 2022. **Decision of 24.05.2022:** Dismissed as groundless the request for clarification and supplementing of the operative part. Admit the request for rectification of the material error in that the amounts of money by way of principal and accessory tax liabilities in respect of the 349 tax invoices, as set out in the contested tax decision, are to be mentioned as correct. Orders that the material error be corrected by removing the incorrect name of the claimant from the contested judgment. The parties appealed. ICCJ term: **13.12.2023.**

• **CONAID COMPANY SRL**

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

The case is deferred to 28.09.2022 for lack of reply to the objections. The new hearing date is **22.02.2023.**

• **OPCOM**

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

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

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

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

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

Decision of the CAB according to Decision No 532/12.10.2022: Dismiss the appeal as groundless. Orders the appellant to pay the respondent the sum of 11,325.21 lei by way of costs. With appeal within 30 days of communication. Transelectrica filed appeal against the Civil Decision no. 532/12.10.2022 issued by CAB, the file being submitted to ICCJ is in the filter procedure.

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

Hearing term: **21.02.2023** for administration test with expertise.

- **GRAND VOLTAGE**

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

Decision of 25.07.2022 in accordance with Decision 1812: dismiss the action as groundless. With right of appeal within 10 days of notification. The request for appeal shall be submitted - to the Bucharest Court - Section VI, under penalty of nullity.

- **ANRE**

File no. **4921/2/2014** requesting either the amendment of Order no. 51/26.26.2014 or the issuance of a new order, recalculating the RRR value at the level of 9.87% (recalculated with a coefficient (β) of 1.0359, according to Transelectrica's internal analyses) or, if this request is rejected, using the same percentage of 8.52% set by ANRE for 2013 and the first half of 2014.

On 06.10.2020, the request was rejected with the following summary: the plea of inadmissibility was rejected as groundless. The action was dismissed as groundless. With appeal within 15 days from the communication. The decision is made available to the parties through the court registry. Judgment 362/2020.

At the hearing of 11.01.2021, the request to complete the device is admitted. It is ordered to complete the operative part of the civil judgment no. 362/06.10.2020 with the decision given on the request for ancillary intervention, in the sense that: the request for ancillary intervention, made by the intervener ALRO SA in support of the defendant ANRE, is admitted. With the right to appeal within 15 days of communication, the appeal request to be filed with the Bucharest Court of Appeal.

Transelectrica filed an appeal, which was heard on 25.05.2022 and dismissed as groundless, final judgment. The dispute did not affect the relationship with ANRE.

- **COURT OF AUDITORS**

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

At the hearing of 13.06.2018, the action of the claimant-Transelectrica SA is partially admitted. Annuls in part the decision no. 7/20.02.2014, the decision no. 37/9.12.2013 and the inspection report no. 35521/6.11.2012 issued by the defendant in relation to the measures ordered by the decision referred to above in paragraph. I.1, I.3, I.6, I.8, I.11, II.14, II, 15, II.17, II.18, II.20, II.21, II.22 and partially the measure at points I.1, I.3, I.6, I.8, I.11, II.14, II, 15, II.17, II.18, II.20, II.21, II.22 and partially the measure at points I.1, I.6, I.8 and I.11. II.13 in the sense of removing the phrase "including those found for invoices issued by SC FLOREA ADMINSTRARE IMOBILIARĂ SRL". Dismisses the remainder of the claimant's action as groundless. Approves the electro-energetic technical expertise report drawn up by expert Toaxen Vasile.

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

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

New file no. **2985/1/2021** on 24.11.2022 ICCJ declares the nullity of the appeal filed by the Company.

- **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 a number of 8 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 are pending before the Bucharest Court of Appeal (**2 files: file no.6576/2/2017** concerning the annulment of the findings under points 7.1, 7.2 and 8, as well as the measure ordered under point II.10, hearing 20.01.2021, solution: the objections of inadmissibility, raised in the statement of defence, are rejected, the request is rejected as groundless, TEL filed an appeal on 19.11.2021 and **file no.6581/2/2017** on the annulment of the findings in point 6 as well as the measure ordered in point II.9, hearing **17.02.2023**).

