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NPG Co. TRANSELECTRICA

Annual Report 2022



ANNUAL REPORT

NPG Co. TRANSELECTRICA SA

about the Company's individual financial statements executed according to OMFP 2844/2016 and elaborated in accordance with Law 24/2017 on the issuers of financial instruments and market operations and Annex 15 of Regulation 5/2018 issued by the Financial Supervision Authority (ASF) for the financial year ended on 31 December 2022

Report date:	23 March 2023
Issuer name:	NPG Co. TRANSELECTRICA SA, company managed by two-tier system
Headquarters:	2-4 Olteni Street Bucharest, District 3, 030786
Phone / fax numbers:	021 303 5611/ 021 303 5610
Single code with ORC:	13328043
Number in RC:	J40/8060/2000
LEI (Legal Entity Identifier) Code	254900OLXOUQC90M036
Establishment date of Company	31.07.2000/ ORG 627
Share capital:	733,031,420 lei, subscribed and paid up
Regulated market where the issued securities are transacted:	Bucharest Stock Exchange, Premium category Symbol: TEL ISIN: ROTSELACNOR9 Type: Shares Segment: Main Category: Premium Status: Tradeable
Main characteristics of issued securities:	73.303.142 shares of 10 RON / share nominal value each, being dematerialised nominative ordinary indivisible shares, freely float as of 29.08.2006 under TEL symbol
Total market value:	RON 1,590,678,181 (RON 21.70/share on 31.12.2022)
Accounting standard applied:	International financial reporting standards
Auditing:	Stand-alone financial statements elaborated on 31.12.2022 have been audited

This Report uses a free translation from Romanian, which is the official and binding version, and will prevail, in the event of any discrepancies with the English version.

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**REPORT OF THE
MANAGEMENT
STRUCTURES**

2022

Message from the Supervisory Board

Dear Shareholders,

Dear Investors,

After almost 23 years of activity, Transelectrica's requirements for maintaining the safety of the National Electricity System are successfully and consistently met by the Company's experts in the trends dictated by the development of new technologies.

In fulfilling its mission as an electricity transmission and system operator, Transelectrica's activity involves a high level of responsibility assumed at both national and European level. In this respect, in tandem with the contextual developments in the field, the Company treats with particular attention the processes of adaptation and organisational development in a business environment that involves frequent transformations.

Transelectrica bases its entire activity on complex efficiency standards that we constantly evaluate with specific tools. Thus, through the responsibility of the decision-making body, we focus on the adoption of coordinated measures that produce a positive organisational impact and facilitate both the proper functioning of the internal working environment and a stable and predictable positioning of the Company in the market. The Supervisory Board supports the quality and accuracy of the Company's administrative framework by promoting and ensuring the implementation of appropriate corporate governance principles in internal and external processes so that Transelectrica, one of the most important regional energy players, can successfully fulfil its mission.

Because the overall structure of the current business environment has become increasingly complex through all the factors that have been holding up crisis situations during 2022, and the pace of decision-making has increased, we have made sure to maintain an optimal level of communication of the Company in relation to Transelectrica shareholders and investors. In the smooth running of these business relationships, through transparent and open corporate governance policies, we have promoted a proactive approach towards our public, based on consultation, continuous dialogue and two-way communication.

We will continue in this direction, supporting relationships of trust and consensus with stakeholders by identifying and implementing the best solutions to ensure standards of information and decision-making transparency, using effective mechanisms to facilitate the whole communication process.

Taking into account the perspective of all the factors that influence our business, we are working together with Transelectrica's executive management to define an updated, coherent and effective strategy for the Company that responds to the current needs of the energy sector. Through sustained efforts, we want Transelectrica to continue to position itself among the most stable and predictable players in the business environment.

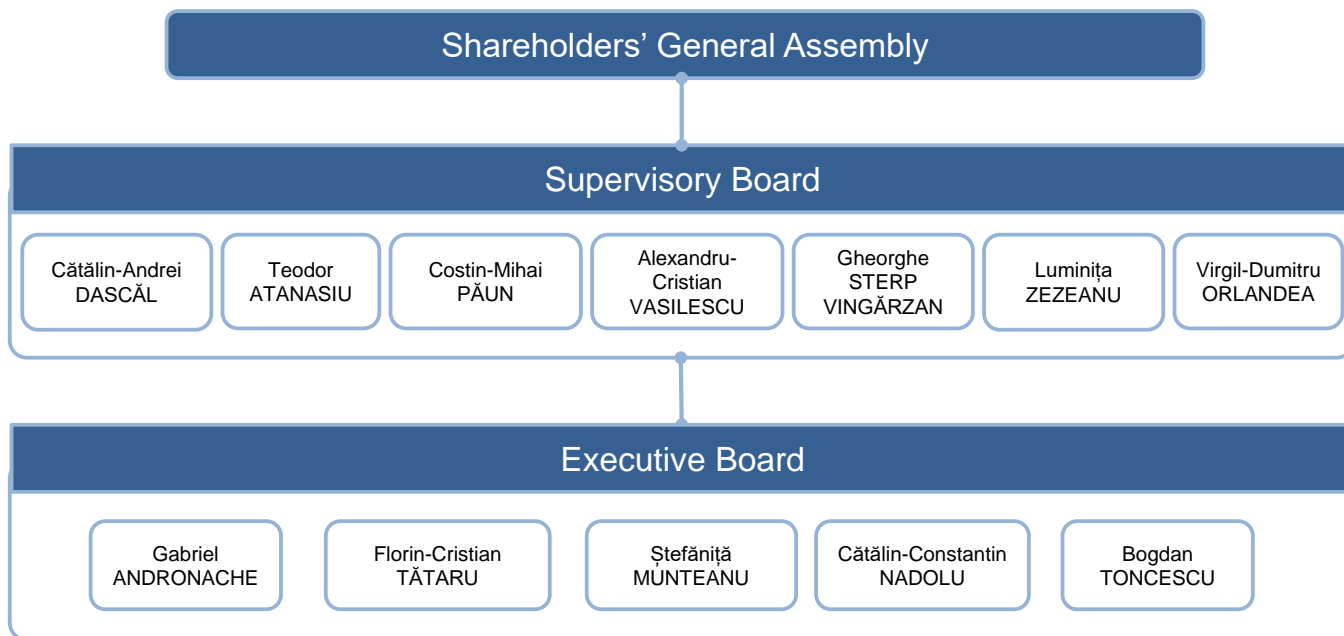
Supervisory Board of NPG Transelectrica SA

Supervisory Board

Compania Națională de Transport de Energiei Electrice 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

Figure 1: Organisational structure

in 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 with a term of office until 21.06.2023 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 Chairman 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 degree from graduating the Open University Business School 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 electricity 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-Chairman (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 degree in Electrical Engineering, a field in which he also holds a PhD degree from the Technical University of Timisoara.

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

Alexandru-Cristian VASILESCU - Member of the Supervisory Board

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

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

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

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

Mr Vasilescu is currently a PhD candidate 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 activity 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 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 programme at the University "Lucian Blaga", specialising 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, he 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 activity in this field, and in 2017- 2019 she was General Director at the Managing Authority for the Regional Operational

Programme - Ministry of Regional Development and Public Administration.

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 Information Systems 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 from the position of coordinator of the project Centre of Excellence in Energy Sibiu, respectively the Centre for Research and Development of Technologies for Working under Voltage and Rapid Intervention in the National Energy System.

Mr Virgil Dumitru ORLANDEA graduated from the Bucharest National Defence University "Carol I", 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

Audit Committee

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

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

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

Changes in the Supervisory Board

From 1 January 2022 to 21 April 2022, the composition of the Supervisory Board (hereinafter also referred to as "SB" or "Board") of Transelectrica was as follows: Marius-Vasile Morariu, Mihaela Popescu, Adina-Loredana Dogaru-Tulică, Claudiu-Constantin Năstasă, Victor-Florin Dumitru, Adrian-Nicolae Blăjan, Virgil-Dumitru Orlandea.

According to the Ordinary General Meeting of Shareholders' Decision no.3 of 18 April 2022, the following persons were appointed as provisional members of the Supervisory Board for a term of office of 4 months, starting on 22 April 2022 and ending on 21 August 2022:

- Balacciu Oana-Cristina,
- Blăjan Adrian-Nicolae,
- Dascăl Cătălin-Andrei,
- Dumitru Victor-Florin,
- Orlandea Dumitru Virgil,
- Păun Costin-Mihai,
- Vasilescu Alexandru-Cristian

03 May 2022 - the members of the SB, in accordance with the provisions of Article 18 paragraph (4) of the Articles of Association of NPG Transelectrica SA appointed Mr. Dascăl Cătălin-Andrei as Chairman of the Supervisory Board.

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

- Balacciu Oana-Cristina
- Păun Costin-Mihai
- Orlandea Dumitru-Virgil
- Dascăl Cătălin-Andrei

have appointed Ms Balacciu Oana-Cristina as Chairperson of the Audit Committee of the

Supervisory Board and Ms Balacciu Oana-Cristina as members:

- Blăjan Adrian-Nicolae
- Dumitru Victor Florin
- Dascăl Cătălin-Andrei
- Păun Costin-Mihai

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

- Vasilescu Alexandru-Cristian
- Dumitru Victor-Florin
- Blăjan Adrian-Nicolae
- Orlandea Dumitru Virgil

18 August 2022 - by Resolution No. 6 of the Ordinary General Meeting of Shareholders of the Company, the following persons were appointed as provisional members of the Supervisory Board for a term of office of 4 months starting from 22 August 2022 until 21 December 2022:

- Atanasiu Teodor,
- Dascăl Cătălin-Andrei,
- Orlandea Dumitru Virgil,
- Păun Costin-Mihai,
- Sterp Vingărzan Gheorghe,
- Vasilescu Alexandru-Cristian,
- Zezeanu Luminița,

06 September 2022 - the members of the SB, in accordance with Article 18 paragraph (4) of the Company's Articles of Association, elected Mr. Dascăl Cătălin-Andrei as Chairman of the Supervisory Board.

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

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

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

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

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

- Vasilescu Alexandru-Cristian

- Zezeanu *Luminița*
- Atanasiu Teodor
- Orlandea Dumitru Virgil

15 December 2022 - by Resolution No. 10 of the Ordinary General Meeting of Shareholders of the Company, the extension of the term of office of the provisional members of the Supervisory Board with a term of office of 2 months as of 22 December 2022 was approved for the following persons:

- Dascăl Cătălin-Andrei,
- Atanasiu Teodor,
- Orlandea Dumitru Virgil,
- Păun Costin-Mihai,
- Sterp Vingărzan Gheorghe,
- Vasilescu Alexandru-Cristian,
- Zezeanu Luminița

The term of office of the current Supervisory Board runs until 21 June 2023.

Supervisory Board Statement on separate financial statements prepared in accordance with the International Financial Reporting Standards

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

The separate financial statements for 2022 were presented to the Supervisory Board, with the Company's Management providing detailed information on the annual results. At the meeting to review the 2022 financial statements, the Audit Committee presented its view on the 2022 results to the Supervisory Board and recommended to the Supervisory Board the endorsement of the separate financial statements, prepared in accordance with OMFP no. 2844/2016.

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.

At the same time, the Annual Report of the Directorate, prepared in accordance with the requirements of the capital market legislation, was verified by the members of the Supervisory Board. The information presented in the 2022 Annual Report gives a true and fair view of the Company's results for the financial year 2022.

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

With special consideration,

Supervisory Board represented by

Chairman of the Supervisory Board

Message from the Directorate

Dear Shareholders,

Dear Investors,

In the context of the last few years in which important crises with an impact on the economic environment have overlapped (COVID-19 pandemic, Russian-Ukrainian conflict, energy price crisis), Transelectrica has positioned itself among the most stable representatives of the business area, adopting a carefully applied strategic approach in relation to the existing market developments and needs.

Listed on the Bucharest Stock Exchange, Transelectrica is a publicly traded company and therefore assumes this position with responsibility towards the shareholder and investing public, regularly establishing, on the basis of accurate market analysis, appropriate objectives that provide predictable strategic coordination of the Company's business activity. In this respect, a priority in our organisational strategy is to increase the degree of institutional transparency, so as to maintain the most effective relationship with Transelectrica's shareholders and investors.

In our close collaboration with the investing public, our aim is to maintain an ongoing dialogue through best practices and representative transparent communication policies based on useful and relevant information on how the investment process is going.

In view of the activity that our Company carries out as an electricity transmission and system operator and the essential role it plays at such an important time, characterized by fundamental changes imposed by the process of energy transition, we reaffirm the guarantee of safety and proper functioning of the National Electricity System through concrete actions.

In this regard, in early 2022, we signed an Agreement with the European Investment Bank (EIB) which was an important step in decongesting the processes and accelerating the investments that Transelectrica has foreseen in the 10-year Transmission Grid Development Plan. In order to align with European targets, the electricity transmission system infrastructure requires immediate, impactful investments to support the stages of the energy transition. Therefore, our Company will continue to closely monitor new approaches and opportunities that will exist under the Advisory Agreement signed with the European Investment Bank.

We have also, through focused measures, continued to accelerate the flow of investment, starting from a key issue: redefining the Company's financing strategy that supports the implementation of investment projects in the approved RET Development Plan for the period 2022-2031. Thus, Transelectrica's current financing structure has been substantially modified and is based on a mix of 30% own funds, 50% European funds and 20% bank loans.

This repositioning was made possible by the efforts of the Company's specialists, which led to excellent results in terms of a high degree of access to non-reimbursable European funds. In concrete terms, detailed in representative figures, in 2022, Transelectrica obtained the largest financing from European funds accessed by Transelectrica: over 420 million euros for the development of a modern and sustainable energy infrastructure from the Modernisation Fund. The company has also attracted other non-reimbursable European sources of funding for strategic investments in national energy infrastructure through the Connecting Europe Facility (CEF).

The year 2022 also marked important efforts of the Company in terms of supporting energy security in the region, both in the process of synchronization of the power system of Ukraine / Republic of Moldova with the European interconnected, Romania being the first country to achieve synchronization, a process of particular technical complexity. Subsequently, we have maintained our commitment by providing continued support to the Republic of Moldova to ensure the continuity of electricity supply to the neighbouring state.

In pursuing Transelectrica's mission, through increasingly ambitious investment targets, we remain firmly committed to ensuring energy security and maintaining the safety of the National Electricity System.

Also, in meeting energy efficiency targets, as an important vector for the decarbonisation of the industry, Transelectrica bases its investment strategy in line with European policies designed for energy-environment. The future of the energy sector foresees more and more challenges that Transelectrica is ready to manage accordingly.

NPG Transelectrica SA Directorate

Directorate

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

Gabriel ANDRONACHE, Chairman of the Directorate

As of 25 December 2021, Mr. Gabriel ANDRONACHE is the Chairman of the Directorate of the National Power Transmission Company.

Mr Gabriel Andronache came to this position with extensive managerial experience in the administrative, public and private sectors as well as in the energy industry. At the same time, Mr Andronache has been part of the stock exchange listing committees for strategic companies in the Romanian energy sector, such as Transgaz, Nuclearelectrica and Romgaz. His expertise in the energy industry is also defined by his activity on the supervisory boards of several companies in the electricity value chain. Mr. Andronache was a member of the Supervisory Board of Electrica SA (2013), member of the Supervisory Board of ENEL Distribuție Banat SA (2014 - 2015), member of the Supervisory Board of Hidroelectrica SA Bucharest (2017-2019).

Mr Gabriel Andronache started his career as an officer in the Ministry of National Defence (1997-2008), then consolidated his experience through various key positions in the central public administration: Director of the Cabinet of the Minister of Economy, Trade and Business Environment (2014-2015), advisor at the Trade and Economic Promotion Office, Embassy of Romania in Paris (2015-2017), President of the Interministerial Council for the implementation of state aid policy at the Romanian Government (2017 - 2018). He also served as a State Counsellor in the Prime Minister's Office from 2017 to 2018.

Gabriel Andronache graduated from the "Alexandru Ioan Cuza" Police Academy in Bucharest with a Bachelor's degree in legal sciences, then followed postgraduate studies in Public Law and Administrative Sciences at the Faculty of Law of the University of Bucharest, as well as a course on Security and Good Governance at the National Defence College (2014).

Florin Cristian TĂTARU, Member of the Directorate

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

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

With a wealth of experience in banking, finance and management, Mr Florin Cristian Tătaru has expertise in areas such as public and corporate finance, public

policy, energy industry, European affairs and leadership.

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

A graduate of the Faculty of International Economic Relations at the Bucharest Academy of Economic Studies (1990), Mr. Tataru has attended several master's programs, including "Health System Management", "Public Policy and European Integration", "Banking and Capital Markets", and courses such as "Security and Good Governance" (2019), "Current National Security Issues" at the National Defense College. Currently, Mr. Tătaru is attending the MBA courses of the "Executive Business" program at the Business Academy.

Ștefăniță MUNTEANU, Member of the Directorate

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

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

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

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

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

Cătălin Constantin NADOLU, Member of the Directorate

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

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

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

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

Bogdan TONCESCU, Board Member

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

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

Changes in the Transelectrica Directorate

01 January 2021 - On 01.01.2022 the composition of the Directorate was as follows: Gabriel ANDRONACHE, Cătălin Constantin NADOLU, Marius Viorel STANCIU, Florin-Cristian TĂTARU, Ștefăniță MUNTEANU.

23 March 2022 - The Supervisory Board of the Company has taken note of the expiry on 24 April 2022 of the terms of office of the provisional members of the Directorate, Messrs Gabriel ANDRONACHE, Ștefăniță MUNTEANU, Cătălin Constantin NADOLU, Marius Viorel STANCIU and Florin Cristian TĂTARU. Pursuant to Article 64² paragraph (1) of GEO no.109/2011 on the corporate governance of public companies, as subsequently amended and supplemented, unanimously decided to extend the terms of office of the provisional members of the Directorate for a period of two months, starting on 25 April 2022 and ending on 24 June 2022:

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

coordinated the development of the corporate governance strategy at the Company level.

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

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

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

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

At the same meeting they appointed Mr Bogdan TONCESCU as provisional member of the Directorate, for a two-month term of office, starting on 25 April and ending on 24 June 2022.

At the same time, in accordance with Article 23 para. (1) of the Company's Articles of Association, the Supervisory Board appointed Mr. Gabriel ANDRONACHE as Chairman of the Directorate, alternatively referred to as Chief Executive Officer of the Company, for the period from 25 April to 24 June 2022.

21 June 2022 - The Supervisory Board took note of the expiry on 24 June 2022 of the terms of office of the provisional members of the Directorate: Gabriel ANDRONACHE, Ștefăniță MUNTEANU, Cătălin Constantin NADOLU, Bogdan TONCESCU and Florin Cristian TĂTARU and appointed, pursuant to no.64² para. (1) of GEO no.109/2011 on the corporate governance of public companies with subsequent amendments and complitions, as provisional members of the Directorate:

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

with a term of office of four months starting on 25 June 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 procedure for the selection of the members of the Company's Directorate, if the procedure is completed within this period.

At the same meeting, they appointed, in accordance with the provisions of Article 23 paragraph (1) of the Company's Articles of Association, Mr. Gabriel ANDRONACHE as Chairman of the Directorate, alternatively referred to as Chief Executive Officer of the Company.

14 October 2022 - The Supervisory Board unanimously decided to extend the terms of office of the provisional members of the Directorate for a period of two months, starting on 25 October 2022 and ending on 24.12.2022:

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

During the same meeting, the Supervisory Board elected Mr. Gabriel ANDRONACHE as Chairman of

the Directorate, alternatively referred to as Chief Executive Officer of the Company.

19 December 2022 - **The** Supervisory Board took note of the expiry on 24 December 2022 of the terms of office of the provisional members of the Directorate: Gabriel ANDRONACHE, Ștefăniță MUNTEANU, Cătălin Constantin NADOLU, Bogdan TONCESCU and Florin Cristian TĂTARU and appointed pursuant to no.64² para. (1) of GEO no.109/2011 on the corporate governance of public companies with subsequent amendments and additions, as provisional members of the Directorate on:

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

with a term of office of four months starting on 25 December 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 procedure for the selection of the members of the Company's Directorate, under the terms of GEO 109/2011 if the procedure is completed within this period.

They also elected Mr. Gabriel ANDRONACHE as Chairman of the Directorate, alternatively referred to as Chief Executive Officer of the Company.

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

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

None of the members of the Directorate held any interest in the share capital of the Company as at 31.12.2022.

Declaration of responsible persons

To the best of our knowledge, the consolidated financial statements as at and for the 12 months ended 31 December 2022 have been prepared in accordance with the Order of the Minister of Public Finance No. 2844/2016, as amended, approving the Accounting Regulations in accordance with International Financial Reporting Standards and give a true and fair view of the financial position and profit and loss account of NPG Transelectrica SA.

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

Directorate,

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

Key figures

FINANCIAL HIGHLIGHTS					OPERATIONAL						
RON	6,286	mn	▲	67%	Revenues	2.20%	*	▼	-0,26	pp	OTC
				y/y					y/y		
RON	866	mn	▲	204%	EBITDA	52.72		▼	-6%		Net internal production
				y/y		TWh			y/y		
RON	514.57	mn	▲	n/a	Net result	1.19		▼	-46%		Export sold**
				y/y		TWh			y/y		
TWh	52.18			▼	Charged energy volume****	53.91		▼	-8%		Net internal consumption
				y/y		TWh			y/y		
RON	315	mn	▲	25%	Liquidity	43.50		▼	- 1.5%		Transported energy***
				y/y		TWh			y/y		
INVESTMENTS											
RON	462	mn	▼	-7%	Acquisition of tangible and intangible assets						
				y/y							
RON	289	mn	▲	13%	Fixed assets recorded in the accounts (commissioning)						
				y/y							

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

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

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

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

Note: For ease of reading and understanding the results, some figures presented in graphs and/or tables use mil. lei as the unit of 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 and the calculated percentages. Amounts are expressed in millions of lei unless otherwise indicated.

