

**NPG TRANSELECTRICA SA**  
**REPORT**  
**OF THE SUPERVISORY BOARD**  
**ON MANAGEMENT ACTIVITY**



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## Verification of the separate financial statements by the Supervisory Board

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

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

The separate financial statements as at 31.12.2022 are audited and the opinion of the external auditor is unqualified, which means that all material information reflected in the main balance sheet items is relevant, reliable, comparable and pertinent.

The Supervisory Board's annual report, prepared in accordance with the requirements of capital market legislation, has been reviewed by the members of the Supervisory Board. The information presented in the Annual Report gives a true and fair view of the Company's performance for 2022.

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

*With special consideration,*

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



## Corporate structure

### SUPERVISORY BOARD

The National Electricity Transmission Company "Transelectrica SA" ("CNTEE "Transelectrica SA", "Transelectrica" or the "Company") is a joint stock company, which is organized and operates in accordance with the laws of Romania, being managed in a two-tier system, pursuant to the resolution of the Extraordinary General Meeting of Shareholders of 18 July 2012, by a Directorate (consisting of 5 members) under the supervision of a Supervisory Board (consisting of 7 members).

At the date of this report, the composition of the Supervisory Board ("SB" or "Board") of Transelectrica is as follows:

- **Cătălin-Andrei DASCĂL - Chairman of the Supervisory Board**

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

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

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

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

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

Also, from 2016 to date, he is President of the National Union of Insolvency Practitioners of Romania (UNPIR) - Bucharest Branch, and since 2021 he is a member of the National Board of UNPIR and coordinator of working groups within this structure.

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

- **Teodor ATANASIU - Member of the Supervisory Board**

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

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

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

Mr. ATANASIU also holds a diploma from the Open University Business School courses in Financial Management, Competitiveness Management, Customer Relationship Management.

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

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

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

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

Thus, Mr. PĂUN has significant experience in coordination with European Transmission and System Operators (ENTSO-E and MED-TSO), Electricity



Distribution Operators, National Regulatory Authorities, Agency for the Cooperation of Energy Regulators (ACER), European Institutions (European Commission, DG ENER, DG Conect, etc.) and International Financial Institutions (IFI - European Investment Bank, KfW, etc.).

Mr PĂUN has designed, led and implemented European and international projects funded by the European Commission and the IFI, carried out European consortia, studies and plans for the development of power grids, contributed to new solutions in innovation initiatives and scientific research, and is responsible for system operation, regulation, implementation of high voltage projects.

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

Mr. Păun was also a member of the Board of Directors of the Electricity Distribution System Operator "Electrica Distribuție Muntenia Nord" SA (2012-2016), Responsible for the preparation of the ten-year European Electricity Network Development Plan within ENTSO-E in Brussels (2010-2016), the Regional Investment Plans in 4/6 ENTSO-E Regions: North Sea, Baltic Sea, Continental South-West Europe, Continental Central-East Europe, Network Codes, Regulatory Advisor, Energy Policy, Electricity Networks at EURELECTRIC, Union of the Electricity Industry, Brussels (2002-2010), Member of the European Economic and Social Committee - Transport, Energy, Infrastructure and Information Society Section (2003-2006) and Coordinator of Regulatory Training and Energy Strategy (1993-1998).

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

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

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

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

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

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

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

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

- **Gheorghe STERP VINGĂRZAN- Member of the Supervisory Board**

Mr. Gheorghe Sterp - Vingărzan has joined the Supervisory Board of NPG Transelectrica SA, as of August 22, 2022, with a rich expertise in management and administration through his work in management positions, both in public administration and in the private sector.

Between 2009-2011, Mr. Gheorghe Sterp - Vingărzan was Deputy Coordinating Director in the economic department of the Sibiu Students' Culture House (structure belonging to the Ministry of Youth and Sport), and between 2011-2012 he was Director of the Sibiu Municipal Sports Club.

Since 2012, Mr Vingărzan has been General Manager of SC Stevi - TransTaxi SRL.

Mr. Gheorghe Sterp - Vingărzan holds a Bachelor's degree in economics from the "Lucian Blaga" University of Sibiu, in the Faculty of Economic Sciences, where he developed his skills in business administration. In addition, as a continuation of his studies in the field of business administration, Mr Vingărzan attended a master's program at the University "Lucian Blaga", specializing in "Company management and marketing strategies and policies".

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

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

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

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

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

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

From 2020 to August 2022, she held the position of director at the Management Authority "South Regional Operational Program - Muntenia 2021 - 2027" - South Muntenia Regional Development Agency.

Starting from August 2022 until now, she holds the position of Director of the European Funds Department at SNTGN Transgaz.

Ms Luminița ZEZEANU graduated from the Faculty of Accounting and Management Informatics of the Bucharest Academy of Economic Studies and

continued her postgraduate studies in the UK at London Metropolitan University, where she studied international trade.

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

Mr Virgil Dumitru ORLANDEA has been a member of the Supervisory Board of Transelectrica since 21 October 2021, with a substantial management experience.

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

Between 2010 and 2012, Mr. Orlandea was a member of the Board of Directors and Supervisory Board of some important companies in the Romanian energy sector, such as Electrica SA, Electrica Serv SA, Hidroelectrica, Transelectrica and Oil Terminal.

From 2013 to 2016, Mr. Orlandea worked for NPG Transelectrica SA as Director of the Support Services Department.

Subsequently, until 2021, he continued his activity within the Company as coordinator of the project Centre of Excellence in Energy Sibiu, respectively the Centre for Research and Development of Technologies for Working under Voltage and Rapid Intervention in the National Energy System.

Mr Virgil Dumitru ORLANDEA graduated from the National Defence University "Carol I" Bucharest, College of Resources and Procurement Management, "Lucian Blaga" University of Sibiu, Faculty of Economic Sciences - Master in "Integration of Tourism and Services" and Faculty of Economic Sciences - Master in "Company management and marketing strategies and policies", Police Academy "Alexandru I. Cuza" Bucharest - Master in "Human Resources Management in the Public Order Authorities System".

## ADVISORY COMMITTEES OF THE SUPERVISORY BOARD

At the date of this report, the Advisory Committees of the Supervisory Board have the following tasks and composition:

### Audit Committee

The members of this committee are: Luminița ZEZEANU (president), Teodor ATANASIU, Gheorghe STERP VINGĂRZAN, Cătălin-Andrei DASCĂL, Costin-Mihai PĂUN

The Audit Committee assists the SB in fulfilling its responsibilities in the areas of financial reporting, internal control and risk management.

Audit Committee tasks related to financial reporting and statutory audit:

- monitors the financial reporting process at Company level,
- monitors the statutory audit of the annual financial statements and the annual consolidated financial statements,
- regularly reviews the effectiveness of financial reporting,
- verifies and monitor the independence of the statutory auditor or audit firm and in particular, the provision of additional services to the audited entity,
- makes recommendations to the Board on the appointment of the external auditor (statutory auditor or audit firm) of the Company on the selection, appointment, re-appointment and replacement of the external auditor and the terms and conditions of the external auditor's remuneration,
- monitors the independence and objectivity of the external auditor, in particular by monitoring the rotation of partners in the audit firm,
- receives and consider the external auditor's report on the key issues arising from the statutory audit and, in particular, on significant deficiencies in internal control over financial reporting,
- assists the Board in monitoring the credibility and integrity of the financial information provided by the Company, in particular by reviewing the relevance and consistency of the accounting standards applied by the Company (including consolidation criteria).

Audit Committee's duties in the area of managerial internal control:

- monitors the effectiveness of the Company's internal control, internal audit, where applicable, and risk management systems,
- regularly reviews the effectiveness of the internal control and risk management system adopted by the Company,
- ensures that the audit reviews carried out and the audit reports produced as a result thereof are in accordance with the audit plan approved at Company level,
- proposes to the Board the control, verification and reporting procedures necessary for the exercise of its essential powers of control over the manner in which the Directorate manages the Company, as well as for the verification of the activity carried out in the name and on behalf of the Company,
- verifies compliance with non-financial reporting obligations at Company level,
- performs the duties provided for in Article 65 of the Law no.162/2017 on statutory audit of annual financial statements and consolidated annual financial statements and amending some normative acts.

### Nomination and Remuneration Committee

The members of this committee are Alexandru-Cristian VASILESCU (Chairman), Gheorghe STERP VINGĂRZAN, Costin-Mihai PĂUN, Dumitru-Virgil ORLANDEA, Cătălin-Andrei DASCĂL, having the following activities:

- makes proposals for the position of member of the Supervisory Board and member of the Directorate,
- prepares and makes proposals to the Supervisory Board regarding the selection procedure for members of the Supervisory Board, members of the Company's Directorate and for other management positions,
- makes proposals for the remuneration of the members of the Company's Directorate and other management positions, subject to the

general remuneration limits approved by the General Meeting of Shareholders,

- coordinates the appointment process of the members of the Directorate,
- present in the Annual Report the total amount of direct and indirect remuneration of the members of the Directorate and the Supervisory Board.

### **Committee on Investment and Energy Security**

The members of this committee are Costin-Mihai PĂUN (Chairman), Alexandru-Cristian VASILESCU, Luminița ZEZEANU, Teodor ATANASIU, Dumitru Virgil ORLANDEA

The Investment and Energy Security Committee carries out the following activities:

- consulting and monitoring the implementation of the Company's Medium, Short and Long Term Strategy and Investment Plan;
- advise and consult with the members of the Supervisory Board, the members of the Directorate and the executive management of the Company, within the framework of and in relation to the Company's Strategy and the ROF, without prejudice to the responsibility of the members of the Supervisory Board, the members of the Directorate and other persons who under Applicable Law have responsibility for the management and supervision of the Company;
- consulting and monitoring the implementation of actions on maintaining and increasing energy security related to the Company's activities.





## Activity of the Supervisory Board

### THE ACTIVITY OF THE SUPERVISORY BOARD

During the second half of 2022, the members of the Supervisory Board met in 13 meetings, of which we present below a selection of the items on the agenda.

The following topics have been given priority:

- the agreement to carry out the procurement operation concerning sectoral contracts, such as: *"Optimization of the operation of existing 400 kV LEAs in the SEN, used in interconnection and for power evacuation from the Cernavodă nuclear power plant and renewable energy plants in Dobrogea, by installing on-line monitoring systems (Smart Grid type)", "Installation of two modern means of reactive power compensation in 400/200/110/20 kV Sibiu Sud and 400/220/110/20 Bradu stations", "Modernization of 220kV, 110kV control-protection-metering system in 220/110/20 kV Ghizdaru station", etc.*

- separate summarized financial statements as at and for the six months ended 30 June 2022 (unaudited) and for the year ended 30 September 2022;

- the half-yearly report for the first half of the year and for the period January-September 2022 on the economic and financial activity of the Company as required by the capital market;

- the activity report of the Directorate on the results for the period January-June 2022 and January-September 2022, prepared in accordance with the provisions of GEO 109/2011 on corporate governance of public companies, as amended;

- the activity report of the Supervisory Board for the first half of 2022 prepared in accordance with the provisions of Article 55 of GEO 109.2011 on corporate governance of public companies;

- verification of the draft rectification of the Company's Revenues and Expenses Budget for 2022;

- carrying out the procurement operation for the award of the sectoral works contract "Increasing the degree of safety in the supply of consumers in the southern area of Bucharest connected to the 400/220/110/10kV Bucharest South station";

- approval of the "Rules of Organization and Operation of the Supervisory Board of "Transelectrica

SA", according to the amendments to the Company's Articles of Association approved by the Resolution of the Extraordinary General Meeting of Shareholders no.7/18 August 2022;

- approval of the "Internal Rules of the Directorate of "Transelectrica SA", according to the amendments to the Articles of Association of the Company approved by the Resolution of the Extraordinary General Meeting of Shareholders no.7/18 August 2022;

In 2022, 6 (six) **Audit Committee** meetings were held, during which the Interim Financial Statements for the financial year 2021 were audited, the Revenues and Expenses Budget for 2022 and the estimates for 2023-2024 were audited. The Report of the Audit Committee of the Supervisory Board of NPG Transelectrica SA for the year 2021 on the Company's internal control and significant risk management systems was prepared and the separate/consolidated financial statements of the Company for the year 2021 were verified, accompanied by the Report of the Financial Auditor.