Five cases were definitively settled, with the dismissal of the request for annulment by the Bucharest Court of Appeal and the dismissal of the appeals by the High Court of Cassation and Justice (**case no. 6574/2/2017**

concerning the annulment of the findings in point 5.2 and the measure ordered in point II.8, **case no. 6577/2/2017** concerning the annulment of the findings in point 13 and the measure ordered in point II.13, now **case no. 1614/1/2020, case no. 6578/2/2017** on the annulment of the findings in paragraph 9 and the measure ordered in paragraph II.11, **case No 6580/2/2017** on the annulment of the findings in paragraph 10 and the measure ordered in paragraph II.12, **case No 6582/2/2017** on the annulment of the findings in paragraph 11 and the measure ordered in paragraph I.5 and **case No 6583/2/2017** on the annulment of the findings in paragraph 5.1 and the measure ordered in paragraphs II.7 and II.8).

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

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

At the same time, the Company is also involved in litigation with former members of the Executive Board and Supervisory Board, as well as in lawsuits concerning claims for contract price adjustment under GEO no.114/2018.



Annexis

ANNEX 1: Stand-alone statement of financial position

[RON mn]	2022 -unaudited-	2021 -audited-	Δ	Δ (%)
	1	2	3=1-2	4=1/2
ASSETS				
Non-current assets				
Tangible assets	4,003	3,815	188	5%
Assets of the usage rights for leased assets - buildings	22	30	(8)	(27%)
Intangible assets	13	7	6	85%
Intangible assets-capitalization of Grid Losses	325	0	325	n/a
Financial assets	86	82	4	5%
Total non-current assets	4,449	3,933	515	13%
Current assets				
Inventories	42	40	2	5%
Trade and other receivables	3,343	2,996	348	12%
Cash and cash equivalents	315	252	63	25%
Income tax to be recovered	0	21	(21)	n/a
Total current assets	3,700	3,309	392	12%
Total assets	8,149	7,242	907	13%
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' Equity				
Share capital, of which:	733	733	-	n/a
<i>Subscribed share capital</i>	733	733	-	n/a
Share premium	50	50	-	n/a
Legal reserves	138	138	-	n/a
Revaluation reserves	703	769	(66)	(9%)
Other reserves	39	31	8	26%
Retained earnings	2,229	1,634	595	36%
Total shareholders' equity	3,892	3,355	537	16%
Non-current liabilities				
Long term deferred revenues	442	443	(2)	n/a
Long term borrowings	56	79	(24)	(30%)
Other loans and assimilated debts - Non-current building lease liabilities	15	23	(8)	(35%)
Deferred tax liability	110	117	(8)	(6%)
Employee benefits liabilities	60	60	-	0%
Total non-current liabilities	682	723	(41)	(6%)
Current liabilities				
Trade and other liabilities	3,368	3,034	334	11%
Other loans and assimilated debts - Current building lease liabilities	8	8	0,2	2%
Other tax and social security liabilities	13	14	(2)	(11%)
Short-term borrowings	92	25	67	271%
Provisions	44	52	(8)	(16%)
Short-term deferred revenues	39	32	8	25%
Income tax payable	11	-	11	n/a
Total current liabilities	3,575	3,164	411	13%
Total liabilities	4,257	3,887	370	10%
Total shareholders' equity and liabilities	8,149	7,242	907	13%