Important events

- Jan** ▶ The first phase of joint regional testing in the Core Flow-Based Market Coupling (Full Integration Testing-FIT) project was successfully completed on 13 January 2022. The FIT testing focused on the functionality of all systems involved in the FB MC process but also between them, proved that the solution is capable of performing the FB MC process.
- Feb** ▶ The Company has signed a pro bono support services agreement with the European Investment Bank (EIB) for an in-depth analysis of the Company's internal processes to improve the management processes of investment projects by removing existing bottlenecks and streamlining certain activities
- Mar** ▶ On 28.03.2022 was published in the Official Gazette no.299/28.03.2022 the ANRE Order no. 33/23.03.2022 on the modification of the average tariff for the transmission service, the components of the transmission tariff for the introduction of electricity into the grid (TG) and for the withdrawal of electricity from the grid (TL), charged by the Company, with applicability as of 1 April 2022.
- Apr** ▶ In accordance with the standard form for notification of major shareholdings, on 11 April 2022, NN Group N.V. announced that it holds 5.62% of the Company's share capital.
- May** ▶ Transelectrica has completed an investment of more than 60 million lei to strengthen national energy security, namely, the refurbishment of the 220/110 kV Hășdat Transformer Station, an investment made with its own funds. Refurbishment creates the conditions for reducing maintenance costs and for remote monitoring and diagnosis of equipment.
- Jun** On 8 June, the successful launch of flow-based market coupling in the Core region took place. The flow-based market coupling mechanism optimises the European electricity market for 13 countries with a total population of 278 million and an estimated annual electricity consumption of 1,500 TWh.
- Jul** 
- Aug** ▶ The Transmission and System Operators (OTs), Transelectrica and Moldelectrica (the Transmission and System Operator of the Republic of Moldova), have signed the contract that will allow the allocation of capacity for electricity trade on the interconnection line between Romania and the Republic of Moldova.
- Sep** 
- Oct** ▶ On 21.10.2021, the most difficult and challenging technical stage of the project for the construction of the 400kV Cernavodă-Stâlpu overhead power line, an investment worth about 75 million euros, was marked.
- Nov** ▶ On 10 October 2022, Transelectrica's management signed nine contracts for non-reimbursable financing from the Modernisation Fund, amounting to 424 million euros, for the implementation of 9 national energy infrastructure.
- Dec** ▶ Transelectrica, as majority shareholder of OPCOM SA, on 22.12.2022, concluded a significant transaction, namely the purchase of the energy necessary to cover its own technological consumption (OTC) for the period 01.01.2023-31.03.2025, through the Centralised Electricity Purchase Mechanism (MACEE) provided for in the Annex to Emergency Ordinance no.153/2022.
- Nov** 



Management Report



1. Business model

1.1. Positioning in the electricity market

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

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

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

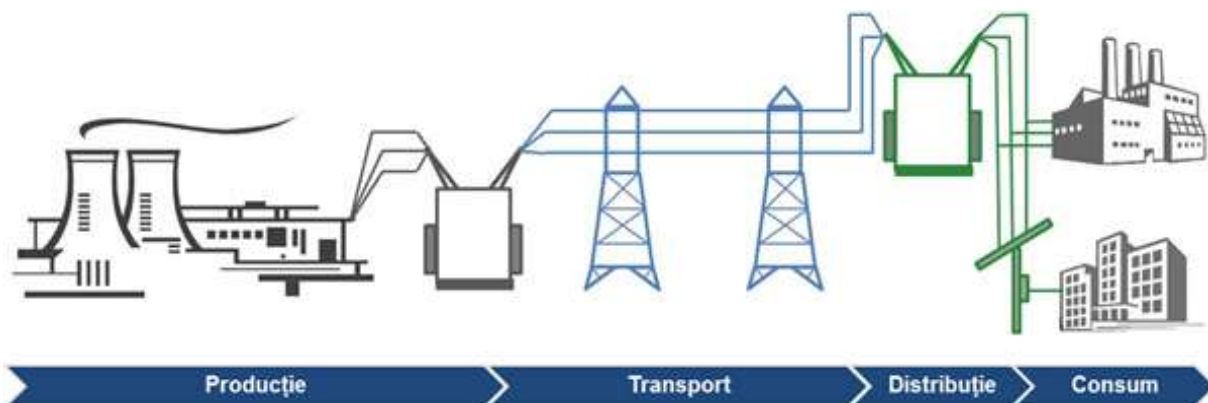
transferred to Transelectrica and constitutes return assets, according to the nature of the transfer and the legal provisions.

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

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

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

Figure 2: The electricity value chain



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

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

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

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

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

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

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

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

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

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

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

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

Figure 3: Electricity Transmission Network

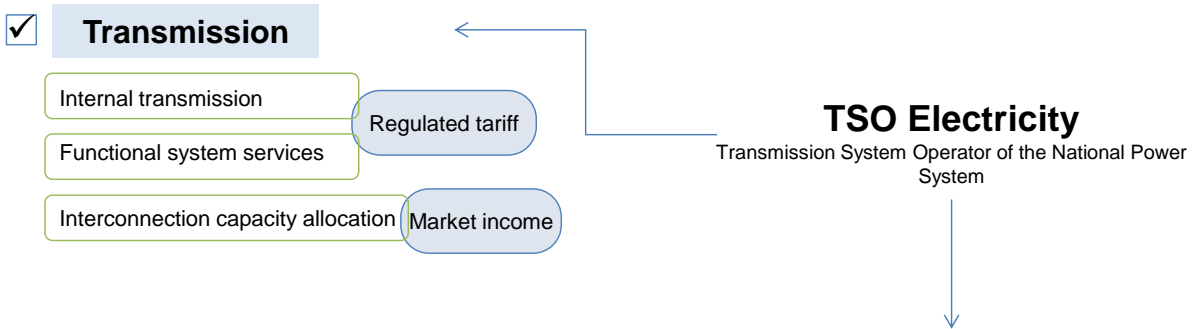


1.2. Portfolio of activities and pricing model

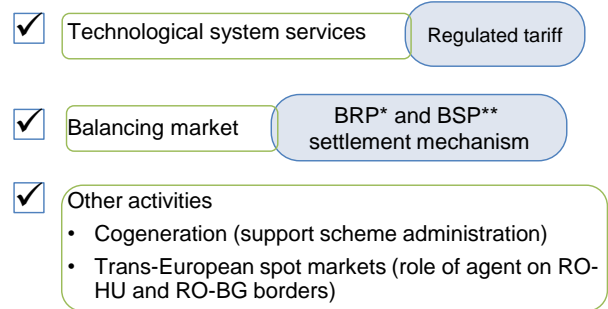
Transelectrica's portfolio includes profit-making activities (transmission services allowed) and non profit-making activities (technological system service, balancing activity, support schemes), all of which are subject to ANRE regulations.

Figure 4: Portfolio of activities

Profit-allowed activities



Zero-profit activities



Balancing Responsible Parties and *Balancing Service Providers

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

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

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

of the support scheme for the promotion of high-efficiency cogeneration are based on a contribution set by ANRE estimated in order to fully cover the costs related to the administration of the support scheme.

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

Activities ANRE License

TRANSMISSION



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

Regulated tariff costs + regulated profit

SYSTEM OPERATION (system services)



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



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

Regulated tariff costs

BALANCING MARKET (settlement)



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

BRP and BSP*** settlement mechanism costs**

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

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

Other activities

Other profit-allowed activities

Interconnection management

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

Other zero-profit activities

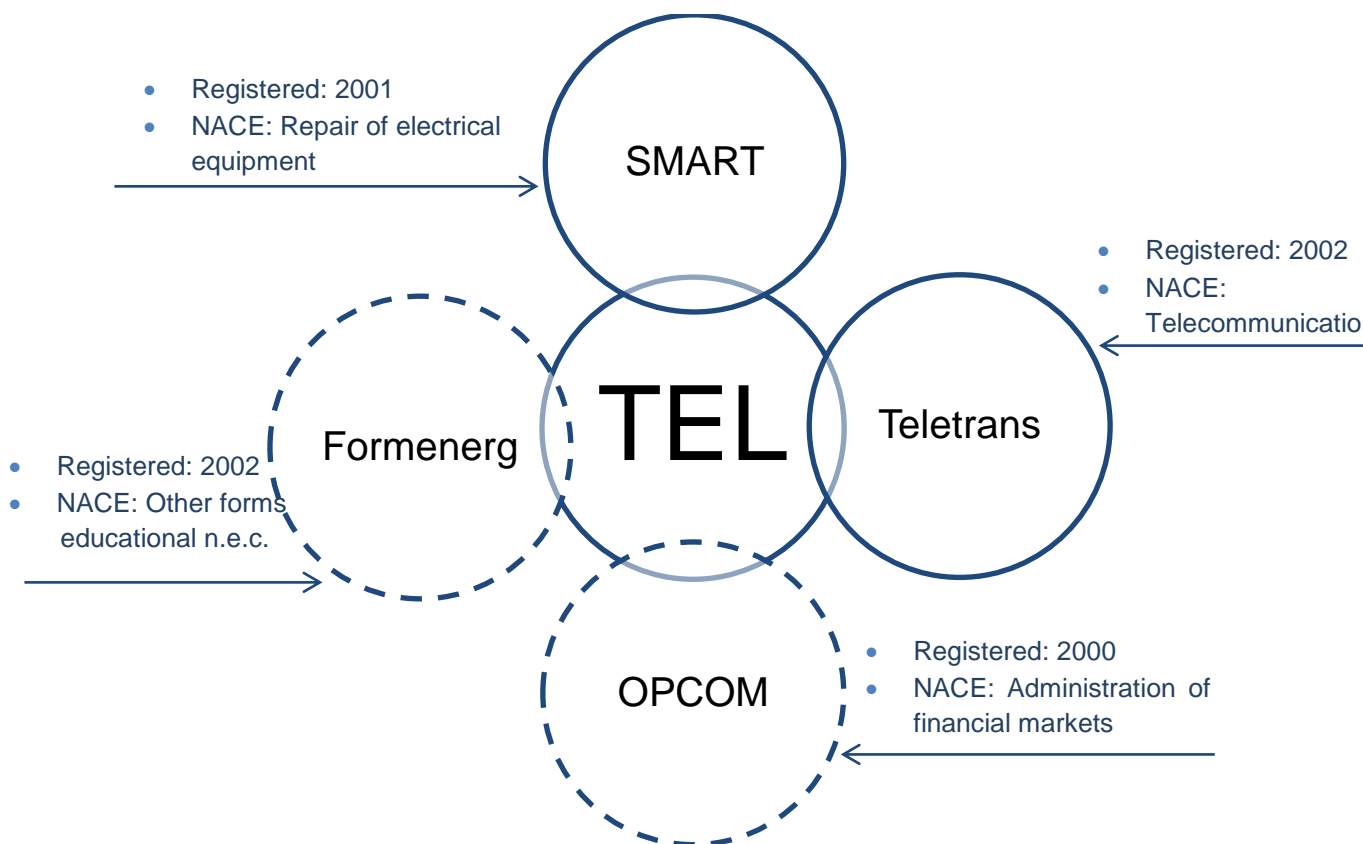
Cogeneration

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

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

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

2. Group Structure



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

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

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

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

SMART



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

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

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

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

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

The subscribed and paid-up share capital as at 31.12.2022 is 38,529 thousand lei, Transelectrica being the sole shareholder. The results of the SMART subsidiary are consolidated with the financial results of the Company.

SMART shares are 100% owned by Transelectrica.

TELETRANS



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

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

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

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

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

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

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

The subscribed and paid-up share capital as at 31.12.2022 is 6,874 thousand lei, Transelectrica being the sole shareholder. The results of the subsidiary Teletrans are consolidated with the financial results of the Company.

TELETRANS shares are 100% owned by Transelectrica.

FORMENERG



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

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

FORMENERG SA is based on a long-established training centre in Romania with extensive experience in the field of vocational training, currently offering a wide range of courses in the following training areas: European Integration - Preventing and Fighting Corruption, Management and Human Resources, Construction, Public Procurement, Quality of Industrial Technological Equipment Assembly Works, Operations, PRAM - AMC, Maintenance, Energy

Strategy, Natural Gas - Authorization, Natural Gas - Extension of Authorization Validity, Informatics, Psychology, Sociology, Finance, Accounting, Administration, Quality, Environment, Occupational Health and Safety, Management Internal Control Standards, Legislation, Marketing, Public Relations and Communication, Electricians Authorization.

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

FORMENERG competences are structured along the following main lines:

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

The share capital on 31.12.2022 is 1,948 thousand lei, fully paid, represented by 194,842 shares with a nominal value of 10 lei each.

FORMENERG shares are 100% owned by Transelectrica.

ICEMENERG - SERVICE

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

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

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

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

OPCOM



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

In accordance with the provisions of the primary and secondary legislation in force, the Operator of the Electricity and Natural Gas Market "OPCOM" S.A. performs the role of administrator of the electricity market, providing an organized, viable and efficient framework for the conduct of commercial transactions in the wholesale electricity market and carries out activities of administration of the centralized markets in the natural gas sector, under conditions of consistency, fairness, objectivity, independence, fairness, transparency and non-discrimination. The main activities carried out by OPCOM under the provisions of the primary and secondary legislation in force:

- The organisation and administration of centralised electricity markets;
- Exercise the function of Settlement Operator, by performing settlement operations for the Next Day Market and Intraday Market, respectively establishing payment obligations / collection rights for the Balancing Market and the quantitative and value imbalances of the Balancing Parties;
- Acting as organiser and administrator of the green certificates market;
- Acting as administrator of the Greenhouse Gas Emissions Trading Platform;
- To perform the activity of centralised market management in the gas sector;
- Supervision of the functioning of administered markets;
- Collection and publication of market statistics as required by the Energy Law;
- Registered Reporting Mechanism (RRM);
- Administration and development of IT platforms serving energy markets;
- Active participant in the European energy market.

OPCOM is in collaboration with the Bucharest Stock Exchange to identify projects through which the two entities will propose the trading of derivative products for the management of energy price risk and the clearing and settlement through a national Clearing House (Central Counterparty in Romania-CCP.RO). In 2021, OPCOM and CCP.RO negotiated the Contract

on the framework for clearing and settlement of transactions concluded on the Centralised Market for Bilateral Electricity Contracts - Continuous Trading (PCCB-NC) administered by OPCOM.

During 2022, CCP.RO went through the necessary steps to be authorised by the ASF, in accordance with the requirements of the National Bank and the European Securities Authority (ESMA).

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

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

On 8 June 2022, the 16 Transmission and System Operators (OTSS) in the Core Capacity Calculation Region (Core RCC), together with 10 Designated Electricity Market Operators (DEMEOs), initiated day-ahead market coupling on a flow basis. Also, as part of the Core FB MC project, the market coupling between Croatia and Hungary & Slovenia and Hungary has been implemented, contributing to a more complete and better functioning European market coupling.

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

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

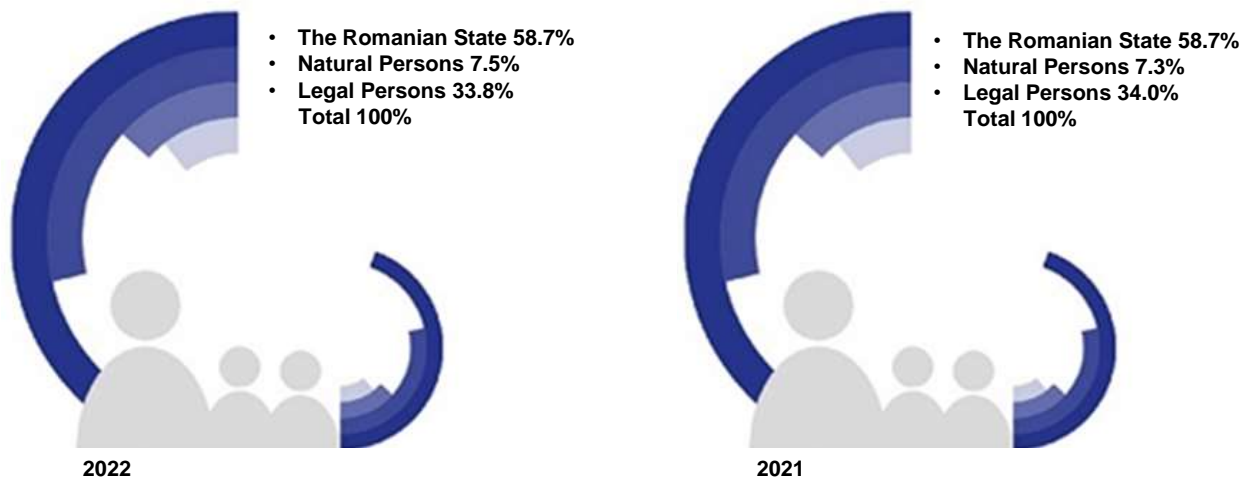
The subscribed and paid-up share capital of OPCOM as at 31.12.2022 is 31,366 thousand lei, Transelectrica being the majority shareholder at that date. The shareholder structure is as follows:

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

3. Transelectrica on the capital market

3.1. Shareholder structure

Figure 5: Changes in ownership structure 2022-2021



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

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

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

As at 31 December 2022 the two significant minority shareholders are :

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

Table 1: Free Float Shares

Free Float Shares	31.12.2022	%
Non-residents, of which	818,673	2.70%
Individuals	115,465	0.38%
Legal entities	703,208	2.32%
Residents, of which	29,464,160	97.30%
Individuals	5,399,181	17.83%
Legal entities	24,064,979	79.47%
Total shares	30,282,833	100%

3.2. Share price evolution

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

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

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

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

Transelectrica turned 16 years old on 29 August 2022 from 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, with a forecast high of 23.50 lei/share on 11 January 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 October 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.

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 Figure 6: TEL vs BVB 2022 indices

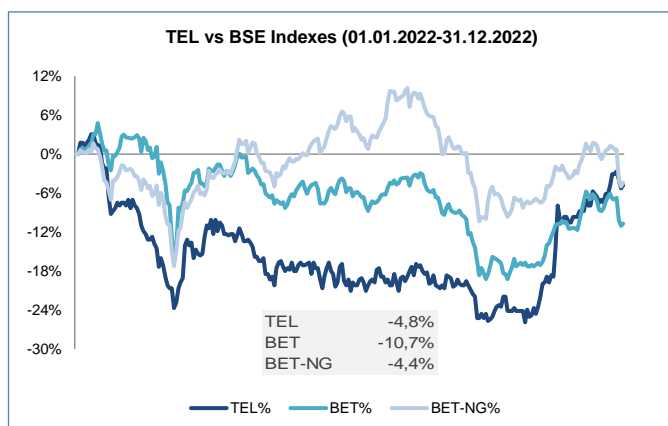


Table 2: Stock market information 2022 -2020

Indicator	2022	2021	2020
Number of shares	73,303,142	73,303,142	73,303,142
Market capitalization (million lei)	1,591	1,649	1,877
Market capitalization (million euro)	333.4	333	385
Maximum price (lei/share)	16.9	29.30	25.60
Minimum price (lei/share)	23.5	20.70	15.00
Price at the beginning of the year (lei/share)	22.5	25.60	19.75
Price at the end of the year (lei/share)	21.7	22.50	25.60
Earnings per share (lei/share)	7.219	0.01	1.98
FOR	3.01	-	12.95
P/BV	0.41	0.49	0.56
Dividend per share from the result of the period (lei)	0.71	0.00	0.59
Dividend per share from retained earnings (lei)	0.00	0.00	0.28
Dividend return %	3.27	0.00	0.02
Free Float %	41.3	41.31	41.31

The dividend amount proposed for approval at the General Meeting of Shareholders was calculated using the last share price on 31 December of the year.

2,142,121 shares traded, with a total value of 42,039 thousand lei.

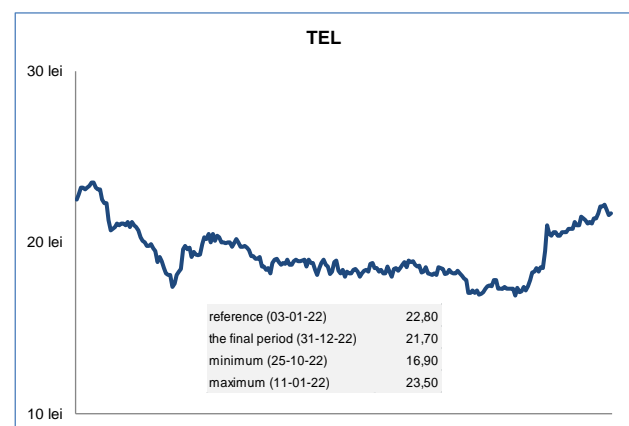
Transelectrica shares are part of the following stock market indices: BET, BET-NG, BET-TR, BET-XT, BET-XT-TR, BET-BK, BETPlus, BET-TRN, BET-XT-TRN.

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 December 9, 2022, TEL shares have a weighting of 1.25% in the BET index and 3.89% in the BET-NG index.

Figure 7: TEL share price evolution 2022



3.3. Dividend

The dividend policy is the Company's option to distribute dividends and/or reinvest net profits. In both cases shareholders win.

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

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

3.4. Rating

On December 8, 2022, the credit rating agency Moody's Investors Service published its updated credit opinion assessing the Company's current and future ability to meet its payment obligations to creditors, assigning a Baa3 stable rating (reaffirmation of the previous year's rating). In the assessment, the Company's rating is set at the sovereign rating level (stable Baa3), recognising the Company's improved financial performance and solid operating results, thus ensuring the prerequisites for future cost-effective financing for the successful completion of the investments undertaken for the fourth regulatory period.