During the same period, 5 (five) meetings of the **Nomination and Remuneration Committee** were held in which the members of this committee prepared the Nomination and Remuneration Committee Report for 2021.

Proposals and recommendations were also made to fill the position of provisional member of the Company's Directorate.

**The Investment and Energy Security Committee** held three meetings in 2022 where they discussed the OTC post-calculation and the efficient optimization of loss levels; the presentation of the energy balance in the RET and the forecast of electricity purchase in several scenarios for 2022; the analysis of expenses and measures to reduce them in order to achieve a profit at the end of the year; analysis of the business options of the subsidiaries; human resources performance management; status and implementation of the professional training programme in the Energy

Excellence Centre "Stelian Gal" Sibiu, which fundamentally changes the way in which the professional training of the Company's employees is carried out today; status of the RET Development Plan 2022-2031.

The following is a detailed presentation of the topics discussed in the SC meetings during the second semester:

- At the meeting of **08.07.2022**, the Supervisory Board agreed to the purchase of a credit agreement for the granting of a ceiling for the issuance of bank letters of guarantee for payment with a validity of 12 months,
- has agreed for the next three months to place purchase orders/offers and to publish "call for tender" notices for covering its own technological consumption in the electricity transmission networks, with the following characteristics:
  - ✓ delivery period 01.01.2023-31.12.2024,
  - ✓ required power maximum 6 MW, in-band delivery, at an estimated purchase price of 900 lei/MWh,
  - ✓ power required maximum 30MW, delivery in the intervals 8-23 (peak load), at an estimated purchase price of 1000 lei/MWh.
- approved the "Rules of Organization and Functioning of the Supervisory Board of Transelectrica SA according to the amendments to the Company's Articles of Association approved by the Resolution of the Extraordinary General Meeting of Shareholders no.7/18 August 2022.
- At the meeting of **04.08.2022** the Supervisory Board:
  - agreed to carry out the procurement operation for the award of the sectoral supply contract "Optimisation of the operation of the existing 400Kv LEAs in the SEN, used in interconnection and for power evacuation from the Cernavodă nuclear power plant and the renewable energy plants in Dobrogea through the installation of on-line monitoring systems (Smart Grid type)
  - agreed to carry out the procurement operation for the award of the sectoral works contract "Installation of two modern means of reactive power compensation in the 400/200/110/20 kV Sibiu South and 400/220/20 kV Bradu stations",
  - agreed to initiate an action for damages against Omniasig Vienna Insurance Group, as Insurer, and the Grand Voltage SA - DAKO SHPK Association, as Contractor, for the recovery of the amount representing the value of damages related to the works contract for the "Connection of the 400kV Isaccea-Varna and 40kV Isaccea-Dobruja LEAs to the 400kV Medgidia Sud

Stage II - 400kV LEA d.c. Connections at the Medgidia Sud station".

- At the meeting of **11.08.2022** the Supervisory Board:

- agreed to carry out the procurement operation for the award of the sector contract "Modernisation of the 220kV, 110 kV control-control-protection-metering system in the 220/110/20kV Ghizdaru station,
- took note of the half-yearly report for the first half of 2022 on the economic and financial activity of the Company,
- approved the final form of the Activity Report of the Supervisory Board for the first half of 2022, prepared in accordance with the provisions of Article 55 of GEO no.109/2011 on corporate governance of public companies,
- took note of the Activity Report of the Directorate on the results for the period January-June 2022 prepared in accordance with the provisions of Article 54 of GEO 109/2011 on corporate governance of public companies.

- At the meeting of 26.08.2022 the Supervisory Board verified the draft amendment of the Company's Revenues and Expenses Budget for 2022.

- At the meeting held on **06.09.2022**, in accordance with the provisions of art.18 paragraph (4) of the Company's Articles of Association, Mr. DASCĂL Cătălin- Andrei was elected as Chairman of the Supervisory Board.

At the same meeting, in accordance with Article XX paragraph 4 of the Rules of Organization and Functioning of the Supervisory Board, the Nomination and Remuneration Committee was established and appointed as members:

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

the Audit Committee has been constituted and appointed as members:

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

the Investment and Energy Security Committee was established and appointed as members:

- PĂUN Costin-Mihai - president

- VASILESCU Alexandru-Cristian
- ZEZEANU Luminița
- ATANASIU Teodor
- ORLANDEA Dumitru Virgil.

At the same meeting the Supervisory Board members approved the Internal Rules of the Company's Directorate as amended by the Company's Articles of Association, approved by the Resolution of the Extraordinary General Meeting of Shareholders no.7/18 August 2022.

At the same meeting, the members of the Supervisory Board agreed to carry out the procurement operation for the award of the sectoral works contract "Increasing the safety level in the supply of consumers in the southern area of Bucharest connected to the 400/220/110/10 kV Bucharest South station.

- In the meeting of **28.09.2022**, the Supervisory Board agreed to carry out the procurement operation for the award of the sectoral works contract "Pilot project - upgrading of the 220/110/20 kV Alba Iulia Station to a digital station concept,

- agreed on the update of the approved Financing Mechanism for the project "400 kV d.c. Gutinaș - Smârdan LEA", following the update of the general estimate and the technical-economic indicators of the Project, in application of the provisions of GD no.379/2020 approving the Methodology for price adjustment in the general estimates of public infrastructure projects financed by POIM 2014-2020, a prerequisite for the approval of the amendment of the Financing Contract signed by NPG Transelectrica SA with the AM POIM.

- At the meeting of **03.10.2022**, the Supervisory Board agreed to the Company's commitment to ensure the necessary financial flow for the implementation of the 9 investment projects for which financing contracts will be signed with the Ministry of Energy through the Modernization Fund and to cover the countervalue of the expenses, other than those financed by non-reimbursable funds, including VAT related to these projects.

- In the meeting of **11.10.2022** the Supervisory Board approved the initiation of the transaction "Maintenance services in the field of telecommunications, information technology, process computing and cyber security at Transelectrica SA level with the affiliated party Teletrans SA.

- At the meeting of **14.10.2022**, the Supervisory Board agreed to the award of the sectoral works contract "Upgrade to 400 kV of the Brazi Vest - Teleajen - Stâlpu LEA" - LOT 1 and "Extension of the 400/220 kV Brazi Vest station" - LOT 2.

At the same meeting, pursuant to Article 64<sup>2</sup> paragraph (1) of GEO 109/2011 on the corporate governance of public companies, as amended, the Supervisory Board unanimously decided to extend the term of office of the temporary members of the Directorate for a period of two months from 25.10.2022 to 24.12.2022, while approving the update of the fixed compensation as provided by law for the terms of office of the temporary members of the Directorate:

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

At the same meeting, in accordance with the provisions of Article 23 paragraph (1) of the Company's Articles of Association, the Supervisory Board elected Mr. Gabriel ANDRONACHE as Chairman of the Directorate, alternatively called Chief Executive Officer or Chief Executive Officer of the Company.

In the meeting of **02.11.2022**, the Supervisory Board agreed on the conclusion of the Addendum to the Credit Agreement concluded with Banca Comercială Română, the purpose of which is to extend the contract by 12 months, all the clauses remaining unchanged.

Agreed to the conclusion of the Addendum to the Credit Agreement concluded with the Romanian Commercial Bank, which grants a ceiling for the issuance of letters of guarantee in favour of ANRE.

At its meeting on **11.11.2022**, the Supervisory Board took note of the Company's separate simplified financial statements for the financial year ended 30 September 2022, took note of the Report on the Company's economic and financial activity in accordance with capital market requirements for the period January-September 2022 and the Directorate's Activity Report on the results for January-September 2022 in accordance with GEO 109/2011, as subsequently amended and supplemented.

At the meeting of **23.11.2022**, the Supervisory Board agreed to carry out the procurement operation for the award of the sectoral works contract "RC LEA 400kV Mintia-Arad" and the sectoral works contract "Modernisation of 220/110 kV Calafat station".

At the meeting of **09.12.2022**, the Supervisory Board agreed on the conclusion of a "credit agreement for granting a ceiling for the issuance of bank letters of guarantee for payment" in the amount of 73,000,000 lei with a validity of 27 months, with an estimated value of 1,370,000 lei excluding VAT.

At the meeting of **19.12.2022**, the Supervisory Board took note of the fact that on 24 December 2022 the terms of office of the provisional members of the Directorate Gabriel ANDRONACHE, Ștefăniță MUNTEANU, Cătălin Constantin NADOLU, Bogdan TONCESCU and Florin Cristian TĂTARU expired.

Thus, pursuant to Article 64<sup>2</sup> paragraph (1) of GEO no.109/2011 on corporate governance of public companies as amended, they appointed as provisional members of the Directorate Messrs:

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

The term of office of the appointed members shall be 4 months starting from 25.12.2022 with the possibility of extension, for good cause, for a further two months, but the term of office shall not exceed the date of completion of the selection procedure for the members of the Directorate under the terms of GEO no.109/2011, if the procedure is completed within this period.

At the same meeting, in accordance with the provisions of Article 23 paragraph (1) of the Company's Articles of Association, the Supervisory Board elected Mr. Gabriel ANDRONACHE as Chairman of the Directorate, alternatively called Chief Executive Officer of the National Electricity Transmission Company "Transelectrica" SA.

At the same meeting, the Supervisory Board agreed on the conclusion of a contract with OPCOM SA for the purchase of electricity to cover the OTC, for a period of 27 months, at a price of 450 lei/MWh excluding VAT, with a total estimated value of 870 million lei.



## Financial Information

The financial results for 2022 are audited. A summary of the financial results as at 31 December 2022 in the extended version is presented in the Annexes to this Report.

The separate revenues statement as of December 31, 2022 versus December 31, 2021 is shown in the table below:

Separate profit and loss account						
[thousands RON]	S1 2022	S2 2022	2022	2021	Δ	Δ (%)
	1	2	3	4	3=1-2	4=1/2
Volume of energy billed [TWh]	26.90	25.27	52.18	56.35	(4.18)	(7%)
<b>PROFIT-MAKING ACTIVITIES ALLOWED</b>						
<b>Operating revenues</b>	<b>858</b>	<b>1,462</b>	<b>2,319</b>	<b>1,310</b>	<b>1,009</b>	<b>77%</b>
Transport and other energy market revenues, of which:	833	1,098	1,930	1,253	677	54%
Regulated tariff	694	707	1,401	1,152	249	22%
Other revenues from PE*	12	118	130	37	93	255%
Interconnection	127	273	399	65	334	517%
Other revenues	25	364	389	57	332	583%
<b>Operational costs</b>	<b>714</b>	<b>760</b>	<b>1,474</b>	<b>1,051</b>	<b>423</b>	<b>40%</b>
Expenses relating to the operation of the system	466	436	902	576	325	56%
Repairs and maintenance	41	67	108	97	11	11%
Personnel expenses	132	174	306	244	62	25%
Other costs	75	83	158	133	25	19%
<b>EBITDA</b>	<b>143</b>	<b>702</b>	<b>845</b>	<b>259</b>	<b>586</b>	<b>226%</b>
Depreciation	128	143	272	274	(3)	(1%)
<b>EBIT</b>	<b>15</b>	<b>558</b>	<b>573</b>	<b>(16)</b>	<b>589</b>	<b>n/a</b>
<b>ZERO PROFIT ACTIVITIES</b>						
<b>Operating revenues</b>	<b>1,747</b>	<b>2,221</b>	<b>3,967</b>	<b>2,445</b>	<b>1,522</b>	<b>62%</b>
I.Technological system services	252	237	488	623	(135)	(22%)
I.Balancing market	1,495	1,984	3,479	1,823	1,656	91%
<b>Operational costs</b>	<b>1,726</b>	<b>2,221</b>	<b>3,946</b>	<b>2,419</b>	<b>1,527</b>	<b>63%</b>
C.Technological system services	231	236	467	610	(143)	(23%)
C.Balancing market	1,495	1,985	3,480	1,810	1,670	92%
<b>EBIT</b>	<b>21</b>	<b>0</b>	<b>21</b>	<b>26</b>	<b>(5)</b>	<b>(21%)</b>
<b>ALL ACTIVITIES (PROFIT ALLOWED AND ZERO PROFIT)</b>						
Operating revenues	2,604	3,682	6,286	3,756	2,531	67%
Operational costs	2,440	2,981	5,421	3,471	1,950	56%
<b>EBITDA</b>	<b>164</b>	<b>702</b>	<b>866</b>	<b>285</b>	<b>581</b>	<b>204%</b>
Depreciation	128	143	272	274	(3)	(1%)
<b>EBIT</b>	<b>36</b>	<b>558</b>	<b>594</b>	<b>11</b>	<b>584</b>	<b>n/a</b>
Financial result	(3)	(4)	(7)	(9)	2	23%
<b>EBT</b>	<b>33</b>	<b>554</b>	<b>587</b>	<b>2</b>	<b>586</b>	<b>n/a</b>
Income tax	5	68	73	1	71	n/a
<b>Net profit</b>	<b>28</b>	<b>487</b>	<b>515</b>	<b>0.45</b>	<b>514</b>	<b>n/a</b>

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



## OPERATIONAL RESULTS

### I. Volume of energy billed

In the period January-December 2022, the total amount of electricity billed for electricity market services (52.18 TWh) decreased by 7% compared to the same period in 2021 (the difference between the two periods was -4.2 TWh).