ANNEX 2: Stand-alone profit or loss statement

[RON mn]										
Indicator	2022 -unaudited-	2021 -audited-	9M 2022	9M 2021	Budgeted 2022	Achieved 2022 vs 2021	Achieved 2022 vs 2021 (%)	Achieved vs Budgeted 2022	Achieved vs Budgeted 2022 (%)	
0	1	2	3	4	5	6=1-2	7=1/2	8=1-5	9=1/5	
Operating revenues										
Transmission revenues	1,885	1,252	1,416	910	1,730	632	50%	155	9%	
System services revenues	534	624	379	479	516	(90)	(14%)	18	3%	
Balancing market revenues	3,482	1,823	2,774	863	2,317	1,659	91%	1,165	50%	
Other revenues	48	57	35	29	48	(9)	(16%)	(1)	(1%)	
Grid losses anticipatory tariff income	339	-	279	-	-	339	n/a	339	n/a	
Total operating revenues	6,286	3,756	4,884	2,282	4,611	2,531	67%	1,675	36%	
Operating expenses										
System operating expenses	902	576	681	325	893	325	56%	9	1%	
Balancing market expenses	3,479	1,810	2,775	851	2,317	1,670	92%	1,162	50%	
Technological system services expenses	467	610	339	448	552	(143)	(8%)	(86)	(15%)	
Depreciation and Amortisation	258	274	193	196	267	(17)	(6%)	(10)	(4%)	
Amortisation of capitalization of Grid Losses	14	-	-	-	-	14	n/a	14	n/a	
Personnel expenses	282	244	204	178	278	38	16%	4	2%	
Repairs and maintenance expenses	108	97	78	65	111	11	11%	(3)	(2%)	
Materials and consumables	13	10	10	6	15	3	36%	(2)	(15%)	
Other operating expenses	140	123	107	113	172	16	13%	(32)	(19%)	
Total operating expenses	5,662	3,745	4,388	2,182	4,605	1,917	51%	1,057	23%	
Operating profit	624	11	496	100	6	613	n/a	618	n/a	
Financial income	65	6	45	6	8	59	n/a	57	n/a	
Financial expenses	70	15	46	9	13	55	n/a	58	n/a	
Net finance result	(5)	(9)	(1)	(3)	(5)	4	44%	0	(8%)	
Profit before income tax	619	2	495	97	1	617	n/a	618	n/a	
Income tax	90	1	77	16	0,6	88	n/a	89	n/a	
Net profit	529	0.45	418	81	0.41	529	n/a	529	n/a	

ANNEX 3: Stand-alone cash flow statement

[RON mn]	2022 -unaudited-	2021 -audited-	Δ
Cash flows from operational activities			
Profit of the period	529.16	0.45	528.7
Income tax expense	89.67	1.43	88.2
Amortisement expense	257.61	274.47	(16.9)
Grid losses anticipatory tariff income	(338.50)	-	(338.5)
Amortisation of capitalization of Grid Losses	13.99	-	14.0
Expenses with adjustments for trade receivables impairment	2.50	14.69	(12.2)
Revenues from reversal of adjustments for trade receivables impairment	(14.80)	(4.31)	(10.5)
Losses from various debtors	0.41	0.04	0.38
Net expenses/income with adjustments for various debtors impairment	7.49	10.14	(2.6)
Net expenditures with adjustments for inventories impairment	0.27	1.79	(1.5)
Net profit/ loss on sale of tangible assets	0.74	0.53	0.2
Net expenditures on adjustments of value regarding tangible assets	0.02	(13.75)	13.8
Net Expenses/Income regarding provisions for risks and expenses	(8.03)	(45.19)	37.2
Interest expense, interest revenue and unrealised exchange rate gains	3.91	7.19	(3.3)
Cash flows before changes to working capital	544.43	247.47	297.0
Changes in:			
Clients and assimilated accounts - energy and other activities	(421.01)	(1,768.59)	1.347.6
Clients – balancing	1.09	(388.80)	389.9
Clients – cogeneration	76.31	(12.75)	89.1
Inventories	(2.05)	(1.54)	(0.5)
Trade and other liabilities - energy and other activities	500.70	1,655.85	(1.155.2)
Liabilities - balancing	32.48	409.59	(377.1)
Liabilities - cogeneration	(181.34)	68.79	(250.1)
Other taxes and social insurance liabilities	(1.61)	(2.69)	1.1
Deferred revenues	4.63	15.29	(10.7)
Cash flows from operational activities	553.62	222.61	331.0
Interests paid	(7.41)	(4.42)	(3.0)
Income tax paid	(62.27)	(23.09)	(39.2)
Net cash generated from operational activities	483.94	195.11	288.8
Cash flows from the investment activity			
Acquisition of tangible and intangible assets	(468.00)	(494.65)	26.6
Proceeds from EC non-reimbursable financing	9.58	93.15	(83.6)
Received Interests	2.66	2.49	0.2
Dividends cashed	1.53	0.02	1.5
Net cash used in the investment activity	(454.22)	(398.98)	(55.2)
Cash flows used in financing activities			
Repayments of non-current borrowings	(23.75)	(23.73)	(0.03)
Use of working capital credit line	67.62	-	67.6
Building lease payments	(10.58)	(10.53)	(0.0)
Dividends paid	(0.09)	(63.65)	63.6
Net cash used in financing activities	33.20	(97.90)	131.1
Net increase/decrease in cash and cash equivalents	62.92	(301.78)	364.7
Cash and cash equivalents as at January 1st	252.23	554.00	(301.8)
Cash and cash equivalents at the end of the period	315.15	252.23	62.9