Table 3: Transelectrica rating

Rating agency	2022	2021	2020
Moody's Investors Service	stable Baa3	stable Baa3	positive Ba1

3.5. Investor and stakeholder relations

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

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

Thus, shareholders and investors have access to information relevant to their investment decision by accessing the dedicated section of Transelectrica's website, the Investor Relations section (GMS meetings with relevant agenda items, financial

effect of increasing the possibilities of financing through new share issues.

The distribution rate is set annually by the majority shareholder, who approves at the GMS the profit distribution and the amount of dividends paid.

To determination the amount of the gross dividend due to shareholders, the number of shares existing at the date of the preparation of the financial statements for the year 2022, i.e. 73,303,142 shares, will be taken into account and the gross dividend per share will be determined considering two decimal places after the decimal point.

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

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

statements, corporate governance, current reports and periodic presentations, dividend information, etc.), written electronic correspondence and telephone correspondence through dedicated contacts.

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

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

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

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

Against the backdrop of the Covid-19 pandemic, the meetings took the form of a conference call. Interested parties confirmed their attendance and sent questions specific to the Company's activities and TEL's financial results by e-mail to relatii.investitori@transelectrica.ro.

During 2022, Company representatives held 4 meetings with financial analysts, investment consultants, brokers and investors to present completed and reported financial results. The calendar dates for these events were announced at the beginning of 2022 through the approved Financial Communication Calendar of C.N.T.E.E. "Transelectrica" S.A. and were held as follows:

Event organised	Date
Presentation of financial results for 2021	25 March 2022
Presentation of financial results for Quarter I 2022	13 May 2022
Presentation of financial results for the first half of 2022	12 August 2022
Presentation of financial results for the third quarter of 2022	14 November 2022

During the year, representatives of the Company also participated in conferences/events organized by Wood & Company, Fondul Proprietatea, Franklin Templeton on 15-16 September 2022, "Frontier Investor Days".

In order to prevent and limit the spread of Covid-19, NPG "Transelectrica" S.A. shareholders were also encouraged to exercise their right to vote in the General Meetings of Shareholders, using postal voting ballots, as an alternative to participate directly or through a representative at the Company's

headquarters, thus accessing indirect communication channels, namely either by mail or courier services (at the address: Bucharest, Sector 3, Olteni Street no. 2-4, "PLATINUM Center" building), or by electronic means of communication.

One of the most important rights of shareholders is to enjoy equal treatment, i.e. to obtain in a non-discriminatory manner relevant information in a timely manner about important events in the Company's business that may influence the decision to invest.

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

The Company's website does not limit access to information of public interest, as a company admitted to trading on the regulated market of the Bucharest Stock Exchange, transparency and accountability to shareholders and stakeholders is an established practice within the Company.

Transelectrica was one of the 11 founders of the Association for Investor Relations at the Romanian Stock Exchange (ARIR).

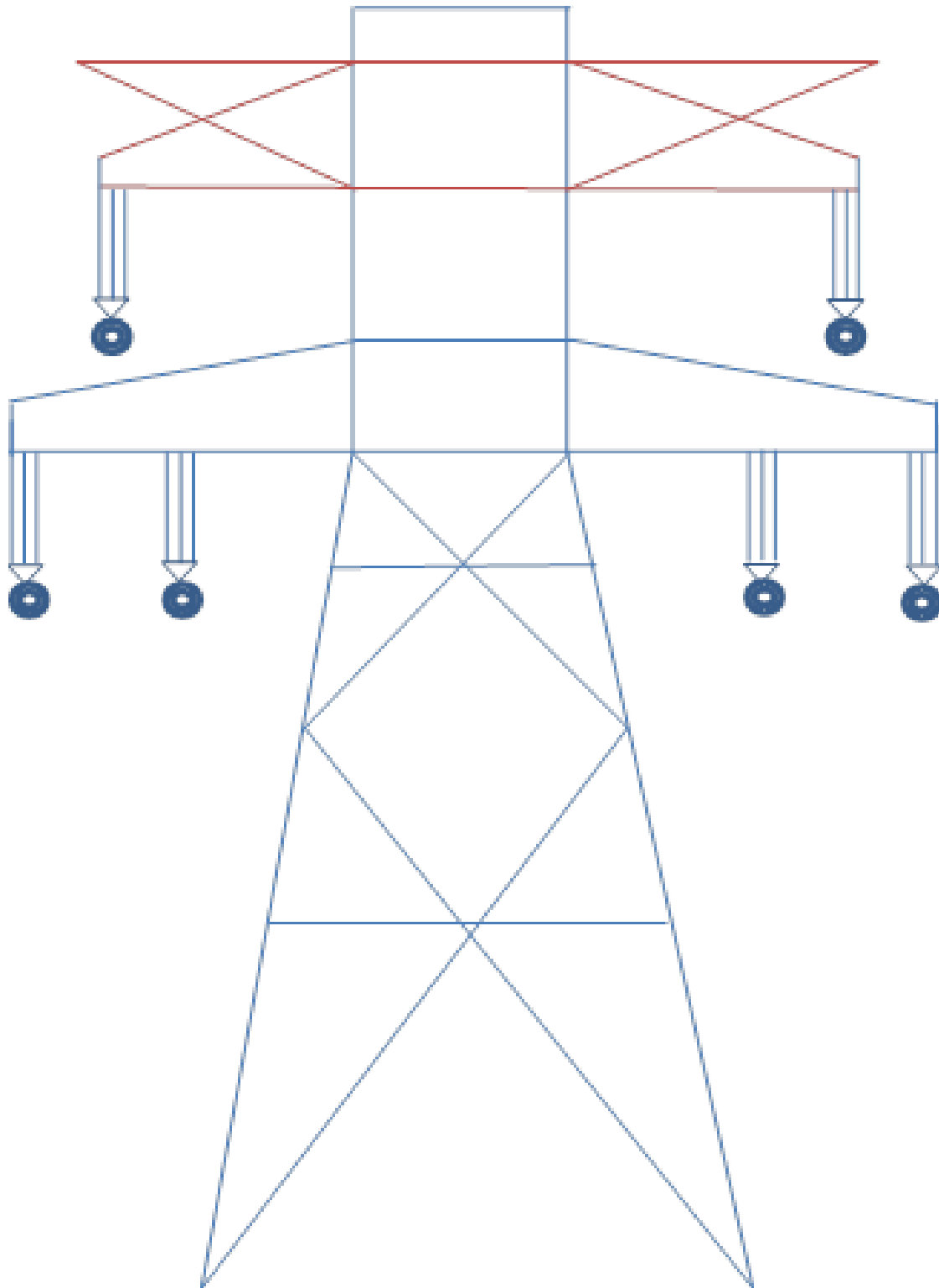
ARIR is a non-governmental, non-profit organisation that was established to provide current and potential issuers with a platform to develop investor relations (IR) professionals and to contribute to the implementation of best practices in investor communications and corporate governance.

At the same time, the Association for Investor Relations at the Romanian Stock Exchange (ARIR) has taken over from the BVB the project "White Charter of Listed Companies" and is coordinating a working group dedicated to the revision of the methodology on the communication of listed companies, a project renamed VEKTOR". The VEKTOR indicator was calculated by ARIR for the first time in 2019 and is published annually to assess the investor communication of listed companies on the [BVB's](#) regulated market.

In 2022, the indicator was calculated based on a methodology including 12 criteria, in line with international best practice in investor relations (IR). Transelectrica scored 7 in the 2022 assessment. The results are available on each issuer's page on the Bucharest Stock Exchange (BVB) website.

For the year 2023, the company's main objective is to apply the best practices in the field in order to streamline the communication between the company and investors and to position itself as high as possible

among the top listed companies in terms of transparency and communication with investors.



4. Risk management

4.1. Risk management policy

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

The Company's risk management complies with applicable legal and regulatory requirements to have risk control capabilities appropriate to the Company's risk profile to identify, assess, manage, monitor, communicate, consult and report risks:

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

In 2022, the Company-wide *Risk Register - 2022* was prepared and approved by the Company's Directorate, with the aim of minimising the effects of the significant risks to which the Company is exposed. *The Risk Register* has been prepared in accordance with the requirements of Standard 8 *Risk Management*, of OSGG No. 600/2018. At the same time, the *Control*

Measures Implementation Plan for the year 2022 was prepared and approved by the Directorate.

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

The actions taken to control the risks, mainly in 2022, have reduced the probability of materialisation and the impact of the risk compared to the level of inherent risks.

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

Establishing a risk management strategy involves:

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

The strategies to combat the risks consisted mainly of:

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

4.2. Transelectrica's risk management objectives

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

Both directly and through implementation at the level of the territorial transport units and subsidiaries, as well as by transposing the applicable requirements into service contracts with specialised suppliers, the Company's policy aims to operate in accordance with the quality, safety and efficiency standards laid down in the RET Technical Code and any other specific applicable regulations, with a focus on compliance with employee health and safety criteria, as well as ensuring the protection and conservation of property and the environment.

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

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

The set main objectives include:

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

The Company's activities are sensitive to general economic conditions, which can affect the amount of

electricity transmitted and therefore revenues and operating results. In addition, the demand for electricity and its price depend on a variety of factors over which Transelectrica has no control, namely:

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

4.3. Main risks identified

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

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

Technical and operational risks

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

- shortcomings in SEN scheduling and congestion management,
- interruption of telecommunications service provision for the operation of SEN,
- damage to installations and equipment, damage/disabling of installations and equipment,
- non-implementation or delays in the implementation of the Annual Investment Programme,
- malfunctions in the systems and platforms used in operational management, communications and telecommunications,
- unavailability of the Electricity Quality Monitoring System (SMCENEL),

- failure to meet the legal requirements for scrapping,
- the quantitative and qualitative implementation of the Annual Investment/Maintenance/Procurement programmes below the planned levels,
- Delays in the procurement of services required for the provision of the Company's security and response stock,
- improperly carried out processes for connecting users to public electricity networks,
- failure to comply with regulated or contractual deadlines, mainly due to difficulties in obtaining land rights,
- Energy Markets Risk - Counterparty Risk,
- the risk of non-collection of debts,
- forecasting risk.

Financial risks

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

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

Interest rate risk

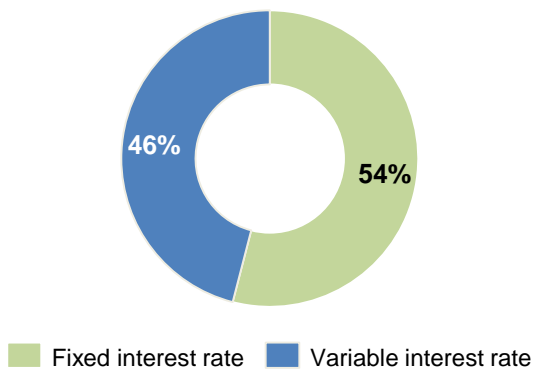
The company has credit agreements (long and short term) in place to finance investment programmes and to support operational activities.

The variable component of the interest rate on loans attracted by the Company may affect both cash flows from operating activities and profitability if the values of these ratios against which the interest rate is calculated change significantly. Given that only fixed-interest loans remain in the structure of long-term loans contracted by the Company, we can state that the impact of this risk is non-existent in the long term.

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

With fixed interest, the Company has contracted two loans granted by the European Investment Bank (EIB) on August 5, 2010. The amount due on December 31, 2022 for EIB loan 25709 is EUR 7,222,222 and for EIB loan 25710 is EUR 8,835,470 EUR.

Figure 8: Debt structure by type of interest rate at 31.12.2022



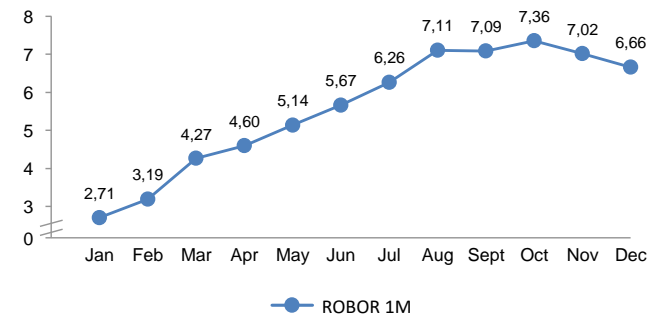
On the national banking market, the 1-month ROBOR experienced a sharp upward trend during 2022, reaching a low of 2.68% (3 January 2022) and a high of 7.49% (27 October 2022).

The rise came amid rising inflation in 2022 (doubling since the beginning of the year), well above the NBR's target.

After successive increases in the monetary policy interest rate by the NBR during 2022, daily interbank money market quotes (ROBOR) were adjusted upwards.

The increase in ROBOR is also due to the higher exchange rate, which is causing a drop in investor confidence, in a context of devaluation of other currencies in the region, but also against the backdrop of the economic crisis and the military conflict at the country's border.

Figure 9: ROBOR 1M(%)



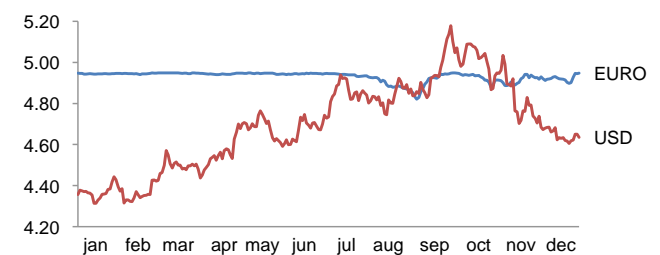
Currency risk

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

During 2022, the exchange rate (euro) recorded average monthly fluctuations between -0.90% and 0.38% amid events affecting the global economy.

In 2022, compared to the previous year, the national currency depreciated, on average, against the euro by 0.23%.

Figure 10: Exchange rate evolution 2022



In 2022 the income from exchange rate differences amounted to 59.6 million lei, while the expenses amounted to 62.3 million lei.

Liquidity risk

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

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

Liquidity risk is mitigated by the introduction into the Company's funding mix of unsecured instruments (unsecured loans offered by international financial institutions), which significantly reduce the reliance on the limitations and constraints of the banking

environment and the need for commercial loan guarantees.

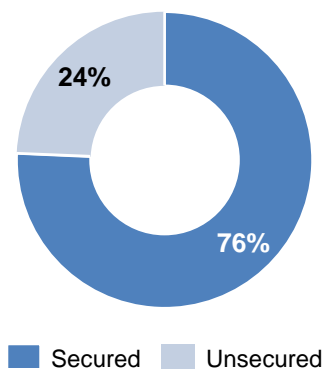
Another component of liquidity risk is the opportunity cost of financial investments for excess cash that the Company may have at any given time.

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

During 2022 Transelectrica had no delays in paying suppliers and delays in collecting from customers were insignificant. The company pays close attention to effective treasury management by maintaining sufficient liquid resources to meet obligations as they fall due, and the availability of funding through adequate credit facilities.

In addition, in 2022 there were no instances of non-compliance with the provisions of the Company's financing agreements, which could have impacted liquidity by requiring early repayment.

Figure 11: Debt structure by collateral at 31.12.2022



Credit risk

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

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

In terms of receipts, in 2022 they were insignificant, but there were occasional requests from suppliers who had liquidity problems to make payments ahead of schedule.

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

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

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

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

In this context, during 2022, the Company faced a cash shortage at times. The situation was mainly caused by:

- maintaining price increases in both the Day-Ahead and Intraday Markets and the increased volume of transactions undertaken by the Company to achieve OTC coverage as close to delivery as possible;
- maintaining the time lag (approximately 3 months) in which the State Budget reimburses the VAT receivable, as the Company is unable to build up the necessary liquidity to pay its due payment obligations on time.

In order to combat this situation, Transelectrica has turned to short-term financing by taking out loans in the form of revolving credit lines.

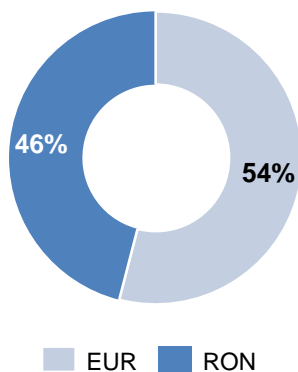
Internal measures used by the Company to control and reduce credit risk include: diversification of the customer portfolio, monitoring of customer creditworthiness, and contractual insurance measures.

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

At the same time, the Company has put in place a number of policies to ensure that the sale of services is made to partners with solid creditworthiness and an

investment grade rating, and obligations to provide financial guarantees to cover the risk of default are included in commercial contracts. The amount of receivables, net of impairment adjustments and inclusion of guarantees, represents the maximum amount exposed to collection risk.

Figure 12: Debt structure by currency as at 31.12.2022



Risk related to provisions in financing agreements

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

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

Table 4: Long-term debt structure

million lei	EUR
31 December 2022 (RON million equivalent)	79
31 December 2021 (RON million equivalent)	103
31 December 2020 (RON million equivalent)	125

In 2022, the long-term bank debt decreased from 103 million lei to 79 million lei, both due to principal payments on contracted loans and as a result of not contracting new loans.

As at 31.12.2022 the Company had outstanding long-term loans in euro and a revolving credit line.

Risk of non-recovery of guarantees for investment projects

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

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

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

Strategic risks

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

Pricing (price) risk associated with the regulatory framework

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

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

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

Volume risk

Volume risk is an important component of regulatory risk.

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

Given that the cost base for transport activity is predominantly fixed (variable costs represent approx. 20% of total recognised costs, the majority component of approx. 80% is determined by fixed infrastructure costs: investments, maintenance, the

discrepancy created between the structure of the cost base and the revenue generating mechanism can lead to large deviations of the revenue from the regulated revenue approved by ANRE.

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

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

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

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

Risk of implementing network codes

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

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

Risks associated with the unpredictability of Energy Markets

- price risk is a financial risk caused by the unpredictability of the energy market, which can lead to cost increases associated with OTC
- risk of non-payment - non-compliance with contractual clauses
- counterparty risk - the risk of non-collection of receivables (inability or refusal of a customer to meet its contractual obligations)
- forecast risk - hazard risk, related to external events (unexpected changes in weather conditions or situations in the RET), which cause the OTC to vary.

Legal risks

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

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

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

Security risks

- gaps in ensuring the security and protection of critical ICN/ICE infrastructure and ensuring business continuity in emergency situations,
- failure to ensure the security of classified information,
- failure to ensure the security and protection of cyber infrastructures.

Personnel and environmental risks

- Difficulties in recruitment, professional training, shortage of quality trained personnel, personnel motivation,
- employing personnel with little specialist training and insufficient professional experience,
- non-implementation or incomplete implementation of the Annual Training Programme,
- affecting the health and safety of personnel,

- failure to protect the environment, environmental pollution, improper waste management,
- The increased incidence of illness in the current context, caused by the evolution of SARS-CoV-2, has led to the organisation of a reduced number of courses and consequently to the participation in training programmes of a reduced number of personnel,
- human risk due to human errors (errors in human-computer interaction, repeatability of operations),
- human risk also caused by the spread/contact of SARS-CoV-2. With regard to limiting the spread of the virus during 2021, account was taken of the provisions and recommendations contained in the relevant legislation and the decisions issued by the Company's Directorate,
- environmental pollution,
- improper waste management.

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

Main risks and uncertainties 2022

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 results from the existence of banking companies or insurance companies offering guarantee services without having the financial capacity to honour their obligations under the

guarantee instruments issued. 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 (NAFA, 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 works under the RET Maintenance Programme, which may lead to incomplete implementation;
- the process of procuring the works in the Annual Investment Programme is hampered, which may lead to the works being carried out below the planned quantitative or qualitative levels.

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

- The volatility of the construction and energy materials market 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 which need to be addressed in advance, not only dealing with the consequences of events that may occur, but adopting a reactive management style, implementing a preventive component through measures taken in advance to mitigate the occurrence of risks.

At the same time, the periodic review of risks, as foreseen in the standards, leads to reallocations of resources in line with changing hierarchies and, therefore, priorities.

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

During 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.

Actions set for 2023

For the year 2023 as axes of progress, in order to streamline the risk management process, the following is pursued:

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

5. Human resources

A company's vision is driven by the human factor, which can equally determine the success or failure of the organisation.

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

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



5.1. Personnel structure

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

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

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

Table 5: Number of employees

Year / indicator	2022	2021	2020
Number of employees	2,042	2,015	2,021

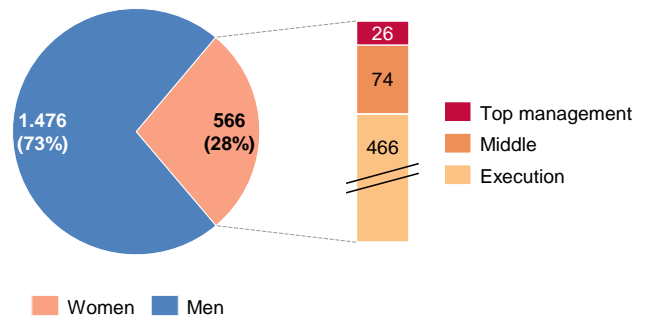
In the current year, the share of personnel with higher education represents 72% of total employees, 28% being personnel with secondary education, generally with an electro-energy profile.

Table 6: Number of personnel by education

Education level	2022	2021	2020
Higher education	1,463	1,325	1,310
Secondary education	578	688	709
Elementary education	1	2	2
TOTAL	2,042	2,015	2,021

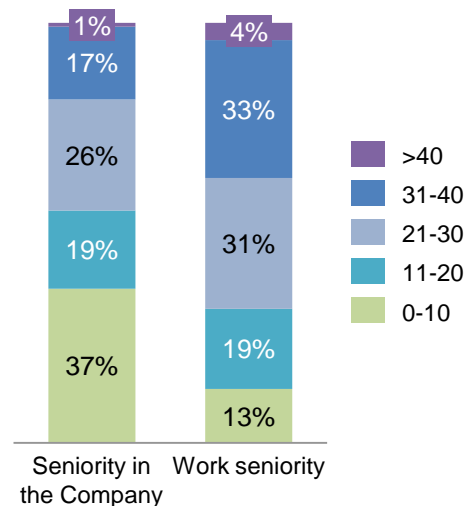
Looking at the gender structure of employees, almost three quarters of all employees are men.