### Profit segment allowed

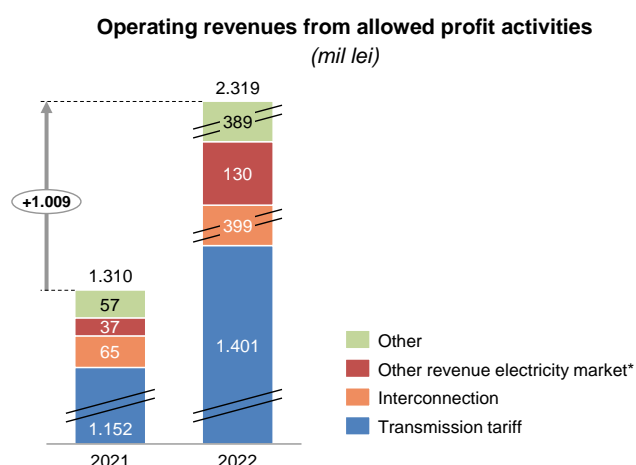
#### Operating revenues

The segment of **activities with allowed profit** recorded a 77% increase in revenues (2,319 million lei in 2022 compared to 1,310 million lei at the end of 2021) on the back of the increase in interconnection revenues and the recording of revenues from the capitalization of OTC.

As of 30 September 2022, the Company shall apply the provisions of GEO no. 119/2022, whereby the additional costs for the purchase of electricity made between 1 January 2022 and 31 August 2023 to cover its own technological consumption, compared to the costs recognised in the regulated tariffs, shall be capitalised on a quarterly basis.

For the year 2022, the Company has recorded **revenues from capitalization of its own technological consumption (OTC)** in the amount of 338.5 million lei, representing additional OTC calculated as the difference between the net cost of OTC acquisition and the cost of OTC included in the regulatory tariff.

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



It should be noted that the revenues from the capitalisation of OTC under the category "Other revenues" is of a non-monetary nature, the collection of which will be made by the Company in instalments through the transmission tariff over the next five years (2023-2027) in accordance with the relevant legislative provisions.

The increase in transmission and other revenues on the energy market (1,930 million lei at the end of 2022 compared to 1,253 million lei in 2021) is mainly influenced by the evolution of interconnection revenues and the increase in the average transmission tariff (for regulated transmission tariff revenues), as the amount of electricity delivered to consumers decreases.

In the period January-December 2022, the **revenues from interconnection capacity allocation** increased significantly, from 65 million lei in 2021 to 399.2 million lei in 2022 due to the following:

- the unit price of electricity has increased across the European Union, leading to a large price differential between coupled markets increasing the interest of participants to buy interconnection capacity,
- the European energy deficit.

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

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

On 17 June 2021, the Next Day Market in Romania switched to European-wide coupled mechanism operation with the implementation of the DE-AT-PL-4M MC project, also known as Interim Coupling, with the Romania-Hungary border being integrated into the Single Day-Ahead Market Coupling (SDAC).

As of 27 October 2021, the Romania-Bulgaria border has been integrated into the Single Day-Ahead Market Coupling (SDAC), with cross-border capacity between Romania and Bulgaria allocated by default.

On 8 June 2022 the Core FB MC (Core Flow-Based Market Coupling) project went live, thus initiating day-ahead flow-based market coupling in the Core capacity calculation region. The flow-based market coupling

mechanism optimises the European electricity market for 13 countries (Austria, Belgium, Croatia, Czech Republic, France, Germany, Hungary, Luxembourg, Netherlands, Poland, Romania, Slovakia and Slovenia).

Extending 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 "laying down guidelines on capacity allocation and congestion management".

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

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

### Revenues from Inter TSO Compensation (ITC)

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

Starting from 01.09.2022, the tariff for trade with perimeter countries has changed from 0.6 EUR/MWh to 1.2 EUR/MWh, leading to an increase in revenues in the last months of the year.

**Energy trading revenues for OTC** were mainly derived from the sale of surplus energy resulting from the difference between the long and medium term forecast and the short term forecast on the Intraday Market administered by OPCOM and from the difference between the forecast OTC and the actual realized OTC on the Balancing Market.

In the period January-December 2022 (as well as during 2021), the main factor that has had a significant impact on the revenue/expense of energy transactions for OTC hedging is the context of rising prices across the energy market, over all time horizons, as the value of realized OTC declines.

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

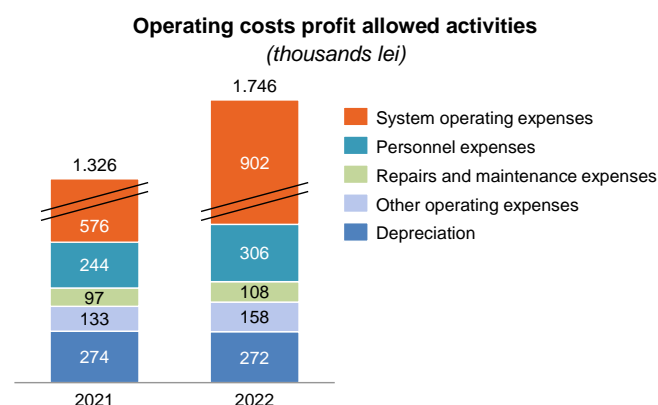
### Revenues from emergency aid

As at 31 December 2022, **revenues from contingency aid amounting to 45.3 million lei** were recorded in relation to the granting of contingency aid (exported energy) to Ukraine in August and September 2022 following the request of the neighbouring TSO, in accordance with the provisions of the Contract concluded with UKRENERGO.

Also, in October-December, against the background of the damage to the energy infrastructure in Ukraine, emergency aid was provided to Moldova.

### Operational expenses

On the segment of **activities with allowed profit**, expenses (including depreciation) increased by 32% (1,746 million lei in 2022 compared to 1,326 million lei in 2021).

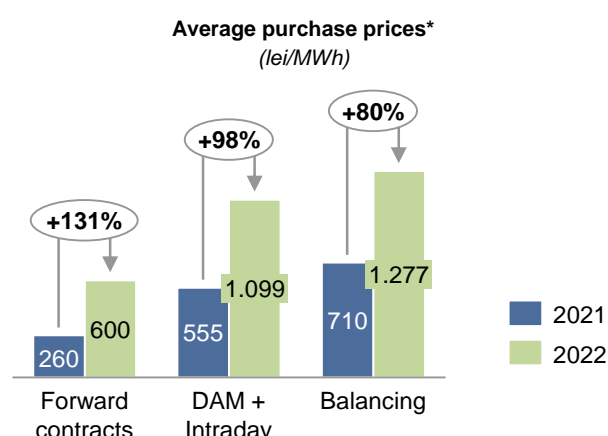


OTC: In the period January-December 2022 the costs for energy purchase to cover own technological consumption are 827 million lei, 57% higher (+300 million lei) compared to January-December 2021, due to the following:

- Due to its characteristics, the Own Technological Consumption (OTC) in the Electricity Transmission Network (RET) is strongly dependent on weather conditions, the structure of electricity generation and consumption at national level, the distribution of electricity flows in the internal transmission network and on the interconnection lines with neighbouring power systems, and its value is very little if at all controllable in an interconnected and coupled regional power market;
- the average price of energy purchased from the PZU, which in 2022 was more than twice as high as in the same period of 2021, significantly exceeding the values recorded in recent years. The same trend was observed at European level.
- Market unpredictability has manifested itself in steep and rapid price increases in the context of rising carbon emission certificate prices, insufficient

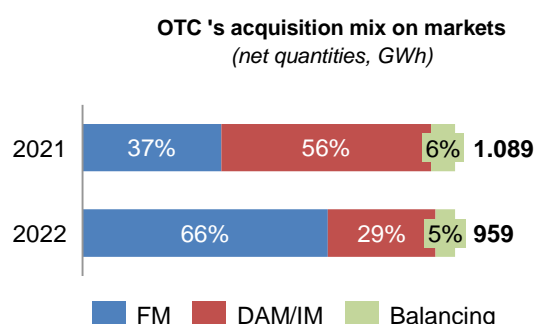
electricity generation capacity to replace fossil fuel-based generation, especially coal and gas, in the context of market liberalisation and the armed conflict in Ukraine, lack of competition from generators and competition from suppliers to buy power in order to fulfil their contracts;

- Given that day-ahead markets are coupled under the CORE FB MC mechanism from June 2022 onwards, the increase in prices across Europe, driven by low hydropower, amid prolonged drought and very high temperatures across Europe, and the reduced availability of nuclear power plants in France has had a significant impact in increasing the electricity deficit and the cost of covering OTC.



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

Average prices in all markets were considerably higher than in 2021, and the purchase mix (net quantity) shows the following components in the two periods analysed:



At the same time, taking into account the provisions of GEO no. 153/2022, Transelectrica will purchase electricity to cover the Own Technological Consumption (OTC) through the Centralized Electricity Purchase Mechanism provided for in the Annex to the GEO for the period 01.01.2023 - 31.03.2025.

Thus, for the year 2023, the Company has concluded a contract for the purchase of a quantity of 714,402.3MWh, representing 75% of the validated consumption forecast.

**Expenses on electricity consumption in RET stations increased** by 61% in 2022 compared to 2021

(39.6 million lei in 2022 compared to 24.6 million lei in 2021) due to the increase in electricity purchase prices but also to the legislative changes applicable from 1 July 2021, namely the provisions of ANRE Order no. 82/2021.

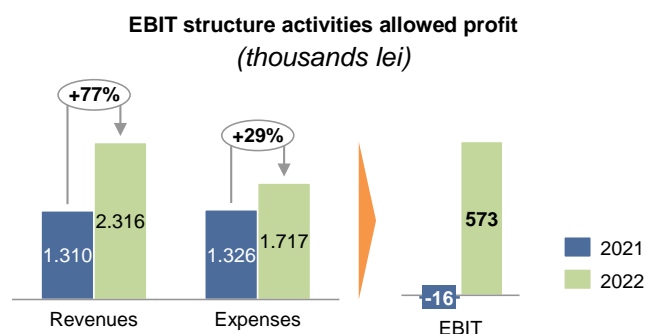
In order to carry out the electricity transmission activity in the substations and to operate the National Electricity System in safe conditions, Transelectrica must purchase electricity to cover the consumption related to internal services in the high voltage substations under the management of the Company.