ANEXA 4: Indicatorii economico-financiari aferenți perioadei de raportare

Indicators	Calculation formula	2022 - unaudited-	2021 - audited -
Current liquidity indicator (x)	$\frac{\text{Current assets}}{\text{Current liabilities}}$	1,04	1,05
Indebtedness indicators (x):			
(1) Indebtedness indicator	$\frac{\text{Debt capital} \times 100}{\text{Shareholder's equity}}$	3,8%	3,1%
(2) Indebtedness indicator	$\frac{\text{Debt capital} \times 100}{\text{Committed capital}}$	3,7%	3,0%
Clients' turnover (days)	$\frac{\text{Average client balance}^* \times \text{no.days}}{\text{Turnover}}$	57,9	67,8
Non-current assets turnover (x)	$\frac{\text{Turnover}}{\text{Non-current assets}}$	1,33	0,94

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

ANNEX 5: Articles of association amended between January and December 2022

- Addition to the Company's object of activity of activities coded according to CAEN: 3511 Electricity generation and corresponding amendment of the Articles of Association by adding in Art. 6 lit. B with the following wording: "Production of electricity (exclusively for the Company's own consumption) - activity of electricity generating installations; including thermal, nuclear, hydroelectric, gas turbine, diesel and recoverable energy plants - CAEN code 3511",
- Relocation of the Company's headquarters from Bucharest, Bdul. G-ral Gheorghe Magheru nr. 33, sector 1 to Bucharest, Olteni str. nr.2-4, sector 3, "Platinum Center" building and the corresponding modification of art.3 paragraph (1) of the Memorandum of Association, the new wording being as follows: "(1) "Transelectrica" has its main office in Romania, Bucharest, Olteni str. nr.2-4, sector 3, "Platinum Center" building and its secondary office in Bdul. Hristo Botev nr. 16 - 18, sector 3".
- Amendment of Article 20(2) of the Articles of Association, the new wording being as follows: "(2) Meetings of the Supervisory Board shall be convened by a notice sent at least 5 (five) calendar days before the proposed date of the meeting. The period of notice shall not include the day of transmission and the day on which the meeting is to be held. The notice shall be sent to all members of the Supervisory Board as provided for in the Constitution."
- Amendment of Article 21(3) of the Memorandum of Association by adding the following wording to point (g): "(g) amendments to the organisational structure (organisation chart) of the Company and to the rules of organisation and functioning".
- Amend Article 25(b) of the Constitution to read as follows: "b) approves, with the consent of the Supervisory Board, the organisational structure (organisation chart) of the Company and the rules of organisation and functioning".

All these changes were approved in Resolution No. 5 of the AGEA dated 16 May 2022 and Resolution No. 7 of the AGEA dated 18 August 2022, both registered with the National Trade Registry Office.

ANNEX 6: Appointment/recalling deeds in January-December 2022

Directorate

- At the meeting held on 23.03.2022, the members of the Supervisory Board unanimously decided to extend the terms of office of the provisional members of the Directorate for two months, starting on 25 April 2022 and ending on 24 June 2022, for Gabriel ANDRONACHE, Ștefăniță MUNTEANU, Cătălin-Constantin NADOLU, and Florin-Cristian TĂTARU.

Also, pursuant to Article 64² paragraph (1) of GEO no.109/2022 on corporate governance of public companies with subsequent amendments and additions, they appointed Mr. Bogdan TONCESCU as a provisional member of the Directorate for a term of two months, starting on 25 April 2022 and ending on 24 June 2022.

- At the meeting of 21.06.2022 the members of the Supervisory Board took note that on 24 June 2022 the mandates of the provisional members of the Directorate Gabriel ANDRONACHE, Ștefăniță MUNTEANU, Cătălin

Constantin NADOLU, Bogdan TONCESCU and Florin Cristian TĂTARU expired and decided to extend their mandates for a period of 4 months starting from 25 June 2022.06.2022 with the possibility of extension for two more months for good cause, but the term of office will not exceed the date of completion of the selection procedure for the members of the Company's Directorate, under the terms of GEO no. 109/2011.