Figure 13: Personnel structure by gender 2022



In terms of gender classification, women account for 28% of all personnel and this structure has remained almost unchanged in recent years. Of the 566 women working in Transelectrica on 31.12.2022, 26 were in top management positions and 74 in middle management, together representing 18% of female personnel.

Figure 14: Number of employees by seniority group 2022



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

Table 7: Structure of employees by length of service

Work seniority [years]	2022	2021	2020
0-10	262	283	253
11-20	390	377	401
21-30	636	618	607
31-40	671	644	658
>40	83	93	102
TOTAL	2,042	2,015	2,021

With regard to the activity carried out within the Company, more than half of the employees have been with the Company for up to 20 years, with the proportion of those with more than 20 years with the Company being 45% in 2022.

Table 8: Structure of employees by seniority in the Company

Seniority in Transelectrica [years]	2022	2021	2020
0-10	749	727	684
11-20	380	379	431
21-30	540	561	620
31-40	354	326	259
>40	19	22	27
TOTAL	2,042	2,015	2,021

Employees over 40 years of age in 2022 represent 78% of all employees.

At the same time, the percentage of employees with potential for retention and advancement aged between 18 and 35 is 13%.

Table 10: Personnel structure by category

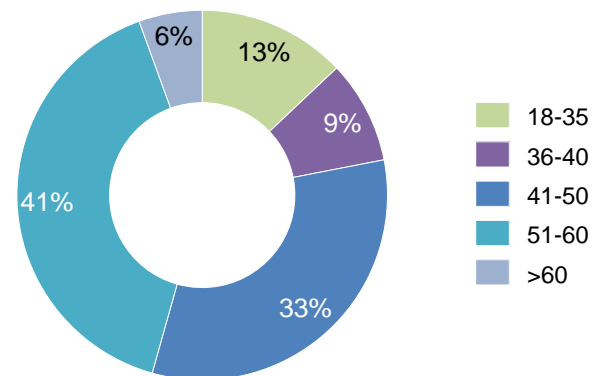
Staff categories	Number of employees 2022	Number of employees 2021	Number of employees 2020
Operational and operational personnel (standard), of which:	1,392	1,390	1,380
PDN	189	188	185
Operational personnel in transformer substations, remote control and operational centers	903	905	894
Admissions-reception personnel	112	111	111
OMEPA personnel directly involved in production activities – operational centers, solving non-conformities, tele-metering systems, relations with market participants	43	43	42
Personnel directly involved in organizing and monitoring the operations of substations	145	143	148
Personnel for support activities and executive management	650	625	641
TOTAL	2,042	2,015	2,021

Taking into account the activity provided by the Company, that of strategic interest, most of the employees have between 21 and 40 years of seniority,

Table 9: Age structure of employees

Age [years]	2022	2021	2020
18-35	264	275	255
36-40	184	196	211
41-50	662	681	692
51-60	819	747	735
>60	113	116	128
TOTAL	2,042	2,015	2,021

Figure 15: Personnel structure by age 2022



The operational and operational field occupies the largest share of personnel categories, 68%. Of these, the highest concentration is among operational employees at 65%.

47 years old
Average age in 2022

being experienced employees who bring added value to the Company.

5.2. Professional training

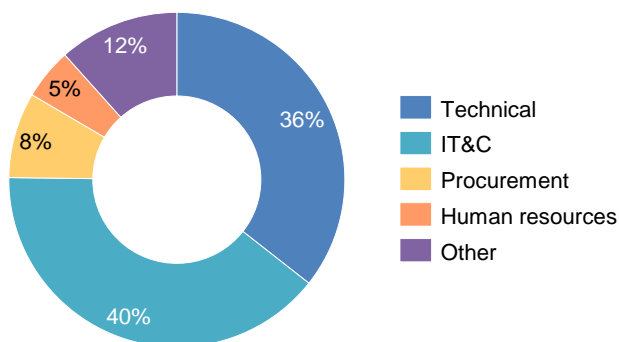
The aim of the process and therefore of the training and professional development activities in 2022 was to increase the professional efficiency of the employees by acquiring, developing and diversifying the professional skills of the employees, thus leading to an increase in the professional performance of the Company's personnel.

The training programme for the year 2022 aimed at developing the knowledge, skills and abilities of employees and increasing their professional competences, in order to perform their professional duties efficiently and to strengthen the feeling of confidence in their own competences, which leads to increased job satisfaction and therefore to increased professional motivation.

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

In 2022, in terms of participation in continuous development, training and professional development courses, there were 629 external course participations and 1,478 internal course participations.

Figure 16: Distribution of course attendance by field



In 2022, a total of 1,452 participants took part in the technical vocational training, as part of the combined vocational training; the employees trained were: operational personnel, CTSI, personnel in the work admissions activity, as well as the management personnel of electrical stations (heads of electrical stations).

The priority objectives with regard to training aim to improve the professional performance of employees in

order to ensure the performance and efficiency of activities at the level required by the regulator and the energy market.

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



5.3. Trade union representation

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

Currently, more than 99% of the total employees are members of the 10 legally constituted trade unions: one at the level of the Company Executive, one at the level of the Operational Unit - National Energy Dispatcher and one at the level of each Territorial Transmission Unit, none of which does not meet the conditions of representativeness at unit level, according to Law 367/2022, as amended.

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

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

In order to solve problems that may arise in the application of the MCC in force, to avoid labour conflicts, and to create an organisational framework that allows for a permanent dialogue with the employees' representatives, the parties agreed to meet whenever necessary within the framework of the Joint Committee of Employers and Trade Unions,

which operates in accordance with its own rules of procedure.

The year 2022 was a year in which, in addition to negotiating and finalising a new Collective Labour Agreement, we succeeded in strengthening the salary package offered to employees and boosting performance by introducing new bonuses that will be granted to employees who are over-specialised or who carry out highly complex work.

The objectives of trade union representation for 2023 will be to increase the level of pay in the Company to mitigate the impact of the galloping inflation recorded in 2022 and to improve health and safety conditions at work for employees.

5.4. Responsibility towards employees

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

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



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

In the year 2022 occupational health care in the Company was and is provided by occupational health physicians in the Company's Executive medical offices and UTTs.

In order to achieve its objectives, the Company, through specific occupational safety and health activities, carries out the documentation of the integrated management system by updating the operational procedures, updating/drafting the Own Occupational Safety Instructions, assessments of risk factors for occupational injury and illness for all Company personnel, training and awareness programmes for employees, risk level assessment of workplaces and regular operational control which mainly consists of operational control of compliance with legal and other occupational health and safety requirements.



Health surveillance in 2022 has been structured as follows:

- In the first half of 2022, the regular medical check-up of operational personnel for work in power stations was carried out.
- In the second half of 2022, regular checks on non-operational personnel and checks for operational personnel working in isolation were carried out.

The occupational safety and health programme for the year 2022 was 80% implemented, corresponding to 1,943 thousand lei (393 thousand euro).

Among the objectives targeted by the Company's occupational safety and health programmes in 2022 are:

- bringing the installations up to the level of the health and safety requirements laid down in their own work safety instructions, aligned with European requirements. These actions have resulted in a reduction of the risk of injury and occupational illness of personnel working in the Company's facilities;
- equipping the Company's personnel with personal protective equipment in accordance with the requirements of its own work safety instructions;
- permanent health insurance/supervision of personnel, as required by GD 355/2007;
- providing the necessary products to protect employees against the Covid-19 pandemic;
- training personnel on the risks of accidents in the Company's facilities.

In 2022, there were two work accidents involving Company workers.

To improve the effectiveness of the integrated management system with regard to operational health

and safety, the following actions are envisaged for 2023:

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

6. Research and innovation activity

Description of research and innovation activity in 2022

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

Transelectrica funds its own research and study programmes annually. In 2022 the funds allocated were in the range of 0.1%-0.2% of the Company's turnover (the level of around 2%-5% is practised by similar companies internationally).

The research and innovation strategy reinforces the Company's vision for the modernisation of the transport network, providing the necessary support for the implementation of the priorities contained in the RET Development Plan, supporting the implementation of the digitisation concept.

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

- Innovation will be promoted as a priority for the Company's core activities, bringing added value by digitizing processes, improving services and increasing personnel skills.
- Innovation and research will support "*Digitisation*" as a major objective.
- The structuring of general and specific objectives is done in relation to the methodology promoted in the ENTSO-E strategy in the field of research and innovation.
- Innovative solutions, technologies, systems and concepts required for key activities will be implemented across the Company after:
 - testing and validation in *pilot* projects;
 - or their critical evaluation based on projects already completed in other similar Transelectrica organisations.
- Research within the Company will focus on developing the following pillars:
 - national and international partnerships in basic research and technological research (observance of principles of basis, formulation of technology concepts, experimental demonstration of concepts, validation of technologies in laboratories);
 - Partnerships with solution and equipment providers for product/technology demonstrations

(technology validation in relevant environments and operational environments);

- partnerships in competitive procedures (for delivery and commissioning of products and solutions).
- Personnel participation in events that have an important innovation and research component both nationally and internationally (e.g. ENTSO-E, CIGRE, congresses, round tables, symposia, etc.) will also include the development of knowledge sharing and spreading best practices processes within the Company in an integrated and regulated way.
- Funding for research and innovation work will be provided as a priority from both own and other sources reaching the most consistent group of European network operators (e.g. grant programmes, subsidies, grants, partnerships, etc.).

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

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

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

Digital transformation

Digital transformation in the energy industry will bring new challenges for the Company's management teams, operational specialists and partners. The company is well placed to become a "Learning Organisation" again if it fully utilises the potential of new technologies in achieving digital transformation.

DigiTEL

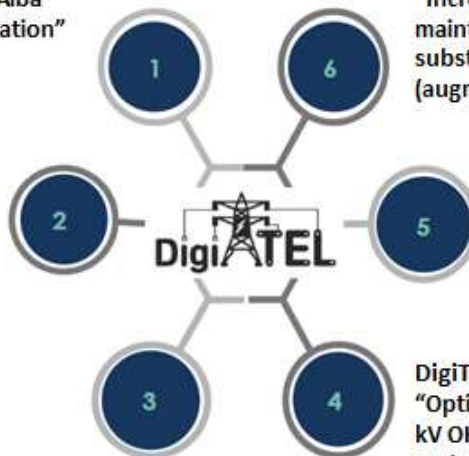
“Refurbishment of the 220/110/20 kV Alba Iulia substation as a 100% digital substation”

DigiTEL Green

“Refurbishment of the 220/110/20 kV substation Mostiștea as a digital substation with a low impact on the environment, SF6 free”

DigiTEL Trafo Expert

“Procurement and installation of 21 integrated monitoring systems for the transformation units in NPG Co. Transelectrica S.A. substations”



DigiTEL Smart Vision

“Increasing safety in the operation and maintenance activities of Domnești substation by using digital technologies (augmented reality and digital twin)”

DigiTEL 3D Line Vision

“Lidar and 3D scanning of Transelectrica facilities using drones”

DigiTEL Smart Lines

“Optimising the operation of the existing 400 kV OHL in NPS by installing on-line monitoring systems and Dynamic Line Rating”

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

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

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

The strategy argues that Grid Digitisation is a clear opportunity for efficient development and effective management of the energy system, with proven cost-

effectiveness in terms of improved service quality and operating costs.

Among the tactical documents in the field of digitisation, in force at the time of this report, we can list:

- ✓ Part I: "Technical policy on digitisation of assets in the framework of modernisation initiatives within the Company";
- ✓ Part II - Concept - " Geographic Information System and Outage Management System ";
- ✓ Part III - Concept "Laboratory for testing digital technologies and personal skills development";
- ✓ Part IV - Concept "RET Asset Health Centre".

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

Annual Study and Research Plan 2022

The studies approved within the Company and included in PASC 2022 were well founded and necessary to achieve the following objectives:

- meeting the requirements associated with the regulatory framework (e.g. ANRE License no.161, Law 123/ 2012 - Law on Electricity and Natural Gas with subsequent amendments and additions, Technical Codes, regulatory framework associated with OTS, etc.);
- substantiating the Company's decisions on:
 - post-calculation determination of losses in the electricity transmission network for the fourth quarter of 2021 and the first quarters of 2022;
 - energy balance for each quarter of 2022;

- determine the effect of some RET investments on OTC for the first three quarters of 2022;
- promoting efficient investment in RET;
- promoting effective practices for the operation and maintenance of RET;
- Improving the basis for long-term investment decisions (e.g. methodologies and cost-benefit analyses);
- technical support;
- initial estimation of reserve requirements in SEN using probabilistic methods;
- integrating an increasing share of renewables;
- efficient and safe SEN and RET dispatching;
- detailed and comprehensive analysis of the expenses headings associated with fulfilling the role of OTS;

- knowledge and adoption of methodologies, standards and elements of best practice for a more effective strategic vision of the Company's development.

The need to promote the work of PASC 2022 was carefully considered in the light of the obligations arising from fulfilling the role of a licensed OTS and the opportunities to improve decisions on the operationalisation of the Company's vision for system operation and asset management.

The works carried out under the Annual Programme of Studies and Research 2022, for which expenses amounting to 0.7 million lei were incurred and reported annually to ANRE, are:

Studies and Research Programme 2023

The Annual Programme of Studies and Research 2023 aims to address studies based on increasing cross-border interconnection capacity and the integration of renewable resources in accordance with the provisions of the NESCAP for 2030 where the installed capacity of renewable sources must reach 5,255 MW.

The development plan of the electricity transmission network (RET), in line with the model developed by ENTSO-E at European level, aims to evacuate power from areas of concentration of SRE to areas of consumption, to develop regions in Romania where RET is deficient (e.g. the North-East region) and to increase cross-border interconnection capacity.

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

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

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

Research and development activity 2023

The 2023 objectives include the implementation, testing and validation of the following concepts and methodologies in smart grid modernisation projects:

- Multi-year study 2021 - 2023 post-calculation OTC, energy balance by territorial transmission units and in the RET as a whole, forecast of energy losses.
- Study on increasing the transmission capacity for the 400 kV LEA in the south-eastern area of Romania (section 6) through reconductoring solutions;
- Study on DC power evacuation solutions in the south-eastern area of Romania (section 6);
- Study on the development of RET in the medium and long term (2026 - 2031);
- Study on the analysis of static and transient stability conditions and short-circuit stresses in RET (2022 - 2026 - 2031).

Section 6 has become heavily oversupplied in terms of electricity generation as a result of the changes that have occurred in recent years with the connection to the SEN of many CEEs in the Dobrogea, Braila and Galati areas. According to the data presented in the National Integrated Energy and Climate Change Plan (PNIESC), the target for the year 2030 for installed capacity in renewable sources is 5,255 MW for CEE.



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

Currently, during windy periods, the S6 LEAs are fully loaded and sometimes power curtailments are required to meet the N-1 criterion, per grid conge stie, resulting in additional expenses.

Some of these LEAs have different cross-sections which contributes to power throttling.

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

- The concept of online monitoring of the technical condition of the Company's critical assets (e.g. transformer units, power lines, etc.);

- the concept of active health;
 - the concept of the RET asset risk index;
 - methodology for developing and implementing Smart Grid concepts (e.g. architectures, interoperability standards, telecommunication standards, customer interfaces, etc.);
 - the concept of E-learning;
- Smart Building concept;
- training and certification of personnel for the development of strategic digitisation capabilities (e.g. IT governance courses, cyber security, TOGAF architectures, etc.);
 - starting development projects with a strong innovation component (e.g. Alba Iulia digital station project, IT&C infrastructure modernization projects, asset management platform, technology testing and training laboratory, etc.);
 - continue to participate in grant-funded projects to prepare the conditions for the adoption of new models, concepts and methodologies in the operational area of the Company;
 - further develop partnerships with consultants, solution and service providers to understand new

technological and managerial trends that may influence the future performance of the Company.

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

7. Perspectives and challenges

The action plan regarding the increase of cross-border capacity involves for the next period, the realization of certain projects included in the Electric Transmission Network Development Plan having the effect of eliminating the structural congestions foreseen and increasing the capacity available for cross-border trade.

Following the entry into force of new European regulations, the fundamental trend is that of operational coordination at European and regional level, through the establishment of numerous coordination bodies at ENTSO-E and regional level, which require the involvement of all transport and system operators, as well as the development of methodologies and sets of procedures, operational agreements or service agreements, as well as the development of common IT and communication tools. The year 2022 was a year of challenges, of major trials, from the natural gas crisis, to the prolonged drought that affected the whole of Europe and to the geopolitical context.

For the next 10 years, the Company pursues a complex investment program that provides for the strengthening of energy security, digitalization and the implementation of the SMART GRID concept, simultaneously with the integration of new technologies (e.g. LiDAR, RGB), which will generate, on the one hand, the increase in the energy integration capacity renewables in the system and on the other hand increasing the interconnection capacity.

In order to develop the national energy infrastructure, Transelectrica management signed in an official framework on October 10, 2022, with the Government of Romania, nine non-refundable financing contracts from the Modernization Fund, worth 424 million euros. The high level of this non-refundable funding will have a positive effect on the Company's long-term profitability. At the same time, the financing of investment objectives through non-refundable funds ensures the increase of the Company's liquidity indicators

The benefits of making these investments will materialize relevant indicators such as: increasing the transmission capacity of the RET by approximately 1700 MW, building approximately 480 kilometers of new overhead power lines, expanding 5 electrical stations with a voltage level of 400 kV, upgrading to a digital concept - a first for Romania - of the Alba Iulia

Station, the increase of the interconnection capacity by 600 MW (cumulative on the borders with Serbia and Hungary), the implementation of power quality monitoring systems in 15 stations, as well as the optimization and monitoring of overhead power lines through systems digital.

The stake of investments to increase the degree of flexibility to achieve climate and energy objectives is an ongoing concern. By increasing the transport capacity, there is also an increase in the flexibility of the system as well as the integration of sources of production with lower costs.

For the year 2023, a significant impact on the Company's financial results can be: the macroeconomic and international financial climate, the internal mix of economic, energy and environmental policies and the geo-political tensions generated by the situation in Ukraine. As neighbors of Ukraine and the Republic of Moldova, we have an essential active role in the establishment and implementation of procedures arising from the interconnected functioning of SE Ukraine and SE Republic of Moldova in the European energy system.

The company attaches importance to the implementation of projects of common interest in efforts to strengthen energy security in the eastern extremity of the European interconnected network, in the context of synchronizing the systems of Ukraine and the Republic of Moldova, such as:

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

In Romania, the approach to accelerate the transition to green energy is transposed through the Integrated National Plan in the field of Energy and Climate Change 2021-2030 and, respectively, through the PNRR - the National Recovery and Resilience Plan.

Particular importance is also attached to the continuation of the process of granting scholarships to students of technical faculties in the energy, electrotechnical, automatic and computer fields, thus ensuring the beginning of a motivating and timely professional career within the Company.



Operational Report



8. Operational data

8.1. Network configuration

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

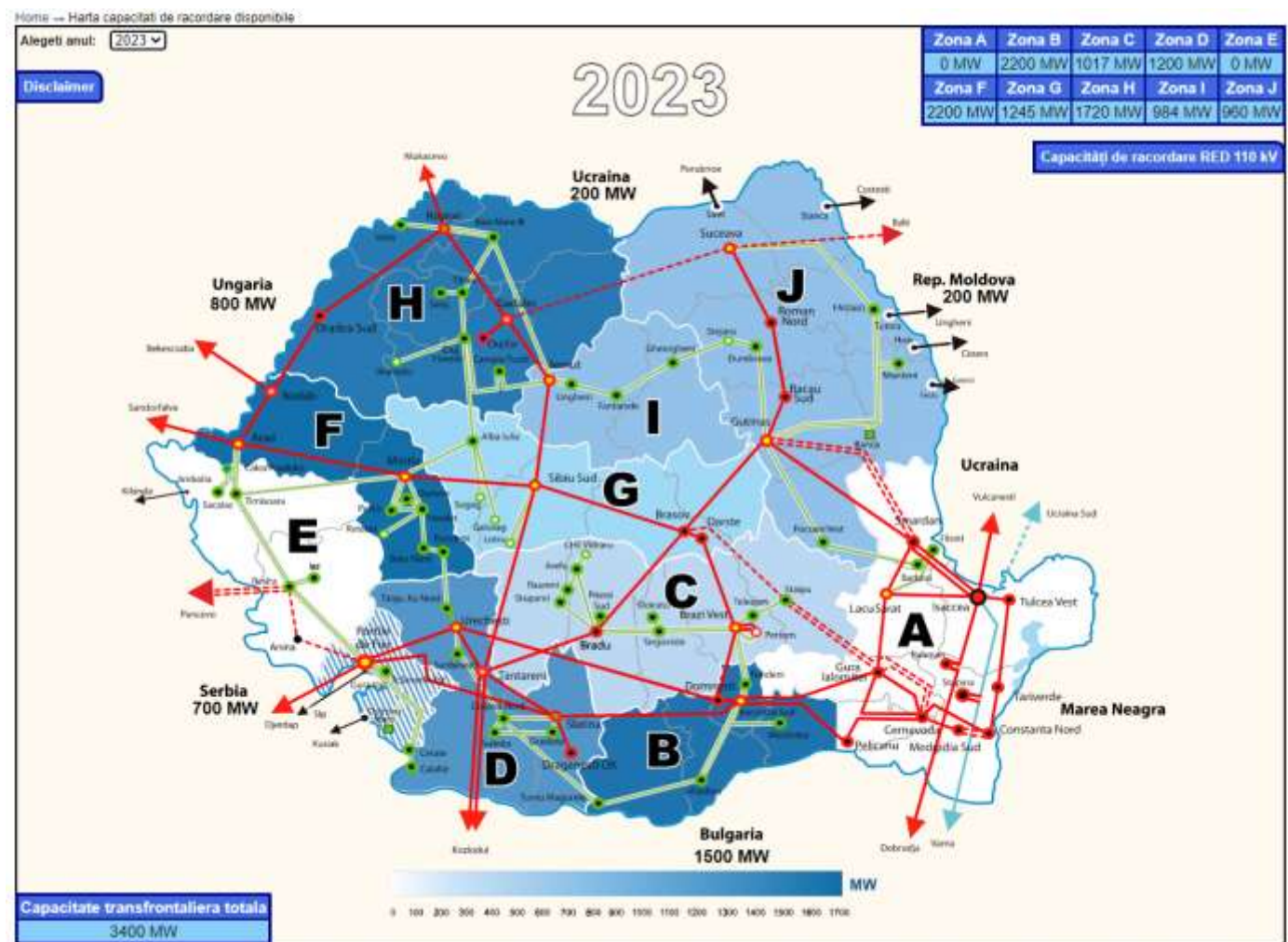
RET interconnects generators, distribution networks, large consumers and neighbouring power systems.