### Expenses on Inter TSO Compensation (ITC)

In 2022 these expenses were 84% higher and represent the monthly payment obligations/collection charges for each transmission system operator (TSO) that are established under the mechanism for compensation/discount of the effects of the use of the electricity transmission network (RET) for electricity transits between TSOs that have joined this mechanism within ENTSO-E.

### Operational result

The activities with allowed profit recorded an increase of +589 million lei compared to the same period last year, the increase being mainly due to interconnection revenues and revenues from the capitalization of OTC, starting from September 30, 2022, the date from which the Company applies the provisions of GEO no. 119/2022.



The wholesale electricity market is fundamentally different from the situation in 2021, strongly influenced by the increase in electricity market prices, which has led to increased costs for the Company in the segment of activities with allowed profit.

In this respect, the evolution of energy prices on the European spot market can be observed. The situation at European level has deteriorated rapidly since the second half of 2021, with unprecedented energy stress especially for electricity and natural gas, which are fuel for electricity generation.

## Zero profit segment

**Revenues from zero-profit activities** recorded an increase of +1,522 million lei, from 2,445 million lei as at 31 December 2021 to 3,967 million lei as at 31 December 2022, mainly due to the +1,656 million lei increase in revenues on the balancing market.

The segment of **zero-profit activities** recorded an increase in costs by +1,527 million lei, from 2,419 million lei as at 31 December 2021 to 3,946 million lei as at 31 December 2022, mainly due to increased expenses on the balancing market.

**The balancing market** was mainly influenced by the following elements:

- regulatory
  - European legislative regulations on the energy market and national regulations with a significant impact on the development of the electricity market;
  - the application, from 01.01.2022, of the rules for imbalance netting between all TSOs under the IN (Imbalance Netting) Platform. In this respect, the European platform, International Grid Control Cooperation (IGCC)/IN (Imbalance Netting) Platform for the process of imbalance netting between all TSOs, which performs the automatic frequency restoration process under Part IV of Regulation (EU) 2017/1485, became operational from 01.01.2022.
- regarding the functioning of the market
  - the sharp increase in prices on the European electricity market in the context of the resource crisis, with an impact on the way contracting is carried out on the pre-balancing markets at local and regional level;
  - energy market developments at European and regional level;
  - how contracting in the pre-balancing markets is carried out;
  - the evolution of the average price recorded on the balancing market;
  - the evolution of the negative imbalance recorded at the level of electricity suppliers in the balancing market;
  - the evolution of hydraulics;
  - the evolution of electricity production and consumption.

**Revenues from the balancing market** in 2022 were +1.656 million lei higher than in 2021.

**The balancing market expenses** in 2022 was +1.670 million lei higher than in 2021. These expenses result from notifications/earnings of participants in this market.

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

For the year 2023, it is expected that the way in which contracting is carried out in the pre-balancing markets, the evolution of electricity production and consumption at national level and the European context of the evolution of the electricity market will have a significant impact on the evolution of revenues/costs in the balancing market.

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

The contracting of these services is carried out:

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

The procurement of system technology services shall be carried out on a competitive basis through daily tenders in accordance with the provisions of Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019. System services were procured on a competitive basis through 748 daily tenders.

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

During January-December 2022, **revenues from technological system services** decreased by 22% compared to January-December 2021 (488 million lei as at 31 December 2022 compared to 623 million lei as at 31 December 2021), due to the decrease in the tariff approved by ANRE for these services, as the quantity of electricity delivered to consumers decreased by 7%.

The value of the **expenses on technological system services** in 2022, has decreased by 23% compared to the same period in 2021 (467 million lei in 2022 compared to 610 million lei in 2021).

The amount of STS procurement costs for 2022 was mainly determined by the following factors:

- system service purchase prices in the competitive market have remained around values:



- ✓ the average purchase price of the secondary regulation reserve at the value of 77,77 lei/hMW;
- ✓ average purchase price of fast tertiary regulation reserve, power increase to 38,66 lei/hMW;
- ✓ average purchase price of fast tertiary regulation reserve, power reduction to 9,42 lei/hMW.
- the manifestation during 2022 of a high level of concentration of the system technology services market for secondary reserve (SR) system technology services.

The company passes on the value of the technological system services purchased from producers to the electricity suppliers licensed by ANRE, who ultimately benefit from these services.

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

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

For the year 2023, it is estimated that the evolution of the costs for the purchase of system services through daily and one-way auctions at Transelectrica SA level will have a significant impact on the evolution of ANRE's regulatory framework for the electricity market, as well as on the European context of evolution of the electricity market.

### Operational result

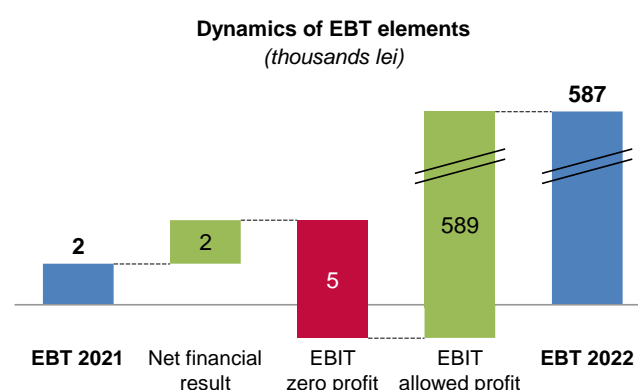
**EBIT** generated by **zero-profit activities** recorded a positive result of 21 million lei, down by 5.4 million lei compared to the same period last year.

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

## II. Gross profit Company (EBT)

### Total operating revenue

The total operating revenues achieved in 2022 increased by 67% compared to the same period of the previous year (6,286 million lei in 2022 compared to 3,756 million lei in 2021), mainly due to the significant increase in revenues from the allocation of interconnection capacities, revenues from the balancing market, while recording revenues from the capitalization of OTC, in accordance with the applicable legislation (for the part of the total OTC cost that was not covered by the transmission tariff in 2022), in the context of the decrease in the amount of electricity delivered to consumers.



### Total operational expenses

Total operating expenses (including depreciation) incurred in 2022 increased by 52% compared to the same period of the previous year (5,692 million lei in 2022 compared to 3,745 million lei in 2021).

The gross result increased during the period under review, from 2 million lei in 2021 to 587 million lei in 2022.

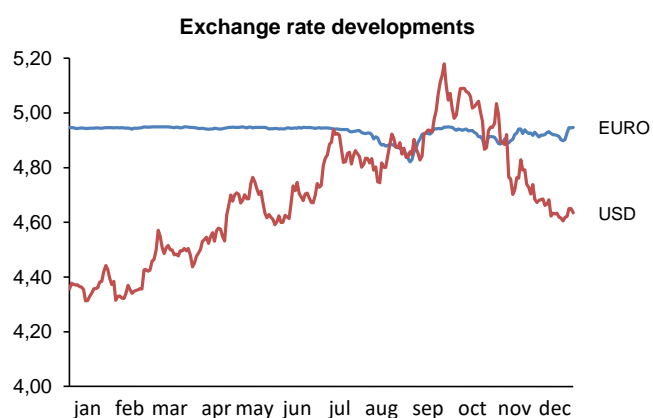
The dynamics between the result recorded in 2022 compared to 2021, broken down by the constituent components of the result, are shown in the following graph:

## III. Financial Result

The net financial result for the period January-December 2022 is negative in the amount of 7 million lei, due to the evolution of expenses/revenues from exchange rate differences. Their increased level was significantly influenced by the high volume of transactions related to the market coupling business segment.

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





back of the increase in the unit price of electricity existing throughout the European Union, which led to higher revenues from the allocation of interconnection capacity, in conjunction with the application of the new regulations on the coverage of net costs with OTC.



#### IV. Net result

The net result at the end of 2022 showed an appreciation compared to the previous year both on the

### FINANCIAL POSITION

The separate statement of financial position as of December 31, 2022 versus December 31, 2021 is presented in the table below:

Separate statement of financial position				
[mil RON]	2022	2021	Δ	Δ (%)
	1	2	3=1-2	4=1/2
<b>Non-current assets</b>				
Tangible assets	4.002	3.815	187	5%
Assets representing rights of use under a lease - buildings	22	30	(8)	(27%)
Intangible assets	338	7	331	4653%
Financial assets	86	82	4	5%
<b>Total</b>	<b>4.447</b>	<b>3.933</b>	<b>514</b>	<b>13%</b>
<b>Current assets</b>				
Inventories	42	40	2	5%
Trade and other receivables	3.340	2.996	345	12%
Profit tax recoverable	4	21	(17)	(81%)
Cash and cash equivalents	315	252	63	25%
<b>Total</b>	<b>3.702</b>	<b>3.309</b>	<b>393</b>	<b>12%</b>
<b>Total assets</b>	<b>8.149</b>	<b>7.242</b>	<b>907</b>	<b>13%</b>
<b>Shareholders' Equity</b>	<b>3.869</b>	<b>3.355</b>	<b>513</b>	<b>15%</b>
<b>Non-current liabilities</b>				
Long term deferred revenues	439	443	(4)	(1%)
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	178	177	1	0%
<b>Total</b>	<b>687</b>	<b>723</b>	<b>(36)</b>	<b>(5%)</b>
<b>Current liabilities</b>				
Trade and other liabilities	3.372	3.034	339	11%
Short-term borrowings	92	25	67	271%
Other loans and assimilated debts - Current building lease liabilities	8	8	0	2%
Other current liabilities	120	98	23	23%
<b>Total</b>	<b>3.593</b>	<b>3.164</b>	<b>429</b>	<b>14%</b>
<b>Total liabilities</b>	<b>4.281</b>	<b>3.887</b>	<b>393</b>	<b>10%</b>
<b>Total shareholder's equity and liabilities</b>	<b>8.149</b>	<b>7.242</b>	<b>907</b>	<b>13%</b>

## I. Non-current assets

Non-current assets recorded in 2022 compared to the same period in 2021 an increase of 13% (+514 million lei), mainly due to the capitalization of OTC in the amount of 338.5 million lei.

### Assets relating to rights to use leased assets - buildings

Leasehold assets - buildings represent the right to use the premises leased by the Company in the Platinum office building as defined by IFRS 16 - Leases.

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

As of 31 December 2022, the book value of the right of use of the premises leased by the Company in the Platinum office building amounts to 21.9 million lei.

### Intangible assets - Additional OTC

From 30 September 2022, the Company applies the provisions of GEO no. 119/2022, whereby the additional costs of electricity purchases made to cover its own technological consumption over and above the costs recognised in the regulated tariffs are capitalised on a quarterly basis.

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

For the year 2022, the Company capitalized the amount of 338.5 million lei representing additional OTC calculated as the difference between the net cost of OTC acquisition and the cost of OTC included in the regulatory tariff, while recording depreciation expenses for the period October-December 2022 in the amount of 14 million lei.

### Financial assets

Financial assets as at 31 December 2022 recorded an increase of 4 million lei (5%) compared to 31 December 2021, representing the reclassification of some guarantees. The value of financial assets as at 31 December 2022 is 86 million lei.

## II. Current assets

Current assets increased by 12% as at 31 December 2022 (3,702 million lei) compared to the amount recorded as at 31 December 2021 (3,309 million lei), mainly due to the increase in trade and other receivables and cash and cash equivalents.

**Trade receivables** increased by RON 201 million (RON 2,394 million at 31 December 2022 compared to RON 2,194 million at 31 December 2021). The most significant developments were:

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

The main customers in balance on the electricity market are 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 above-mentioned customers is about 77% of total trade receivables.

- customers - support scheme, which recorded a 37% decrease in the balances for the period under review, mainly due to the decrease in the amount invoiced for the collection of the monthly contribution, closely related to the decrease in the amount of the contribution for cogeneration, set by ANRE.

As at 31 December 2022, the Company records receivables from the bonus support scheme for the promotion of high-efficiency cogeneration at approximately 5% compared to 9% as at 31 December 2021 of total trade 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 cogeneration contribution and the monthly payment of bonuses".