- At the meeting of 14.10.2022, the members of the Supervisory Board unanimously decided to extend for a period of two months, starting on 25.10.2022 and until 24.12.2022, the terms of office of the following 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 according to the provisions of GEO 109./20211 on corporate governance of public enterprises, as subsequently amended and supplemented.
- At the meeting on 19.12.2022 the members of the Supervisory Board unanimously decided to extend the term of office for four months, starting on 25.12.2022 with the possibility of extension, for reasonable grounds, for another two months, but the term of office will not exceed the date of completion of the selection procedure for the members of the Company's Directorate, under the terms of GEO no. 109/2011, if the procedure is completed within this period, of the terms of office of the following members of the Directorate: Gabriel ANDRONACHE, Ștefăniță MUNTEANU, Cătălin Constantin NADOLU, Florin Cristian TĂTARU and Bogdan TONCESCU.

Supervisory Board

- According to the AGOA Decision no. 3/18.04.2022, the appointment of the following members of the Supervisory Board of the Company was approved for a four-month term of office, starting from 22 April 2022 until 21 August 2022: Oana-Cristina BALACCIU, Adrian-Nicolae BLĂJAN, Cătălin-Andrei DASCĂL, Victor-Florin DUMITRIU, Dumitru Virgil ORLANDEA, Costin-Mihai PĂUN, Alexandru-Cristian VASILESCU.
- 6/18.08.2022, the following members of the Supervisory Board of the Company were appointed for a four-month term of office, starting from 22 August until 21 December 2022: ATANASIU Teodor, DASCĂL Cătălin-Andrei, ORLANDEA Virgil Dumitru, PĂUN Costin-Mihai, STERP VINGĂRZAN Gheorghe, VASILESCU Alexandru-Cristian, ZEZEANU Luminița.
- According to the OGMS Decision no.10/15.12.2022, the appointment of the following members of the Supervisory Board of the Company was approved for a two-month term of office, starting from December 22nd: DASCĂL Cătălin-Andrei, ATANASIU Teodor, ORLANDEA Virgil Dumitru, PĂUN Costin-Mihai, STERP VINGĂRZAN Gheorghe, VASILESCU Alexandru-Cristian, ZEZEANU Luminița.

ANNEX 7 REPORT (according to SEGA Decision 4/29.04.2015) on the contracts signed in Q4 2021 to procure assets, services and works, which value is above 500,000 Euro/purchase (for assets and works) and above 100,000 Euro/purchase (for services)

No.	Contract Number	Object of the Contract	Duration Months	Value		Contract Type	Legal Basis	Procurement Procedure
				Thousands Lei	Thousands Euro			
0	1	2	3	4	5	6	7	8
1	C 987/2022	Isaccea 400 kV Station Upgrade - Phase II	44	116.392	0,00	Works	Law 99/2016 + GD 394/2016	Open tender
2	TC 09C60/2022	Specialized guarding, monitoring and intervention services at UTT Constanta facilities	36	12.747	0,00	Services	Law 99/2016 + GD 394/2016	Open tender
3	C 1090/2022	Automotive fuel for the vehicle fleet, diesel units and other tools and equipment belonging to the Company	24	9.661	0,00	Supply	Law 99/2016 + GD 394/2016	Open tender
4	TM 64/2022	Upgrade of the building for measuring instruments Văliug	36	5.356	0,00	Works	Law 99/2016 + GD 394/2016	Open tender
5	EN 70/11487/2022	Maintenance services of 220-400kv LEA crossing lanes in areas with tree vegetation (UTT Pitesti)	36	4.138	0,00	Services	Law 99/2016 + GD 394/2016	Open tender
6	TM 66/2022	Maintenance services of the LEA crossing lane in areas with tree vegetation (UTT Timisoara)	24	1.700	0,00	Services	Law 99/2016 + GD 394/2016	Open tender
7	CR 1010/2022	Maintenance services of the LEA crossing lanes in areas with tree vegetation (UTT Craiova)	24	891	0,00	Services	Law 99/2016 + GD 394/2016	Open tender
8	BC 41/2022	Cleaning services in the administrative headquarters, operation centres and electrical stations belonging to UTT Bucharest	24	729	0,00	Services	Law 99/2016 + GD 394/2016	Open tender
9	C 1044/2022	Motor insurance services RCA and CASCO for vehicles owned by the Company	12	673	0,00	Services	Law 99/2016 + GD 394/2016	Simplified procedure
10	C 1021/2022	Public/operating telephone and internet services (framework agreement)	36	591	0,00	Services	Law 99/2016 + GD 394/2016	Simplified procedure

Annex 6 - Glossary of terms

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



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