In the context of the general concern at both European and national level to achieve the transition to a carbon-free economy, the Compania Națională de Transport al Energiei Electrice Transelectrica SA is focusing its actions on the development of energy infrastructure to increase the integration capacity of new production units.

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

This information is available on the website www.transelectrica.ro in the form of an interactive map, covering the year 2022, as well as forecasts for the years 2025 and 2030, in relation to developments in the development and consolidation of energy transport infrastructure projects. The data is presented for 10 regions of the country, including existing connection applications in various stages of processing, and will be continuously updated.

Figure 17: Map of connection capacity to the RET



The transparency initiative initiated by Transelectrica meets the application of the provisions of the draft order of ANRE on the publication of data on

installation capacity and grid connection of electricity generation units.

Much of the overhead power lines ("LEA") and transformer stations that make up the RET were built

in the 1960s and 1980s at the technological level of those years.

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

Table 11: Volume of energy capacities

Voltage (kV)	Stations (no.)	Installed power (MVA)	LEA (km)
400	39	22,224	4,984.65
220	42	14,283	3,875.84
750	-	-	3.11
110	-	-	40.42*
Total	81	36,507	8,904.02

*(LEA interconnection with neighbouring states)

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

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

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

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

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

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

In addition, in order to maintain the adequacy of the grid so that it is appropriately sized for the transmission of electricity forecast to be generated, imported, exported and transited as changes occur, two categories of investments have been included in the 10-year RET Development Plan and will be carried out:

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

8.2. Selected operational data

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

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

The operational leadership of the SEN is provided by:

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

Energy balance SEN

Analysing the evolution of the components of the energy balance, in 2022, net domestic consumption¹ and net energy production decreased by 8% and 6% respectively compared to the same period last year.

Compared to 2020, there have also been decreases, by 4% and 1% respectively.

Physical cross-border export trade in 2022 increased by 51% compared to 2021 (44% compared to 2020) and cross-border import flows increased by 16% (2% compared to 2020).

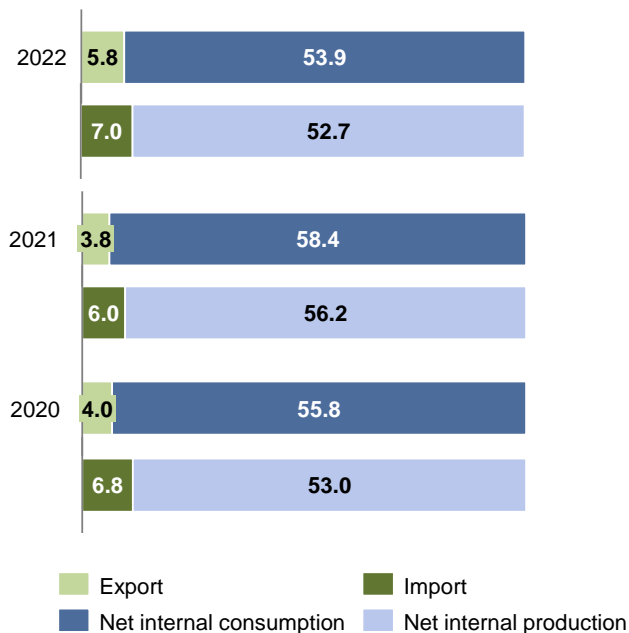
¹the values do not include consumption related to own services in electricity generation plants; the net consumption value includes losses in transmission and distribution networks as well as pump consumption in pumped storage hydro stations

Table 12: Energy balance

TWh	2022	2021	2020
Net internal production	52.7	56.2	53.0
Import	7.0	6.0	6.8
Export	5.8	3.8	4.0
Net internal consumption*	53.9	58.4	55.8

Note: net values do not include consumption related to own services in power generation plants; net consumption values include losses in transmission and distribution networks as well as consumption of pumps in pumped storage hydro stations.

Figure 18: Energy Balance (TWh)



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 paragraph 1 of the Regulation stipulates that Member States shall endeavour to implement measures to reduce total gross monthly electricity consumption by 10% compared to the average gross monthly electricity consumption in the corresponding months of the reference period².

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

Electricity generation mix

In the structure of the production mix, in the period January - December 2022 compared to the same period of 2021, there was a decrease in the Thermo and Nuclear component by 2% and in the Hydro component by 20% (mainly due to lower hydroelectricity compared to last year).

Compared to 2020 the decreases were 7% for the thermal component, 3% for the nuclear component and 9% for the hydro component.

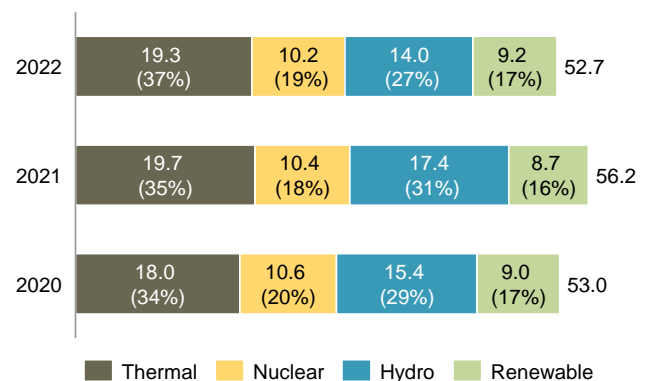
The Renewables component grew by 5%, mainly based on the increase in photovoltaic (+4%) and wind (+6%) energy production. Compared to 2020 the increase was 2%.

Table 13: Net electricity generation mix

TWh	2022	2021	2020
Thermal	19.3	19.7	18.0
Nuclear	10.2	10.4	10.6
Hydro	14.0	17.4	15.4
Renewable	9.2	8.7	9.0
Total	52.7	56.2	53.0

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.

Figure 19: Generation mix 2020 - 2022 (TWh)



National Production Park

In 2022, 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.

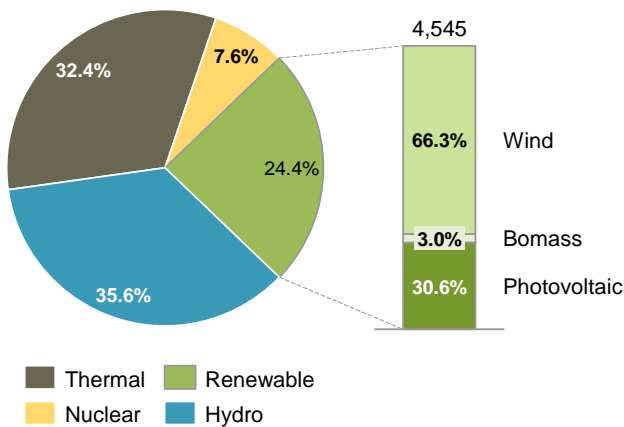
The installed capacity for the period January to December in the period 2020-2022 is shown in the following graphs:

Table 14: Installed power (gross values)

MW	2022	2021	2020
Thermal	6,052	5,966	7,993
Nuclear	1,413	1,413	1,413
Hydro	6,642	6,645	6,643
Renewable	4,545	4,545	4,533
Total	18,652	18,569	20,582

The structure of the production fleet in 2022 is shown below:

Figure 20: Installed capacity 2022 (gross values)

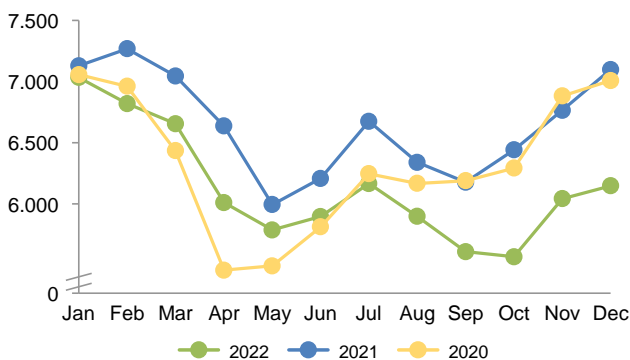


The new geopolitical and energy market reality generated by the crisis in Ukraine, which has amplified the existing energy crisis in the European Union, has highlighted the fact that the continued use of coal in electricity generation should be seen as a necessary temporary solution to help reduce the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

Net consumption

Average net electricity consumption in 2022 was at a low level during the period analysed below.

Figure 21: Average monthly net consumption (MWh/h)



During 2022, based on the unpredictability generated by the energy crisis followed by the outbreak of the

military conflict in Ukraine, large consumers faced high energy prices and reduced medium- and long-term energy contracting options offered by suppliers, which also led to reduced domestic energy production.

The maximum net hourly consumption for 2022 peaked in January, continuing the trend of recent years when peaks were recorded in the winter months.

Figure 22: Maximum net hourly consumption (MWh/h)

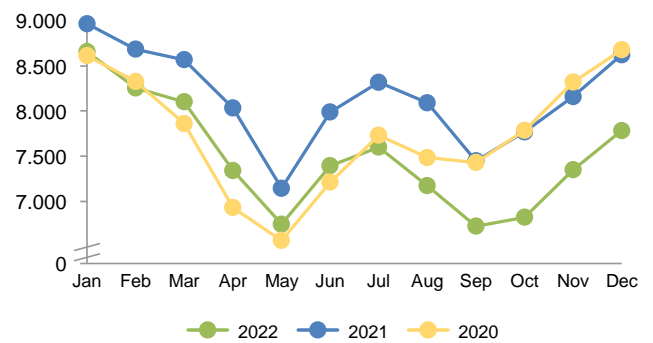


Table 15: Maximum consumption

Year	Month	Value (MWh/h)
2022	Jan	8.658
2021	Jan	8.967
2020	Dec	8.679

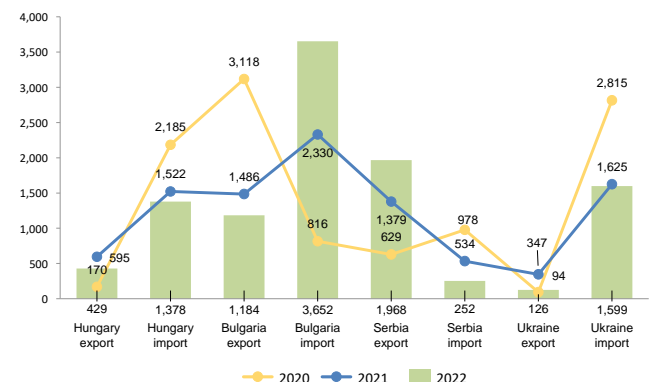
Cross-border flows

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

The distribution of physical import/export flows on interconnection lines in 2022 compared to 2021 is as follows:

- export decreased on the border with Bulgaria, Hungary and Ukraine and increased on the border with Serbia and Moldova
- Imports increased on the Bulgarian and Moldova borders and decreased in Serbia, Hungary and Ukraine.

Figure 23: Cross-border physical flows (GWh)



Specifically, compared to January - December 2021, in 2022 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)

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 2205 GWh. The amount of power avoided on activation within 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).

Total allocated capacity utilisation

Compared to 2021, there has been 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.

The development of trade with neighbouring countries is mainly influenced by price developments in the European electricity markets, but also by the availability of generation capacities and the value of net cross-border trading capacities.

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.

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

Border	Direction	2022 [%]	2021 [%]	2020 [%]
Hungary	export	50.11	31.82	23.94
	import	39.68	31.11	38.64
Bulgaria	export	6.91	11.16	24.62
	import	38.34	32.02	16.32
Serbia	export	40.87	30.90	9.50
	import	7.77	11.12	29.66
Ukraine	export	20.00	2.55	9.47
	import	74.12	25.25	34.93

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

Transelectrica, as Transmission and System Operator, invests in increasing interconnection capacities in the context of the alignment with European requirements, as follows:

- From 01 January 2022 the European platform, International Grid Control Cooperation (IGCC)/In Imbalance Netting (IN) platform for the imbalance netting process between all OTSs, 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.

- Also, as of 16.03.2022, the emergency synchronization of the power systems of Ukraine and the Republic of Moldova with the Continental Europe power system was achieved. This acceleration of the synchronization project, which started in 2017, was

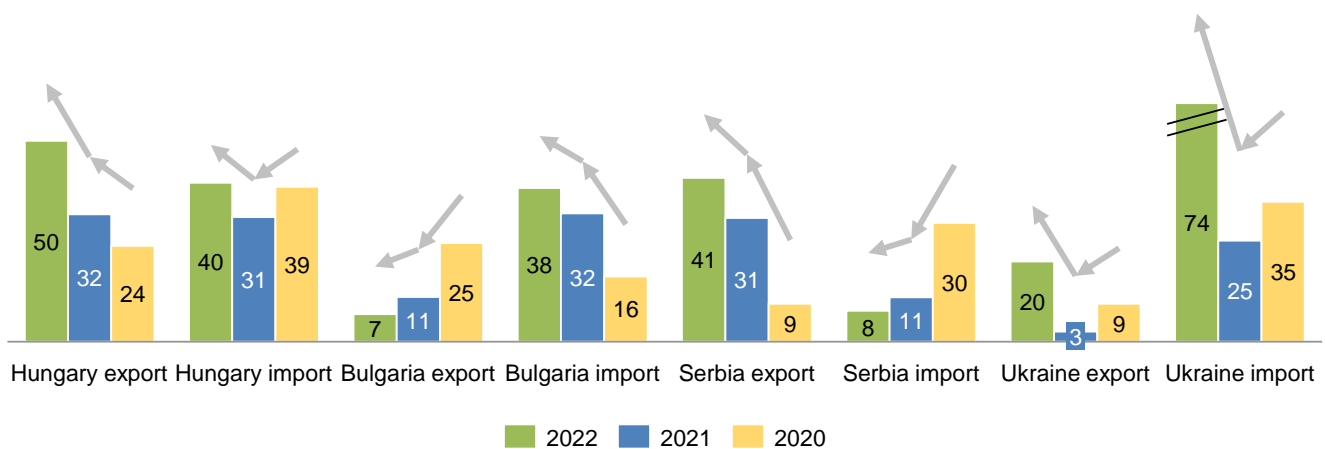
made possible as a result of previously conducted studies and the adaptation of measures to reduce risks in the operation of power systems.

The synchronous interconnection of the electricity transmission systems of the Republic of Moldova and Ukraine with the European electricity system has led to a reduction of the own technological consumption in the Romanian electricity transmission network, in particular due to a more favourable distribution of flows on the interconnection power lines, and has contributed to the expansion of the electricity market, offering the opportunity to trade electricity at regional level, i.e. between Romania, Ukraine and the Republic

of Moldova, in the current context of the single European electricity market.

It should be noted that in the current geopolitical context, the synchronous interconnection of the electricity transmission systems of the Republic of Moldova and Ukraine with the Continental European system puts pressure on the neighbouring power systems (Romania, Hungary and Slovakia) in terms of ensuring interconnected operation and regional adequacy, given the difficulties experienced by the Republic of Moldova and Ukraine in meeting their electricity needs.

Figure 24: Utilisation rate of total allocated capacity (%)



At the same time, 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 recorded in the electricity transmission network

The evolution of own technological consumption ("OTC") in RET is influenced by several factors, independent of Transelectrica's activity, such as: weather conditions, generation structure vs.

consumption location, physical import/export flows across the SEN borders. The lowest values (relative to energy entering the grid contour) are recorded in dry years, low hydraulicity causes power plants with gas as their primary source to come into operation, thus a favourable generation structure is achieved and Corona losses are reduced.

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

Table 17: Evolution of OTC

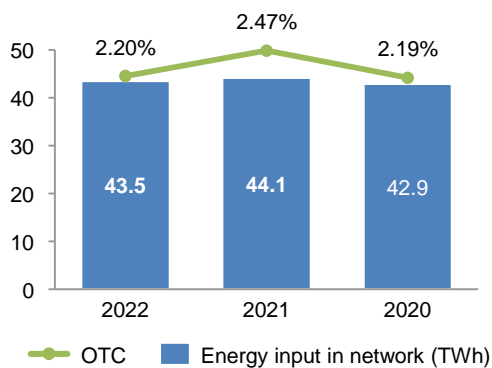
Indicator		2022	2021	2020
Energy input in the network	GWh	43,495	44,137	42,861
Losses	GWh	959	1.089	937
OTC	%	2.20%	2.47%	2.19%

In the year 2022 the absolute value of OTC (959 GWh) decreased by 12% compared to 2021 (1.089 GWh).

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 2022, such as rainfall and the distribution of physical cross-border flows, are not under Transeletrica's control.

Figure 25: Evolution of OTC relative to energy input to RET



Factors driving the evolution of 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 due to more favourable distribution of physical flows on interconnection lines and favourable generation dispatching, which led to reduced transmission away from sources, but also due to favourable weather conditions with lower 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 DER, amid a decrease of 0.1% (1.9 GWh) in energy received from generators connected to the RET. Precipitation amounts were higher, leading to increased corona losses.

In May 2022 OTC decreased compared to May 2021 by 24.8% mainly as a result of more favourable distribution of physical flows on interconnection lines and favourable generation dispatching, which led to reduced transmission away from sources, and favourable weather conditions with lower 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 with 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 DER and a 0.7% (20.6 GWh) decrease in energy received from generators connected to the RET. Precipitation amounts were lower, resulting in lower corona losses.

In August 2022 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 DER 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, characterised by 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, more advantageous distribution of physical flows on the North-West interconnection lines and on the 400 kV Isaccea - Vulkanești 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%.

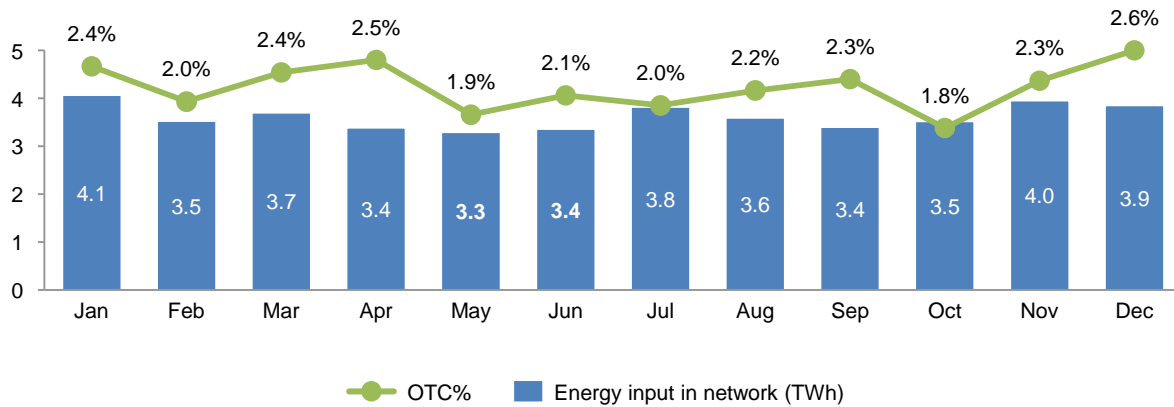
For the whole of Q3 2022, RET OTC decreased by 0.7% compared to the same period in 2021, due to a 1.6% reduction in energy entering the RET contour and due to favourable weather conditions in July, which reduced corona losses during the period. Relative to energy entering the contour losses increased 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 due to a 3.9% reduction in energy entering the RET contour, physical flows on the more advantageous interconnection lines, and 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%.

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%.

Minimum level 2022 - October 1.76%
Maximum level 2022 - December 2.60%

Figure 26: Monthly evolution of OTC in 2022



9. Development of RET

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

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

RET Development Plan - period 2022 - 2031

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

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

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

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

- Increased interconnectivity with other systems;
- Integration of production from power plants in the east and south-east;
- Integration of generation from power plants in other areas;
- Security of supply of consumption in deficit areas at the standard quality and safety parameters;

- Refurbishment and modernisation of existing stations;
- Upgrades to measurement, command and control systems, etc.

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

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

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

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

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

As a result of the synchronous interconnection with the systems in Ukraine and the Republic of Moldova, it is necessary to carry out projects to increase the exchange capacity.

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

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

Several areas have been identified where local problems of security of supply are expected, where additional injection capacities from the transmission

network to the lower voltage network need to be installed (Bistrita, Dej, Bucharest).

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

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

Experience shows that the usual full cycle of an investment project (from the initial design phase, preparation of the feasibility study, specifications and technical design to the execution and commissioning of the project) for the construction/refurbishment of a

power station is on average 5 years and for the construction of a new power line 9 years.

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

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



Increasing cross-border interconnection capacity

The following network developments are planned to increase exchange capacity on the western interface of Romania:

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

- LEA 400 kV d.c. Reșița(RO) - Pancevo(Serbia);
- Pořile de Fier - Resita 400 kV line and extension of the 220/110 kV Resita station by building the new 400 kV station;
- Upgrade to 400 kV of the 220 kV d.c. Reșița - Timișoara - Săcălaz - Arad line, including the construction of 400 kV Timișoara and Săcălaz stations.

The 400 kV d.c. Reșița (RO) - Pancevo (Serbia) line has been completed, but the 400 kV Reșița station is still under construction.