As at 31 December 2022, the Company records receivables in the amount of 131 million lei, represented by invoices issued in relation to the bonus support scheme for the promotion of high efficiency cogeneration, of which:

- overcompensation for the period 2011-2013 in the amount of 76.70 million lei, respectively from RAAN - 63.46 million lei and CET Govora SA - 13.23 million lei;
- Undue bonus for 2014 in the amount of 3.91 million lei, respectively from RAAN - 1.98 million lei, and CET Govora - 1.93 million lei;
- undue bonus for 2015 in the amount of 0.56 million lei, respectively from CET Govora - 0.53 million lei, Interagro - 0.03 million lei;
- Undue bonus for 2020 in the amount of 0.52 million lei from Donau Chem;

- uncollected contribution for cogeneration from electricity consumers suppliers in the amount of 21.2 million lei, respectively from: Transenergo Com - 5.88 million lei, PetProd - 4.39 million lei, Romenergy Industry - 2.68 million lei, RAAN - 2.38 million lei, UGM Energy - 1.50 million lei, CET Govora - 0.90 million lei, KDF Energy - 0.88 million lei and others.

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

In order to settle the claims arising from overcompensation and undue bonus, the Company has requested the producers qualified in the support scheme to make reciprocal compensations. For the producers (RAAN, CET Govora) who did not agree with this way of extinguishing reciprocal claims and liabilities, the Company applied and still applies the provisions of art. 17 para. 5 of the Order of the President of ANRE no. 116/2013 for the approval of the Regulation on the establishment of the method of collection of the contribution for high-efficiency cogeneration and payment of the bonus for electricity produced in high-efficiency cogeneration and withheld from payment the amounts related to the support scheme due.

**Other receivables** as at 31 December 2022 in the amount of 166.8 million lei mainly include:

- miscellaneous debtors (104 million lei), of which:
  - late payment penalties calculated for defaulting customers in the amount of 83.2 million lei (of which 35.35 million lei are penalties related to the support scheme). The highest late payment penalties were recorded by the following customers: RAAN (16.90 million lei), Romelectro (13.42 million lei), CET Govora (9.61 million lei), Electrocentrale București (9.41 million lei), Eco Energy SRL (8.91 million lei), Petprod SRL (8.89 million lei).
  - compensation owed by suppliers for non-delivery of electricity: Next Energy Partners (8.39 million lei), Enol Grup (2.54 million lei) and Arelco Power (0.99 million lei).
  - the receivable to be recovered from OPCOM representing the VAT related to the contribution in kind to the share capital of the subsidiary in the amount of 4.52 million lei.
- Pre-booked expenses of 9.2 million lei are mainly

represented by the ENTSO-E contribution for 2023 (6.99 million lei).

- other social claims in the amount of 1.85 million lei representing sick leave paid by the employer to employees to be recovered from the National Health Insurance House, according to the legislation in force.

**Advances to suppliers** paid as at 31 December 2022 are represented by suppliers debtors for services in the amount of 697 million lei compared to December 2021 when they were in the amount of 701 million lei. The balance mainly represents amounts from transactions related to the price coupling mechanism (*ICP - Interim Coupling Project, SIDC - Single Intraday Coupling, SDAC - Single Day-ahead Coupling and FBMC - Flow Based Market Coupling*) in the amount of 593.6 million lei - for ICP, FBMC and SDAC and 103.4 million lei - for SIDC.

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

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

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

**VAT to be recovered** represents the amount of 291.8 million lei related to the statements for the period September-December 2022 and October 2020, of which 194 million lei have been collected up to the date of this report.

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

### III. Liabilities

**Long-term liabilities** in the amount of 687 million lei as of 31 December 2022 decreased by 5% compared to the amount of 723 million lei as of 31 December 2021.

#### Interest-bearing liabilities

As at 31 December 2022 the amount of long-term borrowings decreased compared to 31 December 2021 mainly due to repayments under existing loan agreements. On the other hand, the amount of short-term loans increased from a balance of RON 25 million in December 2021 to RON 92 million as at 31 December 2022 through the use of amounts from short-term bank loans taken out for current activity and for the payment of the countervalue of electricity purchased for OTC.

At the same time, **short-term liabilities** increased by 14%, from 3,164 million lei as at 31 December 2021 to 3,593 million lei as at 31 December 2022, mainly due to an increase in trade and other liabilities. The impact in the evolution of trade payables had:

- **suppliers on the energy market**, which increased by 63 million lei and recorded a balance of 1,956 million lei in December 2022 compared to 1,893 million lei in 2021.

This development was mainly influenced by:

- increase in the balance of liabilities related to operating activity by 212 million lei, which was mainly due to 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 SA, Electrocentrale București SA, ELEKTROENERGIEN SISTEMEN OPERATOR EAD, CIGA Energy SA, Electrica Furnizare SA. On 31 December 2022, their share of total energy suppliers is 91.7%.

- the significant decrease of the liabilities related to the support scheme to suppliers (producers) by 181 million lei was due to the reduction of the monthly bonus for high-efficiency cogeneration in December 2022 compared to December 2021.

As of 31 December 2022, there are obligations to pay suppliers (producers) in the amount of 35.5 million lei (RAAN - 32.2 million lei and CET Govora SA - 3.4 million lei), representing the monthly cogeneration bonus, pre-overcompensation for 2014 and 2015, the bonus not granted for 2015.

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

- **suppliers of assets** decreased by RON 19.6 million due to payments falling due,
- **"Other liabilities"** instead **increased** by 270.5 million lei, from a balance of 965.5 million lei in 2021 to 1,235.9 million lei on 31 December 2022.

The structure of "other liabilities" is as follows:

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

**Provisions** increased in value during the period under review compared to 2021, from 51.7 million lei as at 31 December 2021 to 68.2 million lei as at 31 December 2022. The main component elements had the following evolution:

- a decrease in the value of provisions for litigation, which at 31 December 2022 amounted to RON 24.7 million compared to RON 31.2 million at the end of 2021,
- the increase in provisions for mandate contracts which as at 31 December 2022 show a balance of 43.3 million lei (20.5 million lei as at 31 December 2021) and which



mainly represent the remuneration of executive and non-executive directors representing the variable component related to the OAVT packages allocated and not used during the mandates executed in the period 2013-2017, as well as the variable component, the non-competition compensation and the compensation related to the remaining gross monthly fixed indemnities until the end of the mandate, i.e. 2024.

## SHARE PERFORMANCE

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

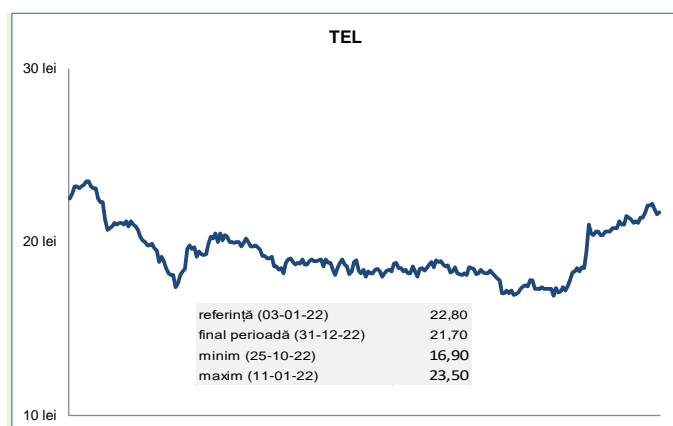


On 29.08.2022, Transelectrica turned 16 years old since the date of listing on the Bucharest Stock Exchange under the program "A Strong Market - Capital Market Development", being the first company with majority state capital listed.

The year 2022 started with a trading price of 22.80 lei/share, forecasting a peak price of 23.50 lei/share on 11.01.2022. At the end of the period the price of a TEL share was 21.70 lei, bringing a market capitalization of 1,591 million lei, recovering in value from the minimum price of 16.90 lei recorded on 25.10.2022.

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 at the beginning of the year, implicitly the market value recording a decrease of 429 million lei.

Evolution of TEL action



## IV. Equity capital

Shareholders' equity recorded an increase mainly due to the recording in the retained earnings of the net profit in the amount of 515 million lei, realized on 31 December 2022. Thus, equity capital as at 31 December 2022 amounted to RON 3,869 million compared to RON 3,355 million as at 31 December 2021.

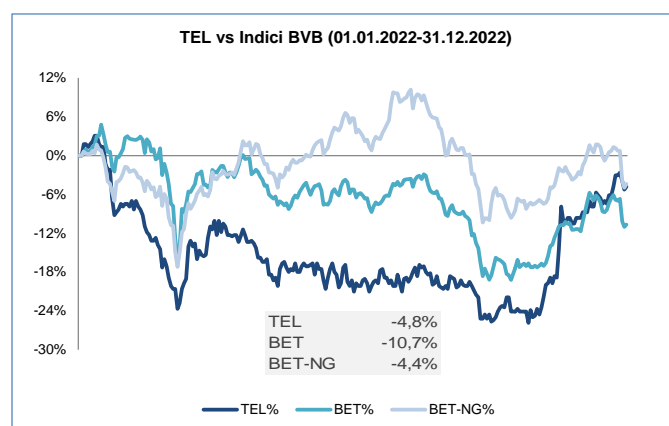
During 2022, the trading of TEL shares on the Romanian stock market recorded 14,957 transactions with an average number of 60 transactions/day and 2,142,121 shares traded, with a total value of 42,039 thousand lei.

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

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

According to the latest periodic adjustment date recorded on 09.12.2022, TEL shares have a weighting 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 is shown 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 prioritised 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 activities, preparing the Register of identified risks and the Plan for the implementation of 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 fluctuations on liquidity, the Company has contracted long-term loans with fixed interest rates and has 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 continued high prices throughout the economy, the need for external funds to support operational activity was addressed by extending the credit line contracted in March to 2 years.

- exchange rate movements;

In order to meet its foreign currency obligations and to limit the impact of exchange rate fluctuations, the Company maintains foreign currency accounts with various banks. 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 customers, with invoices being received on time or with insignificant delays.
- the risk of non-collection of guarantees in investment projects: the main cause of this type of risk is the existence of banking companies or insurance companies offering guarantee services without having the financial capacity to honour their obligations under the guarantee instruments issued. During 2022 this risk did not materialise at the 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 2022 level, this risk has not materialised,
- the level of taxation, including the introduction of new taxes and charges. This risk did not materialise 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.

On 8 December 2022, Moody's rating agency reconfirms the rating assigned to the Company in 2021 (Baa3, stable outlook).

However, there is a risk that the rating agencies could downgrade Romania (the Company's rating is heavily dependent on the sovereign rating) due to accelerated

inflation, which has exceeded 16%, and the military 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 its incomplete implementation;
- the process of procuring works in the Annual Investment Programme is hampered, which may lead to the works being carried out below the planned quantity or quality 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 and the current geopolitical context have led to a spectacular increase in prices and therefore in the budgets and estimates of investment projects financed by European non-reimbursable 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/cost 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.

The company 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 occurrence of risks.

At the same time, the periodic review of risks, as provided for 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 2022, thanks to the solutions found and measures taken in time, the Company met its financial obligations.

The energy transmission companies together with ENTSOE published at the end of 2022 an updated report on the outlook for winter 2022-2023 based on scenarios, taking into account the critical situation compared to previous winters.

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

Additional risks identified for country systems may be:

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

According to the report, energy storage systems are considered to play a key role in ensuring each country's energy security, and without preparation for winter 2023/2024 in terms of gas storage, the situation could deteriorate in 2023.

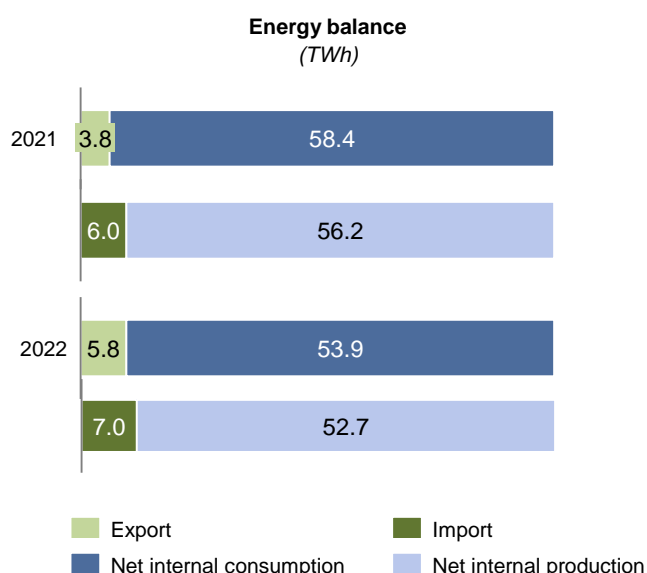


## Operational data

### SEN ENERGY BALANCE

Analysing the evolution of the components of the energy balance, in the period January - December 2022, net domestic consumption<sup>1</sup> 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 is up 51% compared to 2021 and cross-border import flows are up 16%.



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

The decrease in consumption was influenced on the one hand by the increase in primary fuel prices, which was 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 6 October 2022 on emergency action to tackle high energy prices. Article 3(1) of the Regulation stipulates that Member States shall endeavour to implement measures to reduce total

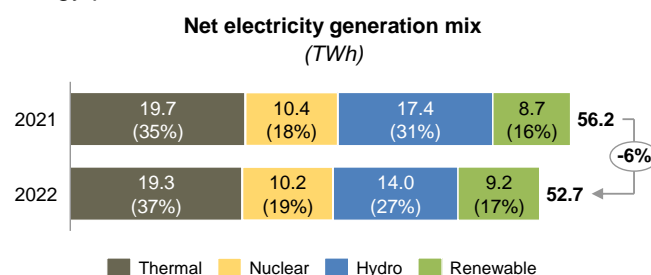
<sup>1</sup> the values do not include consumption related to own services in electricity generation plants; the net consumption value includes losses in transmission and distribution networks as well as pump consumption in pumped storage hydro stations

gross monthly electricity consumption by 10% compared to the average gross monthly electricity consumption in the corresponding months of the reference period<sup>2</sup>.

### 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 Thermal and Nuclear by 2% and in Hydro by 20% (mainly due to lower hydroelectricity compared to last year).

Renewable energy sources increased by 5%, mainly due to the increase in photovoltaic (4%) and wind (6%) energy production.



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

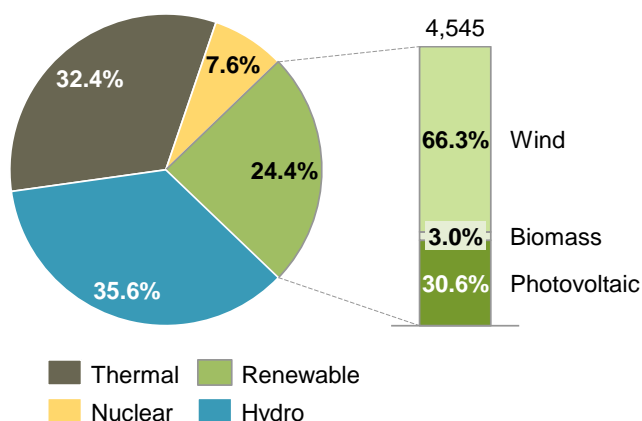
### NATIONAL PRODUCTION PARK

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

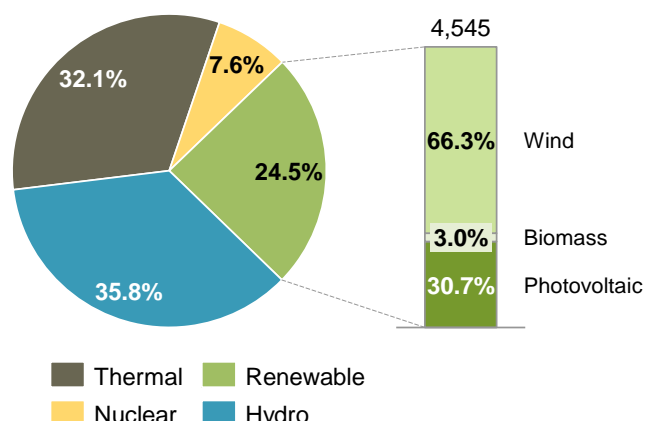
The installed capacity for the period January - December 2022 versus January - December 2021 is shown in the following graphs:

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

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

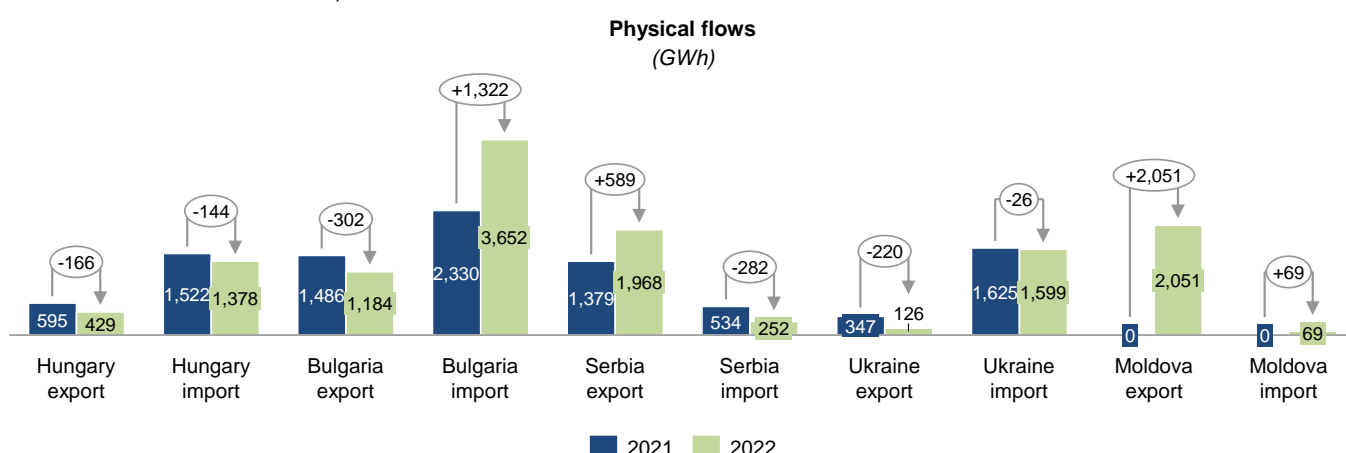
The distribution of **physical** import/export flows on interconnection lines in the period January - December 2022 compared to January - December 2021 is as follows:

- 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 Moldova borders and decreased in 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:



Although in 2022 the SEN balance was maintained on imports, 1,193 GWh, this was down 45.9% compared to 2021, when the amount of imported electricity was 2,205 GWh. The amount of power avoided at activation in the IGCC imbalance compensation platform recorded last year was 174.9 GWh (import) in the sense of power increase and 258.8 GWh (export) in the sense of power reduction.

As of 17 December 2021, the RFP-TEL frequency regulation block - exchange power is permanently

connected to the European imbalance compensation platform, IGCC. With this joining, Transelectrica complies with the legal obligations established by the European Commission Regulation (EU) 2017/2195 of 2 August 2017 laying down guidelines for the operation of the electricity transmission system (Art. 22).

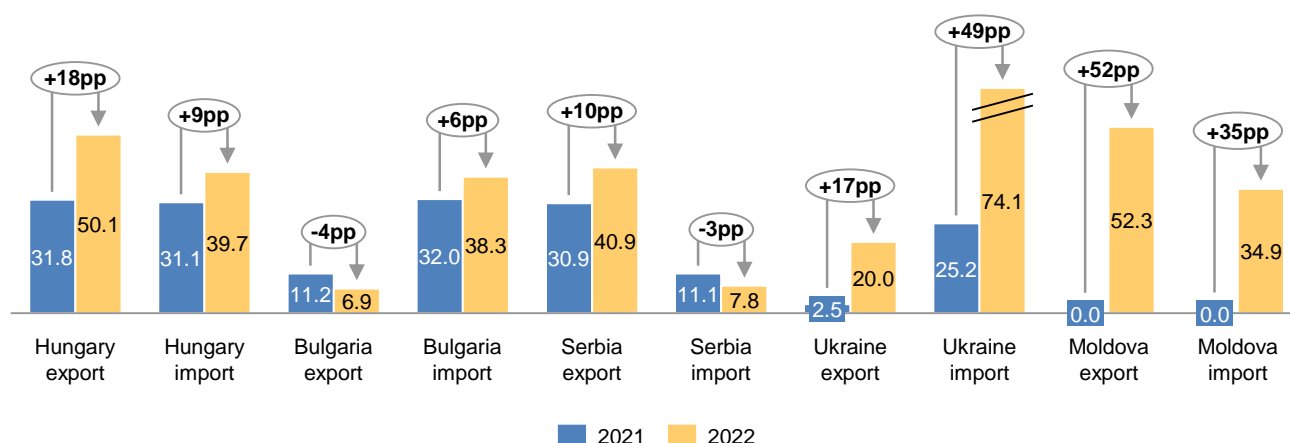
Compared to 2021, there was an overall increase in the degree of utilisation of allocated capacity for both imports and exports, i.e. an increase in **trade** of 8% for

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

Degree of utilisation of total allocated capacity (%)



The increase in capacity utilisation 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) from 17 December 2021.

*From 01 January 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 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 Commission Regulation (EU) 2017/1485 of 2 August 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 OTS, it was decided to grant emergency aid (exported energy) to Ukraine.

The reason for the granting of the damage aid to Ukraine was that in the interconnection Continental Europe interzonal voltage swings were detected in the east-west direction with very weak damping and the OTS 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.

### • 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%.

Due to its characteristics, the Own Technological Consumption (OTC) in the Electricity Transmission Network (RET) is strongly dependent on weather conditions, the structure of electricity generation and consumption at national level, the distribution of electricity flows in the internal transmission network and on the interconnection lines with neighbouring power



systems, and its value is very little if at all controllable in an interconnected and coupled regional power market. Factors that significantly influenced the OTC in the period January - December 2022, such as rainfall and the distribution of physical cross-border flows, are not under Transelectrica's control.

## **FACTORS EVOLUTION OTC**

**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 rainfall, 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 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 rainfall, 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 RED, 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 rainfall, 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 rainfall 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 RED 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** 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 rainfall, 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 RED and a 6.8% (198 GWh) decrease in energy received from generators connected to the RET.

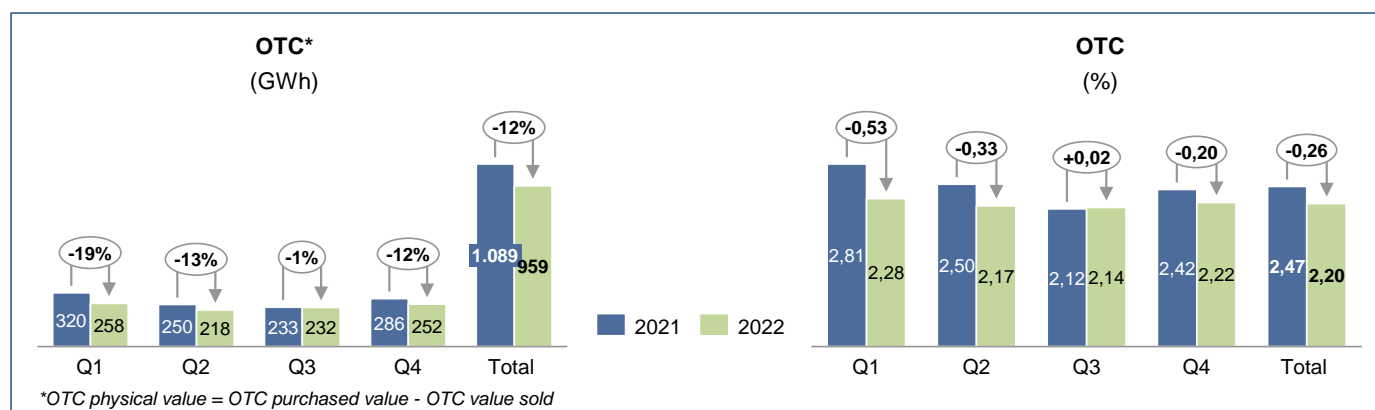
**In September 2022** OTC decreased compared to September 2021 by 10.3%, as a result of the decrease in energy entering the RET contour and as a result of the advantageous distribution of physical flows on the interconnection lines, which led to a reduction in the transmission of energy away from sources. 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, more favourable physical import/export flows on the interconnection lines on the border with Bulgaria and on the 400 kV Isaccea - Vulcanesti (Republic of Moldova) LEA, more favourable

distribution of generation in the territory and favourable weather conditions with lower rainfall amounts, which resulted in lower corona losses. The percentage of losses in relation to energy entering the RET decreased from 2.13% in 2021 to 1.76% in 2022. 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** 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** 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, on the back 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 summary, for the whole of the first quarter of 2022, 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%.