In the long term, the following projects have been planned:

- Equipping of circuit 2 of the 400 kV Nădab-Bekescsaba line on the Romanian section between Nădab and Grăniceri, a new substation planned for the connection of a CEF;
- LEA 400 kV Pořile de Fier - Djerdap circuit 2 - result of the long-term analysis within ENTSO-E;
- RO-HU interconnection (new 400 kV line Oradea-Jozsa, new 400/220 kV HV Roșiori, new 400/220 kV HV Reșița, reconductoring of 220 kV Urechești-Tg. Jiu Nord-Paroșeni- Baru Mare-Hășdat) - result of the long-term analyses within ENTSO-E;

- Reconductoring of the 220 kV Porțile de Fier-Reșița LEA.

As a result of the synchronous interconnection with the systems of Ukraine and the Republic of Moldova, it is necessary to build the 400kV Suceava-Balti and 400kV Suceava-Gadalin lines to increase the exchange capacity.

Integration of production from power plants in the east and south-east

The group of projects of European interest known as the "Black Sea corridor", which includes the following projects of common interest:

- LEA 400 kV d.c. Smârdan - Gutinaș;
- 400 kV d.c. Cernavodă - Stâlpu line, with an input/output circuit in Gura Ialomiței.

This project allows the integration of generation from power plants in the south-east and contributes to increasing interconnection capacity on the border with Bulgaria.

In January 2018 Transelectrica obtained European funds through the Connecting Europe Facility (CEF) mechanism for the project of common interest 400kV d.c. Cernavodă - Gura Ialomiței - Stâlpu LEA. This power line was completed in December 2022, but work is still underway to build the 400kV Stâlpu substation and connect the line into this substation.

In October 2019 Transelectrica obtained European funds for the project of common interest LEA 400 kV d.c. (1c.e.) Smârdan-Gutinaș in the framework of the Large Infrastructure Operational Programme, Priority Axis 8 - "Intelligent and sustainable electricity and gas transmission systems", Specific objective 8.1 "Increase the capacity of the National Energy System to take energy from renewable sources".

Other projects to increase the capacity of the Eastern and South-Eastern evacuation:

- Input - output connection of 400 kV Stupina - Varna LEA and 400 kV Rahman - Dobrudja LEA in 400 kV Medgidia South station;
- Reconductoring of 220 kV Stejaru - Gheorghieni - Fântânele LEA;
- Switching to 400 kV operating voltage of the 220 kV Brazi Vest - Teleajen - Stâlpu LEA (built for 400 kV), including the construction of the 400 kV Stâlpu and Teleajen stations;
- 400 kV d.c. Medgidia Sud - Constanța Nord LEA;
- Switching the 400 kV Isaccea - Tulcea West LEA from single to double circuit.
- LEA 400 kV s.c. Gădălin - Suceava;
- 400 kV Stâlpu - Brasov LEA;

- Increasing the transmission capacity on the 8 km section with smaller section of the 400 kV Bucuresti Sud - Pelicanu line;
- Increasing the transmission capacity on the 53 km section with smaller section of the 400 kV Cernavodă - Pelicanu line.
- Increasing the transmission capacity of the 220kV Gutinaș-Dumbrava LEA;
- Increasing the transmission capacity of 220kV Dumbrava-Stejaru LEA;
- Increasing the transmission capacity of the 220kV Fântânele-Ungheni LEA;
- Increasing the transmission capacity of the 400 kV South Bucharest-Gura Ialomiței LEA;
- Installation of a new 400/110 kV transformer 3 Medgidia South;
- Installation of new 400/110 kV Smârdan transformer 3;
- Equipping circuit 2 for the new 400 kV Smârdan-Gutinaș substation;
- Installation of new 400/110kV Medgidia South transformer;
- Installation of new 400/110kV Smârdan transformer;
- Power circulation control devices;
- Modern voltage regulators (SVC).

Integration of power generated from other plants into the NPP

- In order to safely evacuate the power from Portile de Fier II CHE, it was agreed with S.C. Hidroelectrica SA to evacuate at 220 kV, through the construction of the 220 kV Ostrovul Mare station and the 220 kV LEA d.c. Ostrovul Mare connection in the 220 kV Porțile de Fier - Cetate LEA.
- For the safe evacuation of power from the HVDC in the Argeș-Vâlcea area, it is planned to build the 400kV Arefu station with a 400/220 kV 400 MVA HV and to integrate its input-output into the 400kV Țânțăreni-Sibiu Sud LEA.
- Reconductoring of 220 kV Turnu-Magurele-Ghizdaru LEA;
- Reconductoring of 220 kV Turnu-Măgurele-Craiova North LEA;
- Reconductoring of the 220kV d.c. Bucharest South-Ghizdaru LEA;
- Installation of an additional 220/110kV HV at Stupărei station.

Security of supply for consumption in deficit areas

- installation of a new 220/110 kV 400MVA autotransformer in the 220/110 kV Fundeni substation;

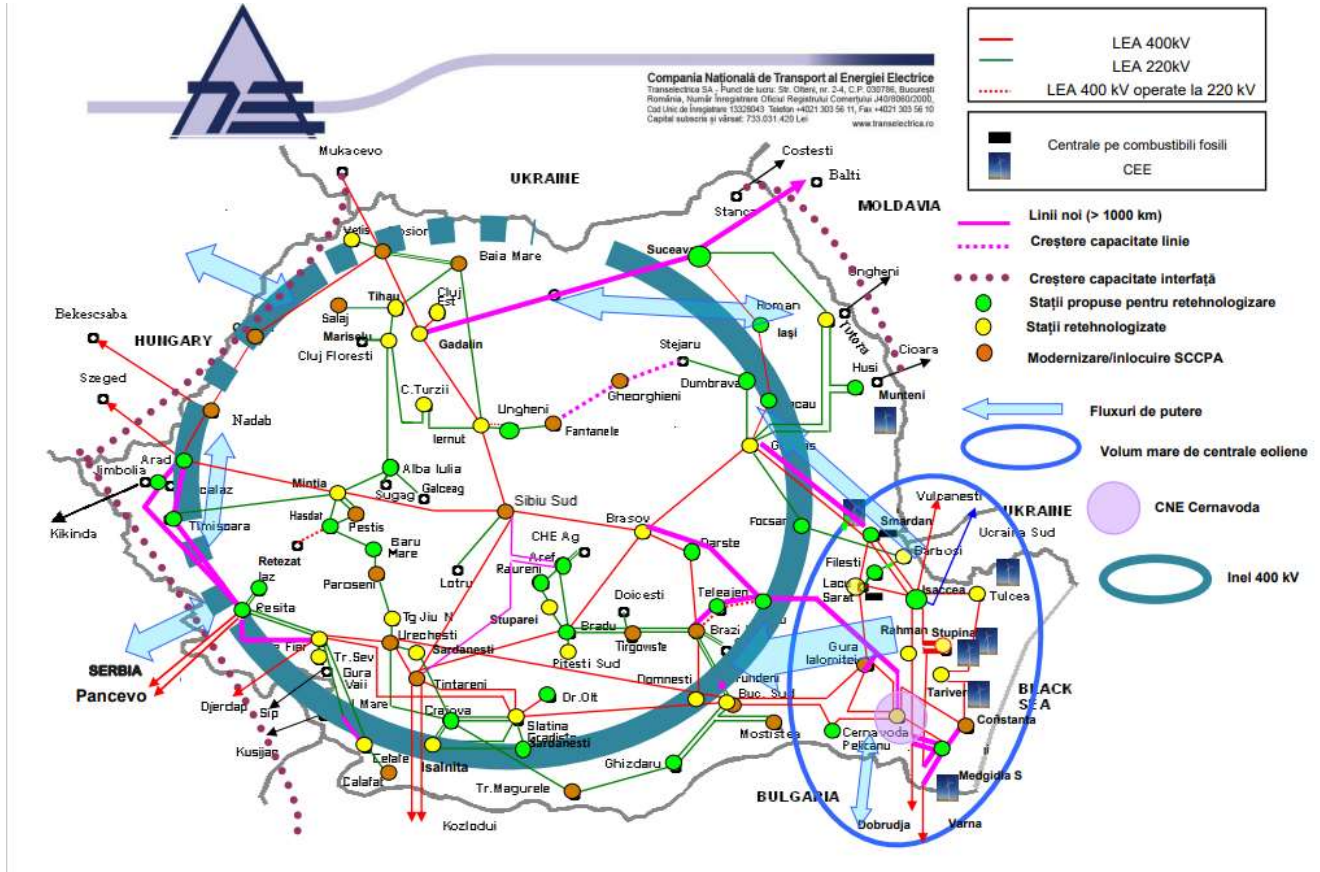
- installation of a new 400/110 kV 250MVA transformer in the 400/220/110 kV București Sud substation;
- 400/110 kV station at Grozăvești connected via 400 kV LES with 400 kV București Sud and Domnești stations and two 100MVar compensation coils mounted at 400 kV in 400 kV Grozăvești station;
- 400/110 kV station at Fundeni also connected through the new 400 kV Fundeni-Brazi Vest and input-output to the 400 kV București Sud-Gura Ialomiței LEA through the 400 kV d.c. LEA and installation of a 100MVar compensation coil in the new 400 kV station;
- reconductoring of the 220 kV Urechești-Tg. Jiu Nord-Paroșeni-Baru Mare-Hășdat (also

- necessary to increase the interconnection capacity);
- 220/110kV injection station from the 220kV Baia Mare-Iernut LEA into RED;
- 400/110kV Bistrita injection station from 400kV Suceava - Gădălin LEA in RED;
- installation of a 400/110kV Calea Aradului transformer.

Refurbishment and modernisation of existing stations

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

Figure 27: RET development needs 2022-2031



Projects are also foreseen with a more distant horizon:

- Refurbishment of the 110 kV Săcălaz station (in conjunction with work on the western axis);
- Refurbishment of 220/110 kV/MT Alba Iulia substation;
- Refurbishment of 220/110 kV Fântânele station;
- Refurbishment of 400/110 kV Dârste station;
- Refurbishment of 220/110 kV Mostistea station;
- Modernization of 400/220/110 kV Urechești station.

It is planned to upgrade/replace the control and protection system in the power stations: Gradiște 220/110kV, Drăgănești Olt 220/110 kV, Târgoviște 220/110/20kV, 220/110/10 kV Fundeni, 220/110/20 kV București Sud, 400kV Gădălin, Sibiu Sud 400/110/20kV, 400kV Cernavodă, 400/220/110kV Mintia, 400kV Calea Aradului, 220/110kV Pestiș, 220/110kV Paroșeni, 400kV Tântăreni, 400/110/20 kV Oradea South, 400/220kV Roșiori, 220/110/20kV Sălaj, 220/110kV Baia Mare 3, 220/110kV Cluj Florești.

It is also planned to install two modern means of reactive power compensation in 400/220/110/20 kV Sibiu South and 400/220/110/20 kV Bradu, 400/220/110 kV Gutinaş, 400/110/20 kV Suceava, 400/220 kV Roşiori stations.

In Portile de Fier 400kV station it is planned to purchase a 100MVar compensation coil.

RET scanning

In October 2022, a financing contract was concluded from the Modernisation Fund for the Digitisation of RET by installing two *online systems for the field of*

electricity metering and power quality monitoring which is an integral part of the energy sector.

The Company's development in this area is aimed both at present and in the medium and long term, with priority being given to the provision of efficient electricity quality measurement and monitoring services.

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

9.1. Annual Investment Plan

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:

Table 18: Value of investments made in 2022

Crt. no.	Types of expenditures	Budgeted* (mill lei)	Realized (mill lei)
	Grand total (A+B)	472.55	460.95
A	Company's own expenses	447.24	439.89
I	Continued investments	430.76	426.30
II	New investments	5.14	4.86
III	Other investment expenses	11.34	8.73
B	Investments financed from the connection fee	25.31	21.07

* IPA 2022 revision A10

Thus, the degree of realisation of the investment programme as at 31 December 2022 is 97.5% in the General Total and 98.4% in the Company's own expenses category.

The amount of investments made is 426.3 million lei and represents 97% of the Company's own investment expenses.

The realised value of the investments financed from the connection tariff is 21.07 million lei, corresponding to requests for the execution of network relocation works or grid connection of some producers.

The investment programme for 2022 has been revised 10 times due to requests to introduce/remove investment objectives, increase/decrease some expenses amounts due to the pace of execution of investment projects.

Brief description of the main projects started in 2022

Wholesale Electricity Metering and Meter Data Management System (SCMPA)

Project purpose:

The aim of the project is to align with the latest national and European regulations, ensure a high degree of availability of metering data for OPCOM, OPE and electricity market participants, provide specialised services for national and regional energy markets, provide efficient regulated metering and aggregation of electricity settlement data for the needs of the Company and its customers.

Project description:

The system infrastructure will contain:

- central remote data management system (central IT platform) and a backup system for the central SCMPA in a different location from the central system (Disaster Recovery);
- the remote metering subsystem in high-voltage substations;

- the telecommunications subsystem;

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

Connection of 400 kV Isaccea - Varna and 400 kV Isaccea - Dobrudja LEA to 400 kV Medgidia South substation

Project purpose:

The connection of the 400 kV Isaccea - Varna and 400 kV Isaccea - Dobrudja LEAs to the 400 kV Medgidia South substation, together with the reconsideration of the configuration and technology of the 400 kV

Medgidia South substation, is timely and necessary in order to allow the safe evacuation of the wind energy produced in Rahmanu and Stupina power plants, to transform the 400 kV Medgidia Sud station into the future interconnection station of the SEN with the Bulgarian SE and to allow its development by connecting new lines and transformers in the space conditions of the current perimeter.

Project description:

The optimal route is 13.6 x 2 km (approximately 27 km). The optimal solution for the 400 kV Medgidia South station entrance of the 400 kV Isaccea - Varna and Isaccea - Dobrudja LEA connections foresees the installation of the lines to the 400 kV Varna and Dobrudja stations on one connection and on the second connection, the installation of the lines to the future 400 kV Rahmanu and Stupina stations. The investment requires 3,295 sq.m. in the extravilane of Medgidia municipality and 5,005 sq.m. in the extravilane of Peștera commune and does not require clearing.

Refurbishment of 400 kV Isaccea station

Project purpose:

The "400 kV Isaccea Station Refurbishment" project is necessary in order to bring the station to a level corresponding to the importance of the area served, aiming at optimizing the primary electrical scheme, modernizing the primary and secondary energy equipment, ensuring the remote control of the entire station from the Constanta UTT Remote Control Centre and the central and territorial dispatching

Table 19: Main works contracts signed in 2022

No.	Objective	Contract	Value mill lei
1	Metering and data management system for electricity metering on the wholesale market	C 637/05.04.2022	40.26 (investment part)
2	Connection of 400 kV Isaccea - Varna and 400 kV Isaccea - Dobrudja LEA to 400 kV Medgidia South substation: <i>Phase II - 400 kV LEA d.c. Connections at Medgidia South substation</i>	C 838/03.08.2022	76.55
3	Refurbishment of 400 kV Isaccea - <i>Ph. II</i>	C 987/24.10.2022	116.39

Main projects completed in 2022

Modernization of 220/110 kV Râureni power station - commissioning in January 2022

The Râureni substation modernization project involved the execution of works, supply of equipment and services (design, engineering, testing, PIF) for the primary and secondary circuits of the 220kV and 110kV substations.

Thus, primary equipment over 30 years old has been replaced by new, high-performance equipment, at the level of current technology. The secondary circuits have been fully upgraded by implementing an

advanced Command-Control-Protection system designed in accordance with the most up-to-date requirements worldwide, with high reliability, also using supplies delivered under a previous contract.

Project description:

The 400 kV Isaccea substation was planned to be upgraded in two stages, as follows:

- Phase I - It has been completed and consisted in the extension of the main substation by building 3 new 400 kV cells, 2 cells for the 2 new compensation coils - BC 1 and BC 2 and a cell for the 400 kV Isaccea - Stupina LEA.
- Phase II - mainly comprises the following works: refurbishment of the 400 kV main substation by installing modern primary equipment and resizing the busbars, simplification of the primary layout of the 400 kV substation, implementation of a new command-control-protection and automation system throughout the substation, replacement of a battery bank, the diesel unit, the two internal service transformers (TSI), installation of new DC and AC internal service cabinets, installation of equipment for centralised frequency - power control (RTU - AGC), integration of the 20 kV station into SCADA, implementation of a local balance metering system (SCLB) and a power quality monitoring subsystem in the 400 kV station.

advanced Command-Control-Protection system designed in accordance with the most up-to-date requirements worldwide, with high reliability, also using supplies delivered under a previous contract.

Refurbishment of 110 kV Roman Nord substation - commissioning in February 2022

The 400/110 kV Roman Nord transformer substation is located in Central Moldova, near Roman, in the commune of Cordun, on Plopilor Street no.1.

The 400/110 kV Roman Nord station is an injection node for supplying local consumers (industrial platform, town), an injection node for reserving the consumption area related to the Roman Nord injection station, the node along the 400kV Gutinaş - Bacău Sud - Roman Nord - Suceava LEA. The whole area has the 400/220/110 kV Gutinaş substation as main supply node.

The 110 kV Roman Nord station was built with classic Romanian equipment, manufactured in the 1980s, controlled by classic command-control-protection installations, with analogue relays, without the possibility of remote control and remote supervision.

The purpose of the project "Modernization of 110 kV Bacău Sud and Roman Nord stations related to the 400 kV Moldova axis" is subordinated to Transelectrica's concept provided in the "General concept on the strategy of remote control of the upgraded power stations". In this respect, following the retrofitting, the 110 kV Roman Nord substation has remote control, remote signalling, remote metering from the DEN/DET/CTSI headquarters.

Replacement HV 200 MVA, 231/121/10,5 kV in 220/110/20 kV Ghizdaru substation - commissioning in February 2022

The 220/110 kV Ghizdaru station is located 1.5 km from Stăneşti, near DJ 503.

The existing transformer unit AT 1, 220/110/10.5 kV, 200 MVA was commissioned in 1974. Considering the age of the HV transformer unit 1 (40 years) and the costs of transport and repair in the factory, by Transelectrica's address no. 29802/07.10.2013 the Technical and Network Development Department proposed its scrapping.

Since the safety of the electricity supply to consumers was affected, given that the Ghizdaru substation is the backup source for the electricity supply to the S and V areas of Bucharest, it was requested to replace the faulty transformer unit AT 1 with a functional transformer unit.

Refurbishment of 220/110 kV Hăşdat substation - commissioning in April 2022

The 220/110 kV Hăşdat transformer substation is located on the outskirts of Hunedoara, on the county road DJ 67.

The 220/110 kV Hăşdat station is of particular importance in the area, acting both as an interconnection node within the SEN through the 220 kV lines connected to the station, and as an interconnection and area distribution node through the 110 kV station.

The upgrading works of the existing 220/110 kV Hăşdat substation aimed at bringing the installations to a level of safety and reliability corresponding to the area from an energy point of view, by using the current high-performance technology available worldwide, which contributes to increasing the quality of the energy transmission service and to increasing the safety in serving the users of the electricity transmission network. The upgrading of the 220 kV and 110 kV substations allows their remote control from the CTSI remote control centre, DET Timișoara and UNO-DEN.

The 220/110 kV substation has been equipped with state-of-the-art, high-performance primary switchgear with high electrical and mechanical endurance, equipped with monitoring and diagnostic systems that allow timely fault detection and elimination.

Replacement of transformer units AT1 and AT2 220/110 kV, 200MVA was also carried out.

In the 220/110 kV Hăşdat substation, a numerical control, protection and automation system (SCCPA) was installed in accordance with the practices and regulations of C.N. Transelectrica S.A.. The command - control, protection and automation subsystem has been realized in accordance with ANRE general energy regulations and Transelectrica internal technical rules.

Connection of 400 kV Isaccea- Varna and 400 kV Isaccea-Dobrudja to 400 kV Medgidia South substation Phase I - Extension of 400 kV Medgidia South substation - commissioning in April 2022

The 400/110/20 kV Medgidia Sud station is classified as a high importance station due to the supply of the Cernavodă NPP's own services. The station operates with permanent operating personnel in shifts with a single control room.

The works that have been carried out aimed at extending the 400 kV Medgidia South station, as well as connecting the two 400 kV double circuit lines (13 km) in the station.

The extension of the station was done by installing 4 new cells and providing space for two more spare cells, one of which is fully equipped for the future Medgidia Sud - Constanta line.

They were considered:

- provision of technologically advanced primary equipment with a high performance-operation-maintenance ratio and reliability indicators suitable for a high degree of operational safety;

-a control-command system of the 400 kV Medgidia Sud station, realized in modern, digital technology, completely redundant and ensuring the possibility of controlled control of the primary elements of the station;

-a protection system realized with numerical, high-performance, self-monitoring equipment of complex terminal type dedicated to functional elements (LEA, Transformer), including recording and storage facilities of analog and binary quantities associated with energy events. The protection system is configurable/parameterisable/adjustable both from the complex terminal equipment and centrally, remotely;

-ensuring the DEN/DET/CT (CT - Remote Control Centre) control of new installations;

High frequency communication with the 400 kV Cernavodă station was maintained in the station and the same type of communication was ensured with the Varna and Dobrudja stations (Bulgaria);

Modernization of 220/110/20 kV Vetis substation - primary equipment - commissioning in April 2022

The 220/110/20 kV Vetis station is located in Satu Mare county, loc. Satu Mare, 72 Merilor Street.

The HV transformer unit was the sole source of power for the 110 kV station. Due to the fact that the 220/110/20 kV Vetis HV was more than 40 years old, exceeding its normal service life, it was necessary to replace it in order to increase the safety in the operation of the installations, to reduce technological and operating expenses and to create conditions for reducing maintenance, monitoring and remote diagnostic costs.

The construction-assembly works for the replacement of the 200 MVA HV in the 220/110/20 kV Vetis substation were aimed at upgrading the tank and the foundation, by bringing the existing assembly (tank and foundation) to functional parameters and ensuring its mechanical load-bearing capacity.