Over the whole of the 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%.

For the whole of Q3 2022, RET OTC 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%.

For the whole of the fourth quarter of 2022, OTC 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, physical flows on the more advantageous interconnection lines and due to 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%.



## RET Development

### FIXED ASSETS RECORDED IN THE ACCOUNTS

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

The value of fixed assets recorded in the accounts in 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;

- Upgrading of the 220/110 kV Hășdat Station - 54.3 million lei;
- Refurbishment of the 220/110 kV Iaz station - 40.9 million lei;
- Modernization of 220/110/20 kV Răureni Station - 25.4 million lei;
- Installation of AT2 400 MVA, 400/231/22 kV and related cubicles 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 - Stage 2, phase 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 462 million lei, down compared to the same period of 2021 when purchases amounted to 495 million lei.

At the same time, the balance of tangible assets in progress according to the financial position as at 31 December 2022, in the amount of 1,044.7 million lei, is represented by the projects in progress, the most significant of which are listed below:

- 400 kV d.c. Cernavodă - Stâlpuri 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;
- Modernization of 400(220)/110/20 kV Munteni Station - 47.7 million lei;
- Connection to the TSO 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;
- Modernization of 220/110/20 kV Arefu Station - 43.5 million lei;
- Refurbishment of 220/110/20 kV Ungheni Station - 31.7 million lei;
- Refurbishment of 400/110/20 kV Smârdan Station - 28 million lei;

- Refurbishment of 220/110/20 kV Baru Mare Station - 20.6 million lei;
- Modernization of 220/110 kV Dumbrava Station - 20.1 million lei;
- Extension of 400 kV Gura Ialomiței Station with two cells: LEA 400 kV Cernavodă 2 and 3 - 19.3 mil lei;
- Increasing the transmission capacity of the 220kV Ștejaru - Gheorgheni - Fântânele line - 16.4 million lei;
- Refurbishment of 110 kV Medgidia South Station - 13.7 million lei;
- Extension of 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.



## INVESTMENT ACTIVITY AT 31.12.2022

The breakdown of capital expenses as at 31 December 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 degree of realisation of the investment programme at 31 December 2022 is 97.5%.

No.	Categories of expenses	IPA 2022 Programme* (thousand lei)	Earnings (thousand lei)	
			12M 2022	12M 2021
	<b>Grand total (A+B)</b>	<b>472,551</b>	<b>460,950</b>	<b>499,378</b>
<b>A</b>	<b>Company's own expenses</b>	<b>447,239</b>	<b>439,885</b>	<b>479,510</b>
	<b>Investments</b>			
<b>B</b>	<b>financed from the feed-in tariff</b>	<b>25,312</b>	<b>21,066</b>	<b>19,869</b>

\*PAI 2022 revision A10

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

## EUROPEAN FUNDS

In Q4 2022, the contracting process for the non-reimbursable financing from the Modernisation Fund in the amount of 424,404,843 euros was completed with the signing of the financing contracts with the Ministry of Energy on 10.10.2022.

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

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

- *LEA 400 kV d.c. Gutinaș Smârdan* (445 poles 21 m high, equipped with cables, insulation and protective conductors, including an end cell in Gutinaș station),

In Q4 of 2022, the procedure for signing the addendum no.4 to the POIM financing contract for the 400 kV d.c. Gutinaș Smârdan LEA project was completed, which

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.

## CONTRACTUAL ISSUES

The most important investment contracts signed in 2022 are:

- Refurbishment of Isaccea 400kV Station - Phase II - 116,4,8 mil lei;
- Connection of 400 kV Isaccea-Varna and 400 kV Isaccea-Dobrudja LEA to 400 kV Medgidia South substation - stage II - 400 kV D.D. LEA connections to Medgidia South substation - 76,6 mil lei;

Metering and data management system for electricity metering on the wholesale market - 48,0 mil lei

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.

- *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 obtaining 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 in the implementation of 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 CIP 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 Suceava and Balti*

*stations"* in the list VI of IMPs (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.

## THE COMPANY'S 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 evolution and development of the energy sector, 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 has been set up to serve Transmission System Operators (OTs) in the Central-East-West European region (CORE region) for the coordinated implementation of the European network codes. Membership is achieved by participation in the shareholding of TSCNET through a share purchase transaction in the company.

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

### **JAO (Joint Allocation Office)**

As of 2019, auctions for long-term capacity allocation are coordinated by the JAO, which has been

designated as the Single Allocation Platform (SAP) Operator.

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

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

### **SEE RSC (South East Europe Grid Coordination Centre)**

Through the Romania - Bulgaria border, Romania is part of the South-East Europe ("SEE") coordinated cross-border transfer capability region. In terms of regional operational security coordination services, this region will be served by a separate legal entity which will act as a regional operational security coordination centre (hereinafter referred to as SEE RSC).

The Company's affiliation to the SEE RSC shareholding became effective as of 22.05.2020 with a cash subscription in the amount of €50,000, with 50,000 shares allocated to it.

*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). On 07.02.2023 by repaying the value of the shares held, the Company effectively exited this association.*

## THE QUALITY OF TRANSPORT AND SYSTEM SERVICES PROVIDED

According to the Performance Standard for Electricity Transmission and System Services - approved by ANRE Order 12/2016, the representative performance indicators for the management and operation of RET and for the continuity of transmission service are:

- 99.9999% transport network availability;
- the electricity transmitted (GWh) and the percentage coefficient of energy losses in the

electricity transmission network - values presented in the corresponding section OTC (Operational Data);

- the time-averaged unavailability of installations due to scheduled or unscheduled (accidental) events, reported per km for lines (INDLIN), or MVA for transformers and autotransformers (INDTRA);

## Indicators for RET management/operational activity

Indicator	2022	2021	2020
<b>INDLIN (hours/year)</b>			
<b>Total</b>	<b>206.95</b>	<b>205.60</b>	<b>112.50</b>
- Unscheduled (accidental)	4.91	6.04	4.24
- Scheduled	202.04	199.56	108.26
<b>INDTRA (hours/year)</b>			
<b>Total</b>	<b>226.32</b>	<b>179.21</b>	<b>230.85</b>
- Unscheduled (accidental)	7.10	4.99	1.76
- Scheduled	219.22	174.22	229.09

In 2022 there was a total average time unavailability of the LEA - INDLIN of 206.95 hours/interval, 1% higher than in the same period in 2021 (205.6 hours/interval).

The evolution by category of the average unavailability over time of installations in 2022 compared to 2021 is as follows:

- ✓ ▼ 19% - unscheduled
- ✓ ▲ 1% - scheduled.

In relation to the duration of accidental unavailability, it can be seen that although the number of incidents per LEA was higher in 2022 than in 2021, the duration of their unavailability in 2022 was lower than in the previous year, which led to a decrease in unscheduled unavailability and an improvement in this indicator. The increase in scheduled unavailability in 2022 compared to 2021 can be attributed to the works carried out on transmission lines both as a result of the implementation of investment programmes and the implementation of preventive maintenance programmes.

In 2022 there was a total average total downtime of the INTRA transformers of 226.32 hours/interval, 26% higher than in the same period last year (179.21 hours/interval).

The evolution by category of the average unavailability over time of TRAFO in 2022 compared to 2021 is:

- ✓ ▲ 42% - unscheduled
- ✓ ▲ 26% - scheduled.

The failure of some transformer units that required long periods of accidental shutdown led to increased accidental unavailability (e.g. Vetis HV 200 MVA, 220/110 kV - 174 hours; Cetate HV 200

MVA 220/110 kV - 696.3 hours; Cetate HV 200 MVA 220/110 kV - 696.3 hours; Cetate HV 200 MVA 220/110 kV - 696.3 hours. Fântânele AT 200 MVA 220/110 kV - 169.3 hours).

The implementation of investment programmes, both for the replacement of some transformer units and for the refurbishment of substations, together with the application of the minor maintenance programme has also led to an increase in the scheduled unavailability of the transformers of the RET.

- Energy Not Supplied (ENS) due to interruptions and Average Interruption Time (AIT) which is the equivalent average time in minutes that the electricity supply was interrupted.

Table 1 Indicators of continuity of transport service

Indicator	2022	2021	2020
ENS following incidents in RET [MWh]	54.05	109.76	287.98
ENC from incidents in RET [MWh]	1,160.36	90.50	0.00
AIT-ENS (min/year)	0.52	1.01	2.84
AIT-ENC (min/year)	11.15	0.84	0

Continuity of operation is one of the parameters of transmission and system service quality. The assessment of the level of reliability of the service provided at a given point of the RET, under normal operating conditions, is an important prerequisite for the provision of an efficient transmission service by the Company and for the proper functioning of the electricity market.

In 2022 the total TMI (AIT-ENS) value was 0.52 min, lower than the AIT-ENS value recorded in the same period of 2021 which was 1.01 min. The reduction in the amount of undelivered energy to

consumers during this period contributed to the lower value of this indicator.

In January-December 2022, there was 54.05 MWh of energy not delivered to consumers (ENS), 51% less than the amount of energy not delivered to consumers recorded in the same period of 2021 (109.8MWh).

The AIT-ENC value has seen a significant increase from 0.84 min/year in 2021 to 11.15 min/year in 2022. The worsening of this indicator was due to incidents recorded on power lines belonging to the Company that provide a direct connection between OTS stations and generation

power plants (e.g. LEA 220 kV Lotru - Sibiu Sud circ. 1+2), incidents recorded on power lines belonging to the Company operating in provisional operation with power lines discharging energy from power generators stations (e.g. LEA 400 kV Cernavodă - Gura Ialomiței 1 with Făcăeni branch), as well as incidents recorded in the Company's substations at voltages lower than the voltages considered for RET, but which led to the blocking of significant amounts of electricity in the power producers' plants (e.g. the incident in the power station București Sud, B2-110 kV), all of them reported at a lower amount of demanded energy (AD) in 2022 than in 2021.

## Maintenance

In carrying out the annual RET maintenance programmes, priority is given to works/services that lead to an increase in the operational safety of the installations, to the completion of contracted works/services and to those that contribute to the proper functioning of the installations. The prospect of implementing the remote control and monitoring programme for electrical installations, which requires

the rehabilitation of electrical equipment, should also be taken into account, which will lead to a reduction in personnel and operating costs in the future.

For the year 2022, maintenance expenses for RET amounting to 109.28 million lei have been incurred, which includes major maintenance, minor maintenance and other maintenance expenses.

Table 2 Types of maintenance of RET (million lei)

Maintenance	Budget 2022	Earnings 2022
Minor preventive	36.67	36.55
Minor corrective (including equipment/materials)	48.63	48.52
Major preventive	24.29	24.21
<b>Total</b>	<b>109.59</b>	<b>109.28</b>



## Other aspects

### OWNERSHIP STRUCTURE

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

Shareholder name	No. actions	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%
<b>Total</b>	<b>73,303,142</b>	<b>100%</b>

### RATES

#### Transport tariff (transport service + system functional service)

Tariff	u.m	Applied tariff 1 Jan - 31 Mar 2022	Applied tariff 1 Apr 2022 - 31 Mar 2023	Difference(9%)
Average tariff for electricity transmission service	lei/MWh	23.96	28.10	17.28%
Transmission Tariff - the feed-in component	lei/MWh	1.49	2.53	69.8%
Transmission Tariff - the 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 1 April 2022 - 31 March 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 288.76<sup>3</sup> 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 below shows:

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

- the average charge for electricity transmission service, with the related component:
  - grid feed-in ( $\tau_G$ );
  - electricity extraction from the grid ( $\tau_L$ ),

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

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

Tariff	u.m	Applied tariff 1 Jan - 31 Dec 2022	Applied tariff 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:

- i) application by ANRE of the (partial) negative correction for the first half of 2022;

ii) non-recognition by ANRE of the full quantities of the secondary regulation reserve requested by NPG Transelectrica SA for 2023.

iii) requested by NPG Transelectrica SA for the year 2023.

## SUBSEQUENT EVENTS

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

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

According to the announcement dated 20 February 2023, the Company's Directorate approves the extension of the effective date of the amendments to the Articles of Incorporation to 30 March 2023.

### • **Litigation**

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

### • **Contract concluded with Opcom subsidiary**

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

### • **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.

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

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

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

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

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

### • **Resolution No. 4 of the Ordinary General Meeting of Shareholders of 16 February 2023**

The GMS held on 28 February 2023 approved:

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

### • **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 with the United States Government, represented by the United States Trade and Development Agency (USTDA), for the establishment of a Company Security Operations Center.



The project, which Transelectrica will implement with the support of American partners, involves a feasibility study and a pilot project to test and validate hardware and software solutions for adopting an effective model 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 recipient), the documentation supporting the decision to award the grant in the amount of about \$1.1 million.

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

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

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

- 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 mandates, thus the mandates of all provisional members of the Supervisory Board appointed on 16 February 2023 are effective.

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

**Nomination and Remuneration Committee:**

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

**Audit Committee:**

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

**Energy Security Committee:**

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



## **Annexes**

## ANNEX 1: Separate statement of financial position

[mil RON]	2022	2021	Δ	Δ (%)
	1	2	3=1-2	4=1/2
<b>ACTIVE</b>				
<b>Non-current assets</b>				
Tangible assets	4,002	3,815	187	5%
Assets related to rights of use of leased assets - buildings	22	30	(8)	(27%)
Intangible assets	338	7	331	n/a
Financial assets	86	82	4	5%
<b>Total non-current assets</b>	<b>4,447</b>	<b>3,933</b>	<b>514</b>	<b>13%</b>
<b>Current assets</b>				
Inventories	42	40	2	5%
Trade and other receivables	3,340	2,996	345	12%
Cash and cash equivalents	315	252	63	25%
Income tax to be recovered	4	21	(17)	(81%)
<b>Total current assets</b>	<b>3,702</b>	<b>3,309</b>	<b>393</b>	<b>12%</b>
<b>Total assets</b>	<b>8,149</b>	<b>7,242</b>	<b>907</b>	<b>13%</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity capital</b>				
Share capital, of which	733	733	-	-
<i>Subscribed share capital</i>	733	733	-	-
Share premium	50	50	-	-
Legal reserves	147	138	9	6%
Revaluation reserves	703	769	(66)	(9%)
Other reserves	39	31	8	26%
Retained earnings	2,196	1,634	563	34%
<b>Total shareholders' equity</b>	<b>3,869</b>	<b>3,355</b>	<b>513</b>	<b>15%</b>
<b>Non-current liabilities</b>				
Long term deferred revenues	439	443	(4)	(1%)
Long term borrowings	56	79	(24)	(30%)
Other loans and similar debts - Long-term building leases	15	23	(8)	(35%)
Deferred tax liabilities	107	117	(10)	(8%)
Employee benefit obligations	71	60	11	18%
<b>Total long-term liabilities</b>	<b>687</b>	<b>723</b>	<b>(36)</b>	<b>(5%)</b>
<b>Current liabilities</b>				
Trade and other payables	3,372	3,034	339	11%
Other loans and similar liabilities - Building leasing	8	8	0,2	2%
Other taxes and social security contributions	13	14	(2)	(11%)
Short-term borrowings	92	25	67	271%
Provisions	68	52	16	32%
Short-term deferred revenues	39	32	8	25%
Income tax payable	0	-	-	n/a
<b>Total current liabilities</b>	<b>3,593</b>	<b>3,164</b>	<b>429</b>	<b>14%</b>
<b>Total liabilities</b>	<b>4,281</b>	<b>3,887</b>	<b>393</b>	<b>10%</b>
<b>Total shareholders' equity and liabilities</b>	<b>8,149</b>	<b>7,242</b>	<b>907</b>	<b>13%</b>

## ANNEX 2: Separate profit and loss account

[mil RON]									
Indicator	2022	2021	S1 2022	S2 2022	Budget 2022	Realised 2022 vs 2021	Realised 2022 vs 2021 (%)	Realised vs Budgeted 2022	Realised vs Budgeted 2022 (%)
0	1	2	3	4	5	6=1-2	7=1/2	8=1-5	9=1/5
Operating revenues									
Revenues from transport services	1,885	1,252	833	1,052	1,730	633	51%	155	9%
Revenues from system services	534	624	252	282	516	(90)	(14%)	18	3%
Revenues from the balancing market	3,479	1,823	1,495	1,984	2,317	1,656	91%	1,162	50%
Other revenues	389	57	25	364	48	332	583%	341	n/a
<b>Total operating revenues</b>	<b>6,286</b>	<b>3,756</b>	<b>2,604</b>	<b>3,682</b>	<b>4,611</b>	<b>2,531</b>	<b>67%</b>	<b>1,676</b>	<b>36%</b>
Operating expenses									
Expenses relating to the operation of the system	902	576	466	436	893	325	56%	9	1%
Balancing market expenses	3,480	1,810	1,495	1,985	2,317	1,670	92%	1,163	50%
Expenses on technological system services	467	610	231	236	552	(143)	(8%)	(86)	(15%)
Depreciation	272	274	128	143	267	(3)	(1%)	4	2%
Personnel expenses	306	244	132	174	278	62	25%	28.4	10%
Repairs and maintenance	108	97	41	67	111	11	11%	(3)	(2%)
Materials and supplies	13	10	6	7	15	3	36%	(2)	(15%)
Other operating expenses	145	123	69	76	172	22	17%	(27)	(16%)
<b>Total operating expenses</b>	<b>5,692</b>	<b>3,745</b>	<b>2,568</b>	<b>3,124</b>	<b>4,605</b>	<b>1,947</b>	<b>52%</b>	<b>1,087</b>	<b>24%</b>
<b>Operating profit</b>	<b>594</b>	<b>11</b>	<b>36</b>	<b>558</b>	<b>6</b>	<b>584</b>	<b>n/a</b>	<b>588</b>	<b>n/a</b>
Financial revenues	65	6	7	59	8	59	n/a	57	n/a
Financial expenses	72	15	9	63	13	57	n/a	59	n/a
<b>Net financial result</b>	<b>(7)</b>	<b>(9)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>	<b>2</b>	<b>23%</b>	<b>(2)</b>	<b>(47%)</b>
<b>Profit before income tax</b>	<b>587</b>	<b>2</b>	<b>33</b>	<b>554</b>	<b>1</b>	<b>586</b>	<b>n/a</b>	<b>586</b>	<b>n/a</b>
Corporate tax	73	1	5	68	0.6	71	n/a	72	n/a
<b>Profit for the year</b>	<b>515</b>	<b>0.45</b>	<b>28</b>	<b>487</b>	<b>0.41</b>	<b>514</b>	<b>n/a</b>	<b>514</b>	<b>n/a</b>

### ANNEX 3: Separate cash flow statement

[Mil RON]	2022	2021	Δ
<b>Cash flows from operating activities</b>			
Profit/loss for the period	514.57	0.45	514.1
Income tax expense	72.81	1.43	71.4
Operating expenses on depreciation and impairment of assets (including additional OTC)	271.60	274.47	(2.9)
Revenues from the production of intangible assets Additional OTC	(338.53)	-	(338.5)
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 on receivables and various debtors	0.41	0.04	0.38
Net expenses/revenues with adjustments for various debtors impairment	9.07	10.14	(1.1)
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	(3.16)	(13.75)	10.6
Net Expenses/Revenues regarding provisions for risks and expenses, net	16.26	(45.19)	61.5
Interest expense, interest revenue and unrealised exchange rate gains	5.21	7.19	(2.0)
<b>Cash flows before changes in working capital</b>	<b>536.95</b>	<b>247.47</b>	<b>289.5</b>
<b>Changes in:</b>			
Clients and assimilated accounts - energy and other activities	(420.99)	(1.768.59)	1.,47.3
Clients - balancing	2.62	(388.80)	391.4
Clients - cogeneration	76.31	(12.75)	89.1
Inventories	(2.38)	(1.54)	(0.6)
Trade and other liabilities - energy and other activities	502.80	1,655.85	(1,153.1)
Liabilities - balancing	33.16	409.59	(376.4)
Liabilities - cogeneration	(181.34)	68.79	(250.1)
Other taxes and social insurance liabilities	(1.61)	(2.69)	1.1
Deferred revenues	1.95	15.29	(13.3)
<b>Cash flows from operating activities</b>	<b>547.47</b>	<b>222.61</b>	<b>324.9</b>
Interest paid	(7.41)	(4.42)	(3.0)
Income tax paid	(62.27)	(23.09)	(39.2)
<b>Net cash generated from operating activities</b>	<b>477.79</b>	<b>195.11</b>	<b>282.7</b>
<b>Cash flows from investing activities</b>			
Acquisition of tangible and intangible assets	(461.86)	(494.65)	32.8
Proceeds from EC non-reimbursable financing	9.58	93.15	(83.6)
Interest received	2.66	2.49	0.2
Dividends received	1.53	0.02	1.5
<b>Net cash used in investment activity</b>	<b>(448.07)</b>	<b>(398.98)</b>	<b>(49.1)</b>
<b>Cash flows used in financing activity</b>			
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
<b>Net cash used in financing activity</b>	<b>33.20</b>	<b>(97.90)</b>	<b>131.1</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>62.92</b>	<b>(301.78)</b>	<b>364.7</b>
<b>Cash and cash equivalents at 1 January</b>	<b>252.23</b>	<b>554.00</b>	<b>(301.8)</b>
<b>Cash and cash equivalents at end of period</b>	<b>315.15</b>	<b>252.23</b>	<b>62.9</b>



#### ANNEX 4: Economic and financial indicators for the reporting period

Indicators	Calculation formula	2022	2021
<b>Current liquidity indicator (x)</b>	$\frac{\text{Current assets}}{\text{Current liabilities}}$	1.03	1.05
<b>Liabilities ratio indicators* (x):</b>			
(1) Liabilities ratio indicator	$\frac{\text{Loan capital} \times 100}{\text{Equity capital}}$	4.4%	4.0%
(2) Liabilities ratio indicator	$\frac{\text{Loan capital} \times 100}{\text{Capital employed}}$	4.3%	3.9%
<b>Customer turnover speed (days)</b>	$\frac{\text{Average client balance}^{**} \times \text{no. days}}{\text{Turnover}}$	57.9	67.8
<b>Non-current assets rotation speed (x)</b>	$\frac{\text{Turnover}}{\text{Non-current assets}}$	1.33	0.94

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

\*\*Customers with a contribution to turnover (energy, balancing, other customers, customers with invoices to be drawn up) have been taken into account when calculating the average balance. The values corresponding to uncertain customers, from the market coupling mechanism, cogeneration scheme and overcompensation have not been included in the average balance.

**ANNEX 5 REPORT (as per EGMSR No 4/29.04.2015) on contracts signed in Q4 2022 for the procurement of goods, services and works, the value of which exceeds 500,000 Euro/purchase (for procurement of goods and works) and 100,000 Euro/purchase (for services) respectively**

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 security, monitoring and intervention services at UTT Constanta objectives	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	Modernization 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 the 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 tree-lined lanes (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