Refurbishment of 220/110 kV Iaz substation - commissioning in December 2022

The 220/110kV Iaz station is located in the outskirts of Obreja Commune, on the left side of the national road DN 68 Caransebeş-Haţeg at ca. 3,5 km from the exit of Caransebeş, Caras Severin county. The 220/110 kV Iaz station is of particular importance in the area, acting both as an interconnection node within the SEN through the 220 kV lines connected to the station, and as an interconnection and area distribution node through the 110 kV station.

The refurbishment works of the existing 220/110 kV Iaz substation aimed at bringing the installations to a

level of safety and reliability corresponding to the area from an energy point of view, by using the current high-performance technology available worldwide, which contributes to increasing the quality of the energy transmission service and to increasing the safety in serving the users of the electricity transmission network. The upgrading of the 220 kV and 110 kV substations allows their remote control from the CTSI remote control centre, DET Timișoara and UNO-DEN.



The 220/110 kV substation has been equipped with state-of-the-art, high-performance primary switchgear with high electrical and mechanical endurance, equipped with monitoring and diagnostic systems that allow timely fault detection and elimination.

Replacement of transformer units AT1 and AT2 220/110 kV, 200MVA was also carried out.

In the 220/110 kV Iaz substation, a numerical control, protection and automation system (SCCPA) was installed in accordance with the practices and regulations of C.N. Transelectrica S.A.. The command

- control, protection and automation subsystem has been realized in accordance with ANRE general energy regulations and Transelectrica internal technical rules.

Refurbishment of 220/110/20 kV Ungheni station - commissioning in December 2022

The 220/110/20 kV Ungheni substation is located in Mures county, between Cristești and Ungheni, on the E60 road.

The 220/110/20 kV Ungheni station is an important station within the SEN and particularly in the north-central area of Transylvania, since it supplies 110/20 kV stations, managed by Electrica Mures, from which extremely important consumers in the area are supplied.

The refurbishment works of the existing 220/110/20 kV Ungheni substation aimed at bringing the installations to a level of safety and reliability corresponding to the area from an energy point of view, by using the current technology existing worldwide, which contributes to the increase of the quality of the energy transmission service and to the increase of safety in serving the users of the electric transmission grid.

The upgrading of the 220 kV and 110 kV substations allows their remote control from the CTSI Sibiu remote control centre and from the dispatcher.

The 220/110/20 kV substation has been equipped with state-of-the-art, high-performance primary switchgear with high electrical and mechanical endurance, equipped with monitoring and diagnostic systems that allow timely fault detection and elimination.

The replacement of the transformer units AT1 220/110 kV, 200 MVA, and T1 110/20 kV, 25 MVA was also planned.

In the 220/110/20 kV Ungheni substation, a numerical control, protection and automation system (SCCPA) was installed in accordance with the practices and regulations of C.N. Transelectrica S.A.. The command - control, protection and automation subsystem was realized in accordance with ANRE general energy regulations and Transelectrica internal technical rules.

Modernization of 400 (220) / 110 / 20 kV Munteni substation - commissioning in December 2022

The 400(220)/110/20 kV Munteni transformer substation is located on the outskirts of Vaslui municipality, at 1 Podul Înalt Street.

The existing 400kV and 110kV substations are outdoor type, air insulated, with conventional primary equipment, decentralised protection and an installed capacity of 200MVA - 220/110kV . The 20kV station is indoor type, located in the building.

Since the commissioning of the station (PIF 1978 for the 110 kV station and PIF 1979 for the 220 kV station) the primary and secondary equipment was physically and morally degraded, leading to a sharp decrease in the operational safety of the installation.

Consequently, it was imperative to upgrade the substation, by optimising the primary electrical system and using equipment corresponding to the technology currently available worldwide, in order to bring the installations to a level of safety and reliability corresponding to the area from an energy point of view, thus contributing to increasing the quality of the transmission service, safety in serving the users of the electrical transmission grid and reducing maintenance costs.

In view of the above, the modernisation of the 400(220)kV and 110 kV stations was necessary for the following reasons:

- increasing the reliability of the transmission system and creating conditions for access to the OTS grid for wind power plants and large consumers in the Vaslui area
- promotion and integration of the installations in Munteni area in the EMS/SCADA remote control systems of DEN, according to Transelectrica requirements
- reducing maintenance costs by installing high-performance equipment and adopting construction solutions corresponding to existing technologies worldwide
- improving station-wide reliability indicators and in particular fault and incident clearance times during operation.
- provision of unequipped spare spaces in the 400 kV station (2 spare cells) in order to achieve a possible interconnection between the Romanian and the Moldovan power systems.

Investment programme for the year 2023 and estimate for the years 2024 - 2025

The main major investment objectives for which implementation contracts were signed in previous years and which will be in the implementation works stage in 2023 (*investments below*) structured according to the chapters of the Development Plan:

- 10 investment projects - *RET upgrading*,
- 1 investment project - *Consumer security of supply*,

- 2 investment projects - *Integration of production in Dobrogea and Moldova,*
- 1 investment project - *Integration of production from other areas,*
- 7 investment projects - *Increasing interconnection capacity.*
- 4 other ongoing projects.

The total value of the investments below represents 73% of the Company's own investment expenses.

The company has an extensive investment program, as established by the OGMS through OGMS Resolution no.4/2023, aimed at modernizing and re-greening the Transmission Grid, completing Romania's 400 kV ring and increasing interconnection

capacities with neighboring countries both in terms of ensuring the safety of the National Electricity System and facilitating electricity exports.

Table 20: Structure of Investment Expenses 2023 and estimates 2024-2025

No.	Types of expenditures	2023 (mill lei)	2024 (mill lei)	2025 (mill lei)
	Grand total (A+B)	466	780	714
A	Company's own expenses	456	780	714
I	Continued investments	333	392	235
II	New investments	53	338	442
III	Other investment expenses	71	50	36
B	Investments financed from the connection fee	10	0	0

Risks that may affect the implementation of the IPA 2023

The risks identified for the investment objectives included in the Company's own expenses category that may affect the achievement of the Annual Investment Programme for 2023 are as follows:

- External: Delays in carrying out the work according to the contractual timetable caused mainly by:
 - ✓ the European economic situation, i.e. the war in Ukraine and the energy crisis;
 - ✓ the financial situation of some performers;

- ✓ issuing the HG for triggering expropriation/removal procedures from the forest fund.

The impact of these risks could be 13% of the Company's own expenses.

- Internal (other causes)- with an impact of 2%.

With these constraints in place, the degree of realisation of the Investment Programme (Company's own expenses) it can be around 85%.

9.2. Sector procurement activity

In the area of sectoral procurement during 2022, 737 procurement processes were awarded, consisting of 318 procurement procedures and 419 direct procurement processes. In summary, the degree of completion of procurement processes (procedures completed with contracts and procedures initiated) in the period January - December 2022, is 85% in terms of value and 60% in terms of number.

As regards purchases financed by investment funds, contracts were signed at Company level, with a total value of **263.6 million** lei. In addition, a number of 4 investment projects financed from non-reimbursable funds - Modernization Fund, with an estimated value of 672.3 million lei, have been initiated/are being prepared, and are expected to be completed during 2023:

- pilot project - upgrading the 220/110/20 kV Alba Iulia station to a digital station concept,
- upgrading to 400 kV of the 220 kV Brazi Vest - Teleajen - Stâlpu - lot 1 and extension of the 400/220 kV Brazi Vest Station - lot 2,
- installation of two modern means of reactive power compensation in 400/220/110/20 kV Sibiu South and 400/220/110/20 kV Bradu stations,

- optimising the operation of the existing 400 kV LEAs in the sen, used for interconnection and for power evacuation from the Cernavodă nuclear power plant and renewable energy plants in Dobrogea, by installing on-line monitoring systems (Smart Grid type).

During 2022, legislative measures impacting commercial activity have been introduced, including:

- Law no.208/2022 for the amendment and completion of Law no.98/2016 on public procurement, Law no.99/2016 on sectoral procurement, Law no.100/2016 on works concessions and service concessions, as well as Law no.101/2016 on remedies and appeals in the award of public procurement contracts, sectoral contracts and works concession and service concession contracts, and for the organisation and functioning of the National Council for the Settlement of Disputes,
- GEO no.47/2022 on the adjustment of the prices of public procurement contracts/ sectoral contracts/ concession contracts/ framework agreements.

9.3. Projects with European funding

In Q4 2022, the contracting process of 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 EUR424 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.

These projects have been approved for funding from the Modernisation Fund by the European Commission, by Decisions COM C(2021) 9135 final of 06.12.2021 - for the first project and COM C(2022) 3498 final of 23.05.2022.

Table 21: Modernisation Fund Projects

No.	Modernisation Fund Projects	Non-reimbursable value (million euro)
1.	LEA 400 kV d.c. Medgidia Sud-Constanța Nord	22.99
2.	400kV Gădălin - Suceava LEA, including interconnection to SEN	101.21
2.	"Axul Banat "**, Phase II 400 kV Reșița - Timișoara/Săcălaz LEA and Upgrade of the 110 kV Timișoara station and the transition to 400 kV	63.61
4.	"Axul Banat "**, Phase III of the 400 kV Timișoara/Săcălaz - Arad LEA, Refurbishment of 110 kV Arad Station and 400 kV Arad Station and 400 kV Săcălaz Station	57.51
5.	Switching the 220 kV Brazi West-Teleajen-Stâlpu axis to 400 kV voltage	51.07
6.	Pilot project - Upgrading the 220/110/20 kV Alba Iulia substation to a digital substation concept	46.96
7.	Installation of two modern means of reactive power compensation in 400/220/110/20 kV Sibiu South and 400/220/110/20 kV Bradu stations	52.34
8.	Optimization of the operation of the existing 400 kV LEAs in the SEN, used in interconnection and for power evacuation from the Cernavodă nuclear power plant and renewable energy plants in Dobrogea, by installing on-line monitoring systems (SMART GRID type)	10.48
9.	Digitization of RET by installing 2 online systems for metering and data management of electricity metering on the wholesale market, and for monitoring electricity quality	18.25
TOTAL		424.40

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

- **LEA 400 kV d.c. Gutinaș Smârdan**, MySMIS Code 2014+ 129245, financed by non-reimbursable European funds, through the Large Infrastructure Operational Programme 2014-2020, Priority Axis 8 - Intelligent and sustainable electricity and gas transmission systems, Specific objective 8.1 - Increasing the capacity of the National Energy System to take energy from renewable resources.

In the fourth quarter 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 provides for an increase in the

eligible value of the project by EUR16,470,297.30, from EUR33,439,927.40 to EUR49,910,224.71, corresponding to a financing rate of 66.88%. The total value of the investment, excluding VAT, is EUR75,812,524.

The 400 kV d.c. (1c.e.) Gutinaș - Smârdan line consists of two distinct sections: a section of 400 kV underground (cable) power line between the 400 kV Gutinaș station and terminal pole no.1, with a length of approx. 2 km and a section of 400 kV LEA between terminal pole no.1 and the cell in Smârdan station, with a length of ca. 138 km. The project crosses 26 localities in 3 counties (Bacău, Vrancea and Galați). For the construction of the LEA, 445 21 m high poles will be used, equipped with cables, insulation and protective conductors, including an end cell in Gutinaș station.

- **Internal line between Cernavodă-Stâlpu**, Action 3.8.4-0003-RO-W-M-17, grant agreement (GA) no. INEA/CEF/ENER/M2017/ 1509097, financed from European funds under the Connecting Europe Facility (CEF), amounting to 54.170.000 euro, of which the European funding is 27.085.000 euro.

In order to choose the route for the 400 kV double circuit Cernavodă-Stâlpu line, different routes were analysed in administrative territories belonging to 34 municipalities in Constanța, Ialomița and Buzău counties. The main landforms crossed by the overhead power line route are: Podisul Dobrogei (Medgidia), Balta Brăilei, Bărăgan Plain, south and north of the Ialomiței river meadow and Buzăului Plain.

The new 400 kV line crosses the Danube river and the Borcea arm, the route between Cernavodă and Gura Ialomiței being practically imposed by the way the crossings are resolved.

The route of the line crosses the following administrative units: Cernavodă, Seimeni, Topalu, Horia, Bordușani, Făcăeni, Vlădeni, Mihail Kogălniceanu, Gura Ialomiței, Țândărei, Valea Ciorii, Scânteia, Grivița, Miloșești, Padina, Pogoanele, Smeeni, Gherăseni, Costești, Stâlpu.

On 21 October 2022, the 2.6 km Danube crossing was completed, of which 1.13 km is above water. The Danube river crossing stage of the construction of this line was completed in about three weeks, including the preparatory phases. The double-circuit overhead power line is supported on both sides of the Danube by the tallest high-voltage pylons - 150 metres - in the entire national energy infrastructure.

The process took place in the presence of government officials and the representative of the European Climate, Infrastructure and Environment Executive Agency (CINEA), Ona Kostinaite-Grinkeviciene - Head of Sector CEF.

Table 22: Programmes with European funding

Funding programme	Co-financing rate	Funding status	Funding amount million euro
CEF (Connecting Europe Facility)	50%		49.64
<i>Project LEA 400 kV d.c. Cernavodă-Stâlpu and connection in Gura Ialomiței</i>		<i>INEA/ CEF/ENER/M2017/1509097 grant contract</i>	27.09
<i>Project Optimization of voltage regulation and power quality parameters by installing FACTS equipment in Gutinaș, Roșiori and Suceava stations</i>			22.56
POIM (Large Infrastructure Operational Programme)	60%		33.44
<i>Project LEA 400 kV d.c. Gutinaș -Smârdan</i>		<i>Financing contract 276/2019</i>	
Modernisation Fund	100%	Decisions COM C(2021) 9135 and COM C(2022) 3498	424.40

Carpathian Modernization of Energy Network (CARMEN)

On **08.12.2022**, the European Commission sent the official notification that the application submitted by Transelectrica in partnership with Delgaz Grid S.A. for grant funding through the Connecting Europe Facility for the Carpathian Modernization of Energy Network (CARMEN) project of common interest did not meet the minimum score and was rejected for funding.

The **CARMEN** project aims to modernize and develop the transmission and distribution networks in Romania, in the territorial area of the two partners, which implies the development of the first Smart Grid PCI in Romania with cross-border impact, which will bring numerous benefits to the entire Eastern European region (Moldova, Ukraine, Hungary, Bulgaria), in terms of energy flow and digitization of transmission and distribution networks. The investment concerns works that will be carried out

over 4 years, in order to transition the infrastructure in the concession area of Delgaz Grid S.A. and Transelectrica to the Smart Grid concept.

At the same time, in view of the continuation of the partnership and the common interest to implement the CARMEN Project, Delgaz Grid S.A. and Transelectrica submitted on **15.12.2022** to the European Commission the application for the reconfirmation of the CARMEN project in the EU CIP List VI. Elektroenergien Systemen Operator (OTS Bulgaria) was also involved in this process and became a partner in the CARMEN Phase II project with a set of related investments. As a result, the CARMEN Phase II project will be developed in an extended partnership: Delgaz Grid S.A., Transelectrica and Elektroenergien Systemen Operator.

Events in 2022

- **Facilitating the participation of Transelectrica S.A. representatives in the "PCI Energy Days" event held** in Brussels, Belgium, on 19-20 September 2022 aimed to promote the Company at European level through bilateral discussions and meetings with representatives of the European Commission, ENTSO-E, ACER, EIB - Advisory Hub, CINEA and other European OTSs.

The participation in the "PCI Days" was an opportunity for the company to present its portfolio of Projects of Common Interest including: the Internal Line between Cernavodă and Stâlpu, the Carpathian Modernized Energy Network - CARMEN, the Banat Axis - Phase II "Internal Line between Reșița and Timișoara/Săcălaz" 400 kV LEA, the Banat Axis - Phase III "Internal Line between Arad and Timișoara/Săcălaz" 400 kV LEA.

The dialogues with the delegation of the European Commissioner for Energy and the delegation of the European Climate, Infrastructure and Environment Executive Agency (CINEA) allowed to reiterate the importance of the support they have provided to the Company over the years, but also to exchange best practices to support future projects of common interest in Europe.

Through this approach, the Company was promoted and the visibility of its management was created at European level, based on exploratory discussions with representatives of the European Commission, ENTSO-E, ACER, EIB - Advisory Hub, CINEA on the current existing relations, but also on the outline of potential lines of collaboration between Transelectrica and the present institutions.

- **Interconnection of the electricity systems of Romania and the Republic of Moldova through the construction of the strategically important investment objective of the 400 kV Suceava - Balti overhead power line, including relevant works in the Suceava and Balti stations** - taking the necessary steps for the inclusion of the project in the list VI of IMPs (Projects of Mutual Interest) according to the TEN-E Regulation.
- **Preparation of the T-STARES (Transelectrica - RES Stations) project fiche in** order to identify a source of non-reimbursable financing, for which the necessary steps have been taken.

The project involves the installation in a number of the Company's stations of energy capacities consisting of photovoltaic power plants and electricity storage facilities, intended to supply internal services.

9.4. 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%

Availability of the transport network

- the electricity transmitted (GWh) and the percentage coefficient of energy losses in the electricity transmission network - values presented in the corresponding section OTC (Operational Data);
- the time-averaged unavailability of installations due to scheduled or unscheduled (accidental) events, reported per km for lines (INDLIN), or MVA for transformers and autotransformers (INDTRA);

Table 23: Indicators for RET management/operational activity

Indicator	2022	2021	2020
INDLIN (hours/year)			
Total	206.95	205.60	112.50
- Unscheduled (accidental)	4.91	6.04	4.24
- Scheduled	202.04	199.56	108.26
INDTRA (hours/year)			
Total	226.32	179.21	230.85
- 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; 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 RET transformers.

- 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 24: 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 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.

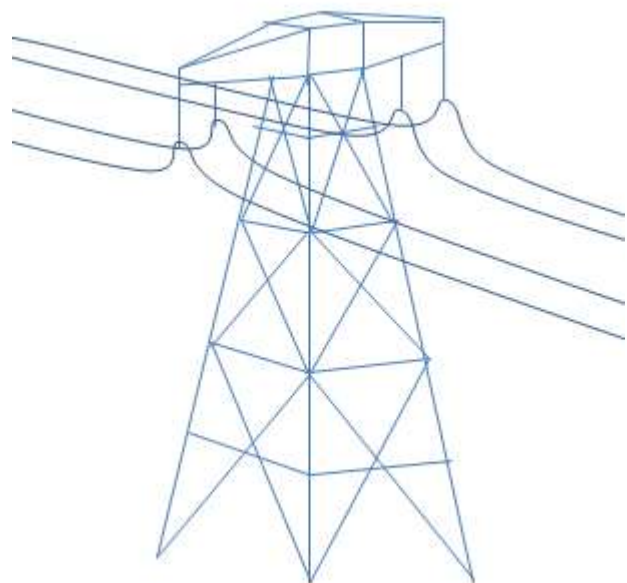
The measures envisaged by the Company to improve the ENS and AIT indicators, according to the RET Development Plan 2022-2031, are:

- ✓ Review of the technical conditions for the design and sizing of installations in the light of weather and climate changes.

- normative revisions,
- analysis of the structural capacity of overhead power lines in the RET using modern computer programs in order to improve the ability of the SEN to operate safely and stably.

The checks consist of analysis with computer programs, aligned with the most modern design concepts. Thus, the calculation software allows a 3-D modelling of the whole overhead power line structure, including elements related to the topography of the terrain, and offers the whole range of functions necessary for the verification and analysis of an overhead power line, such as:

- structural analysis of all line elements (poles, insulator chains, conductors);
 - simulations of the behaviour of the overhead power line in different scenarios (extreme weather conditions, mechanical or electrical overloads, etc.);
 - establishing the necessary preventive measures to increase operational safety;
 - upgrading and adapting existing overhead power lines to new conditions (weather, loads);
 - electric and magnetic field calculations;
 - calculations of the transmission capacity of the LEA.
- ✓ Replacement of worn-out equipment with high-performance equipment under the maintenance and investment programme).
 - Availability of data from the Wholesale Electricity Metering System and the Power Quality Monitoring System: 100%.



9.5. Maintenance

The RET maintenance activity shall comply with the *Maintenance Assurance Programme (PAM)* drawn up on the basis of the Regulation on the management and organisation of maintenance activity approved by Order of the National Energy Regulatory Authority (ANRE) No 96/2017, as subsequently amended and supplemented (which repealed Order No 35/2002), for the approval of the Regulation for the organisation of the maintenance activity, Transelectrica's internal technical standard - *Preventive maintenance regulation for installations and equipment within the RET* - having the code NTI-TEL-R-001-2007 and the *RET Annual Maintenance Programmes (PM RET)*.

PM is the *regulation of the activity, the introduction of modern concepts of optimisation and conduct of the activity* and applies to all components of the maintenance activity (technical, economic-financial, relational, organisational) carried out on all assets of the RET. The PM incorporates and maintains - providing the framework for drafting, revising and updating maintenance documents as required - *all documentation relating to maintenance activity*.

NTI-TEL-R-001-2007 stipulates that maintenance work/services shall be carried out only at the *appropriate times, in the quantity and quality required*, so that the following important desiderata are met:

- maintaining an appropriate level of operational safety of RET installations;
- maintaining intrinsic levels of reliability of functional assemblies and component equipment;
- increasing the availability of facilities;
- optimising total costs over the lifetime of the system;

It provides maintenance categories (preventive, corrective) and maintenance levels (minor, major) of maintenance, rationale and planning principles, general indicative operations, periodicities, etc. and forms the basis for the development of annual (value and physical) RET maintenance programmes.

PM RET maintenance programmes - the annual maintenance programmes are based on the *Preventive Maintenance Regulation for RET installations and equipment* and translate the principles of maintenance activity into maintenance works and services while ensuring the necessary financial resources.

Categories, levels and types of maintenance practiced in Transelectrica; how to choose the types of maintenance

Maintenance categories

In Transelectrica, maintenance services/work is carried out on electrical installations, where appropriate:

- preventive - prophylactic, to prevent defects, i.e. to reduce the probability of failure or degradation;
- corrective - after detection of the fault, including all actions intended to restore an installation to a condition that allows it to perform its specified function, with the aim of optimising the objectives proposed in the RET:
- safety in operation,
- availability,
- efficiency

and compliance with the Performance Standard.

Levels and types of maintenance actions

Maintenance works/services are classified according to the "Rules for the management and organisation of maintenance activities", i.e. the PAM, into 4 *levels* (level 1 - 4) which represent the complexity of the content of the services/works, the need for tools/tools, the need for qualification of the providers/performers, etc.

Levels 1 and 2 represent services/work classified as *minor maintenance* - usually surveillance, visual inspection, inspections and overhauls, and levels 3 and 4 as *major maintenance* - usually repairs.

Preventive maintenance

The basic principle is that any preventive maintenance action must have the effect of preventing accidental downtime.

The types of preventive (planned) maintenance services/work are tiered as follows:

- level 1 - supervision, periodic control, monitoring, functional testing;
- level 2 - technical overhaul works - RT;
- level 3 - current repair works - RC;
- level 4 - capital repair works - RK.

A special type of maintenance is *rehabilitation*, defined according to ANRE Order 96/2017, as a set of *complex maintenance* works which, without changing the initial technology, restores the technical and efficiency status of the installations to a level close to that at the beginning of their lifetime. The RET includes actions to rehabilitate power stations with equipment replacements and at LEAs with element replacements to improve reliability.



Corrective maintenance

Corrective maintenance services/work are divided into two levels, minor maintenance (control actions, inspections, checks, measurements, overhauls following the detection of accidental events - technical faults and incidents) and major maintenance (repairs and replacements of equipment following accidental events of the type of incidents with serious damage to equipment).

Corrective maintenance actions (incidental services/work) shall be carried out on all installations on an emergency basis and in accordance with the contractor's/maintenance service provider's obligations under the contract.

The RET will use the combination of methods presented, respectively:

- Level 1 and 2 services/works constitute Minor Preventive Maintenance (MPm) actions and, depending on the category, voltage and technical characteristics (technology) of the functional assemblies and their components, are planned on a time basis - by scheduling at predetermined time intervals based on operating experience, also taking into account their importance within the RET, and can be adjusted (customised) according to condition and importance;
- Level 3 and 4 works constitute Major Preventive Maintenance (MPM) actions and are condition-based, depending on the technical condition of the installations, determined by various procedures.

Condition-based preventive maintenance includes condition determination/forecasting activities based on information obtained through *surveillance, visual checks, surveys, inspections and technical overhauls*, i.e. primary information obtained during minor maintenance.

In carrying out the annual RET maintenance programmes, priority is given to works/services that

lead to an increase in the operational safety of the installations, to the completion of contracted works/services and to those that contribute to the proper functioning of the installations. The prospect of implementing the remote control and monitoring programme for electrical installations, which requires the rehabilitation of electrical equipment, should also be taken into account, which will lead to a reduction in personnel and operating costs in the future.

For the year 2022, maintenance expenses for RET amounting to 109.28 million lei (99,7% of the total programmed) have been incurred, which includes major maintenance, minor maintenance and other maintenance expenses.

Table 25: Types of maintenance of RET (million lei)

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

Maintenance programme for 2023 and estimate for 2024-2025

The RET Maintenance Programme for the year 2023 covers the management of the operation of electrical installations and the maintenance of tangible fixed assets in the form of electrical installations and technological buildings (excluding IT and Tc, telecontrol systems and integrated security systems) forming the electricity transmission network (RET), subject to cost minimisation, optimal use and increased performance, preventive, corrective and reliability-based maintenance services/works, design services/works and services/works in progress, and has been structured by programme and project according to the type of installations, as follows:

- services/work on power stations and power transformers;
- services/work on overhead power lines, construction and other technological installations;
- services/work specific to the maintenance of electricity metering equipment (creation or repair of power supply circuits, communications, repair of electricity quality measurement and monitoring equipment, etc.).

The main concern in carrying out RET maintenance programmes has been and is to ensure the safe operation of the SEN by:

- update the maintenance policy, strategy and regulation of NPG Transelectrica SA, harmonize

them with the regulations, especially those issued by ANRE;

- providing preventive and corrective maintenance: (i) minor maintenance under contract with the SMART SA subsidiary; (ii) major maintenance on projects (high power transformer units, LEAs, substations and buildings and other technological installations) under contracts with specialised entities;
- use of computer applications/databases in operation and maintenance;
- optimising costs, reducing repair times and downtime of installations by concluding the framework agreement for the supply of medium and high voltage primary equipment;
- optimise LEA maintenance costs by carrying out multispectral inspections (in the visible, infrared and ultraviolet spectra), and carrying out remedial work on non-conformities;

With regard to the use of IT applications/databases in the operation and maintenance activity we make the following clarifications:

The unique database architecture (BDU), has been established and data is uploaded for each power station. The data verification process at DEMD RET level has been completed.

The phase of completing the BDU with facilities for virtual stocktaking and keeping the history of replaced equipment is currently underway.

The maintenance application has been finalised, offering the following functionalities at this moment (the process of adding data is ongoing):

- list of assets: data on assets (SISC) and non-conformities recorded on them;
- minor maintenance planning;
- minor maintenance (partial/limited functionality);
- view supporting data: tariffs, contracts, etc (partial/limited functionality);
- retrieving the latest updates recorded in the application (in the context of the implemented options);
- reports and summaries

For the years 2024 and 2025, in estimating the values of the RET Maintenance Schedules, account has been taken mainly of the continuation of major maintenance works, especially at the LEAs, which are in progress, and of the Preventive Maintenance Regulation on the installations and equipment within the RET, as well as the requests of the Territorial Transmission Units. In the future it is envisaged to streamline RET maintenance activities by:

- emphasise preventive maintenance operations to reduce corrective maintenance;
- continuation of the LEA multispectral inspection programme;
- the use of non-invasive methods to ascertain the technical condition of electrical installations;
- the execution of the sector contract for the supply of medium and high voltage primary equipment and making it available for installation in the Company's installations.

10. European projects, platforms, affiliations

10.1. European projects

The company has been selected by the European Commission to be part of the teams of specialists of several European projects, some of which are fully financed by structural funds.

Below we briefly present some of these projects:

Regional electricity market coupling projects and implicit cross-border transmission capacity allocation

The energy challenges facing Europe include issues such as increasing import dependency, limited diversification, high and volatile energy prices, rising global energy demand, security risks affecting producer and transit countries, growing threats from climate change, slow progress in energy efficiency, challenges arising from the growing share of renewable energy, and the need for greater transparency, integration and interconnection in energy markets.

To address these issues, Europe needs a clear energy strategy with a set of measures at its core, designed to ensure the implementation of an integrated energy market and the achievement of the 3 main objectives:

- security of supply
- competitiveness
- sustainability

These include completing the integration of the pan-European energy market, strengthening national policy coordination, removing market barriers and energy isolation, lowering energy prices for consumers, modernising infrastructure and attracting investment in the energy sector with a focus on innovative technologies and green energy production capacities.

Achieving a fully functioning pan-European energy market is crucial to meeting the objectives of maintaining security of energy supply, increasing competitiveness and ensuring that all European consumers can purchase energy at affordable prices.

Security of energy supply is an essential element of public security and is therefore inextricably linked to the effective functioning of the internal electricity market and the integration of isolated electricity markets in the Member States of the European Union.

The target model of the pan-European internal electricity market for the day-ahead horizon foresees

the coupling of these markets by price, based on a single European coupling solution (PCR mechanism - Price Coupling of Regions), with implicit allocation of interconnection capacities and calculation of interconnection capacities based on power flows (Flow-Based Method - FB).

In order to achieve a truly integrated electricity market, the current rules on capacity allocation, congestion management and electricity trade need to be further harmonised.

In this context, *Regulation 1222/2015 laying down guidelines on capacity allocation and congestion management* was drafted and approved, setting harmonised minimum rules for the single day-ahead and intra-day market coupling at pan-European level, allowing more efficient use of the network and increasing competition to the benefit of consumers.

Several initiatives are currently underway at European level aimed at achieving the coupling of national/regional markets, on daily and intra-day time segments, into a single European electricity market and the implementation of default cross-border transmission capacity allocation mechanisms with the application of available transmission capacity (ATC) methods.

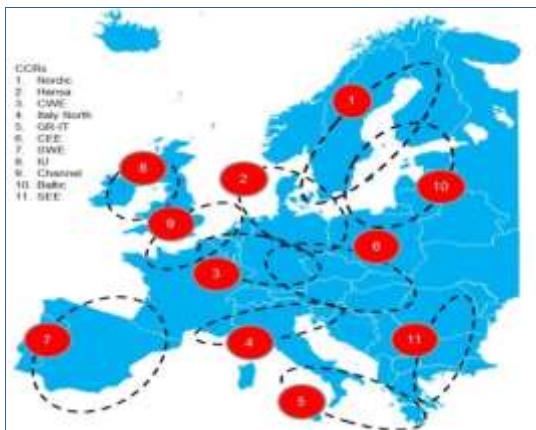
On 15 November 2016, the Memorandum on Romania's participation in the day-ahead and intra-day electricity market coupling projects under development at the European level was signed at the governmental level as part of the European energy market implementation process.

According to Article 2 of *Regulation 1222/2015 establishing guidelines for capacity allocation and congestion management* (Definitions), these regions are defined as "Capacity Calculation Regions (RCCs)", meaning "the geographical area in which coordinated capacity calculation applies". A RCC must therefore include a set of supply area boundaries for which the capacity calculation will be coordinated by the OTSs in accordance with the Regulation.

The proposal for the configuration of cross-border transmission capacity regions (RCCs) for all borders of the European electricity transmission system represents a dynamic and pragmatic pan-European approach with a short and medium-term perspective, supporting coordination across the borders of the bidding areas where the greatest interdependence has been identified.

The RCCs proposed by the European Transmission System Operators within ENTSO-E, and approved by all regulators in the field at ACER level, serve to ensure the optimal use of the European transmission infrastructure. Within the defined RCCs, the interdependencies between cross-zonal capacities can be modelled with maximum accuracy and efficiency and the optimal level of this cross-zonal capacity can be offered to the market. The RCCs serve the objective of optimising the calculation and allocation of cross-zonal capacity according to Article 3(d) of *Regulation 1222/2015 laying down guidelines on capacity allocation and congestion management*, as the RCCs establish coordination within and between RCCs.

Figure 28: Configuration of the 11 RCCs proposed by ENTSO-E



ACER Decision no.6/2016 approved the proposal of all Transmission and System Operators for the definition of capacity calculation regions. Transelectrica is a member of the CORE capacity calculation region through the RO-HU border and of the South East Europe (SEE) capacity calculation region through the RO-BG border.

As part of the process of establishing capacity calculation methodologies and further developments within the Market Coupling and Implicit Capacity Allocation project, the Company is a member of the steering and working structures of the associated projects.

On 16 August 2016 Transelectrica together with the 15 Member State Operators of the CORE region signed a cooperation agreement (CEWE CoA), expressing their commitment to cooperate to develop a common methodology for calculating interconnection capacity and a future basis for implementing the requirements of all network codes in this most important defined region in Europe.

Transelectrica signed the Accession Agreement on 31 August 2016, by which Romania became part of the

NWE-CEE FB MC Central-East European Market Coupling Project.

Within the EEA RCC the solution in terms of regional governance was identified jointly with the OTSs in the region (Romania, Bulgaria, Greece) in July 2019 the three OTSs in the region signed a Memorandum of Understanding to establish how to organise at regional level to meet the requirements of the European regulations.

The set of regulations in the new energy package is perhaps the most complex ever and contains three Communications on Clean Energy for All Europeans, Accelerating Innovation in Clean Energy, a European Strategy on Intelligent Transport Systems. In addition, the package includes two proposals to revise the Regulations on the Internal Electricity Market and the Functioning of the European Energy Regulators Agency ACER, four proposals to revise the Directives on Renewable Energy, Energy Efficiency, Common Rules for the Functioning of the Internal Electricity Market and Energy Performance of Buildings.

Several initiatives are currently underway at European level to implement the eight European Network Codes, adopted by the European Commission and the European Parliament in a comitology process, which are European Regulations (directly applicable legislation in the countries of the European Union) governing aspects of the operation of synchronously interconnected electricity systems at pan-European level and the harmonisation and integration of national electricity markets into the European single energy market.

One of the main obligations resulting from the content of the European Union Regulation No 1222/2015 (CACM), according to Chapter 5 - "*Single day-ahead market coupling*" and Chapter 6 - "*Single intra-day market coupling*" is to unify the short-term energy markets (day-ahead and intra-day), obligations to be fulfilled by the OPEED - "*Designated Electricity Operators*" and OTS - "*Transmission and System Operators*" in Europe.

At the moment, as far as the coupling of the electricity markets in Romania (daily and intraday) is concerned, there are three ongoing projects, namely:

- The XBID project for the coupling of intra-island electricity markets in the European Union. The project foresees the coupling of the intra-island electricity market in Romania. The coupling took place on the Romania - Hungary and Romania - Bulgaria borders on 19 November 2019.
- On 17 June 2021, the Interim Coupling Project (ICP) was launched, which is the coupling of day-

ahead markets in the 4MMC countries with those in Poland, Austria and Germany.

- On 27 October 2021 the integration of the Bulgaria-Romania border into the Single Day-Ahead Coupling (SDAC) was also achieved.
- On June 8, 2022, the Core Flow-Based Market Coupling Project (Core FB MC) for coupling the daily electricity markets in the RCC Core was put into operation, thus initiating the market coupling for the next day based on flows in the Core capabilities calculation region.

The flow-based market coupling mechanism optimizes the European electricity market for 13 countries (Austria, Belgium, Croatia, Czech Republic, France, Germany, Hungary, Luxembourg, Netherlands, Poland, Romania, Slovakia and Slovenia).

In parallel, in the field of electricity, a number of projects are being carried out at the level of Transmission System Operators investigating a number of specific issues in the field of research, development, innovation or challenges related to the implementation of the new Clean Energy Package.

The Horizon 2020 programme is one of the most important research and innovation programmes funded by the European Commission, with a budget of around EUR80 billion, spread over 7 years (2014-2020).

Under this programme, within the LCE pillar - 04- 2017 "*Demonstration of system integration with smart transmission grid and storage technologies with increasing share of renewable*" funds are allocated to support the electricity transmission activity, respectively:

- the projects are addressed to Transmission and System Operators within ENTSO-E;
- Projects must demonstrate a combination of at least two of the following:
 - ✓ electricity transmission technologies and the management of large-scale generation sources in the context of the increasing share of renewable energy sources;
 - ✓ Large-scale storage capacity for transport networks including different storage technologies to be managed centrally;
 - ✓ communication technologies, real-time control tools, to increase flexibility in the operation of transmission networks, for the integration of storage facilities, demand-response mechanisms and interfaces with electricity grid operators;
- new perspectives on wholesale electricity markets, facilitating the participation of renewable

energy sources, active participation as data aggregators to reduce grid operation costs;

- Project proposals will include analyses of the existing regulatory framework, applicable codes and standards, analysis of business models and pan-European energy market architecture;
- the projects will support the Horizon 2020 programme in the context of the smart grid and the promotion of storage.

As far as the electricity market is concerned, the main objectives resulting from the content of the European regulations are the following:

- ✓ To develop a common EU-wide network model for regionally coordinated capacity calculation for all time horizons (long term, daily and intra-day);
- ✓ Implementation of the Flow-Based (FB) concept of capacity calculation, which aims to increase interconnection capacities by at least 10% compared to the NTC-based method, on the one hand, and to increase social welfare, on the other hand, by aligning electricity prices at European level as a result of the coupling of local electricity markets;
- ✓ Establishment and coupling of regional and inter-regional daily and intra-day electricity markets;
- ✓ Ensuring firmness of notified capacities (trading schedules) through redispatching and countertrade mechanisms;
- ✓ Harmonisation of long-term (annual and monthly) capacity allocation rules through the establishment and operation of an EU-wide Single Allocation Platform (SAP);
- ✓ Establish a transparent and non-discriminatory reporting mechanism for the allocation of interconnection capacity between EU Member States;
- ✓ Moving to a 15-minute settlement interval for electricity markets;

In view of the obligations arising from the three EU Regulations, activities have been initiated by the EU OTSs to implement their content. These activities are carried out both at the level of the Capacity Calculation Regions (RCC) and at inter-regional level.

Transelectrica, being part of both the CORE region (by joining the CWE-CEE regions) and the EEA region, is directly involved in the following projects/activities (carried out as a result of the implementation of Regulation 943/2019 on the revision of supply areas):

- Activities aimed at producing documents resulting from the implementation of EU Regulations (drafting of methodologies, procedures, rules, etc.)

- Activities related to the Core region daily energy market coupling project on power flows;
- Activities carried out following the launch of the MultiRegional Coupling (MRC) project;
- Activities related to the EU-wide Intra-EU market coupling project, generically referred to as the SIDC (Single Intraday Coupling);
- Activities related to the interim daily energy market coupling project 4MMC-DE-AT-PL;
- Activities carried out as a result of the coupling of the Romanian and Bulgarian daily energy markets;
- Activities carried out as a result of the transition to the 15-minute settlement interval for electricity markets.

Project MARI - Manually Activated Reserves Initiative

The project started in 2017 as an initiative of the Transmission and System Operators, members of ENTSO-E, aiming at the realisation of the European balancing platform for the trading of manually triggered reserves for frequency restoration (mFRR), a requirement of the European Regulation 2195/2017.

The expected benefits of the MARI project include:

- increasing the efficiency of balancing markets at national, regional and pan-European level;
- integrating balancing markets and promoting trade in balancing services while ensuring operational security;
- the procurement of balancing services in an objective, fair and transparent manner, thereby ensuring the liquidity of the balancing markets.

Transelectrica has been a full member of the European MARI project since 1 January 2018.

The MARI platform is currently being developed at the AMPRION control centre in Germany and was launched in operation on 5 October 2022 with 5 operational members: CEPS from the Czech Republic and the German transmission and system operators TenneT DE, 50Hertz, Amprion, and TransnetBW.

Transelectrica's integration date to the MARI platform is 01 March 2024, according to ANRE Decision no. 2098/23 November 2022.

Project PICASSO - Platform for the International Coordination of Automated Frequency Restoration and Stable System Operation

The PICASSO project is an initiative of the Transmission and System Operators, members of ENTSO-E, launched in the context of the implementation of the new European legislation in this field and consists in the creation of a European

balancing platform for the exchange between Transmission and System Operators of automatic Frequency Restoration Reserves (aFRR).

The main objectives of the project are:

- design, implementation and operation of an aFRR platform
- improving the economic and technical efficiency of the operation of the European synchronous interconnected electricity system;
- integration of European aFRR markets.
- The implementation framework for the European PICASSO platform was approved by ACER on 24 January 2020 by Decision No 02/2020.

The PICASSO project has 26 members and 4 observers. Transelectrica has been a member since 1 October 2018.

The PICASSO platform is developed at the control centre of TransnetBW GmbH and has been launched in operation from 01 June 2022 with the German transmission and system operators 50 Hertz, Amprion, TenneT GmbH and TransnetBW GmbH (Germany), extended from 22 June 2022 with the participation of the Austrian transmission operator APG and from 24 July 2022 by joining the Czech transmission operator CEPS.

Transelectrica S.A. has as date of integration in the PICASSO platform the 1st of March 2024, according to ANRE Decision no. 2098/23 November 2022.

Synchronous interconnection of the energy systems of Ukraine and the Republic of Moldova with the continental European system

Transelectrica is the Transmission and System Operator that has substantially supported, within the framework of ENTSO-E, the synchronous interconnection of the energy systems of Ukraine and the Republic of Moldova with the continental European system.

The timetable for the implementation of the project of interconnection of the systems of Ukraine and the Republic of Moldova with the Continental Europe grid, initially proposed by Ukrenergo, had a duration of 6 years (starting from 2017) with the possibility of extension for another 2 years at the request of Moldelectrica and Ukrenergo.

Actions agreed through signed agreements:

- additional studies to define in detail all the technical measures required for interconnection; these studies were completed in December 2021;

- implementation of technical and regulatory measures resulting from additional studies in the Republic of Moldova and Ukraine. (initial completion date - 2021);

- Conduct interconnection tests according to ENTSO-E procedures (estimated completion date - 2023, depending on the completion of additional studies and implementation of necessary measures).

Isolated operational tests are planned for 2022. In February 2022 isolated operational tests were carried out and were fully successful.

In 2023, interconnected operation tests were foreseen, if the isolated operation tests performed well and all necessary measures were implemented.

In view of the conflict between Ukraine and Russia, on 28.02.2022, Ukraine and the Republic of Moldova submitted a request for emergency synchronous interconnection of the energy systems of the two countries with the European energy network.

Intensive work has been carried out at ENTSO-E level to develop the necessary procedures for interconnected operation, and against the background of the war in Ukraine, on 16 March 2022 the emergency interconnection of the energy systems of Ukraine and the Republic of Moldova to the European energy system, ENTSO-E - Continental Europe, was achieved, a process coordinated at ENTSO-E level by the Regional Group for Continental Europe (RGCE).

In the interconnected operation of the two systems within the ENTSO-E interconnection, there are limitations arising from operational reliability at the

regional level and at the level of the whole ENTSO-E interconnection.

On June 30, 2022, Ukraine and the EU started trading electricity.

Starting from October 15, 2022, Transelectrica organizes daily auctions for the allocation of interconnection capacity on the Romania-Moldova border.

The activity of the consortium that prepared the interconnection process has been completed. The activity of the original project group has also ended and a new project group has been formed within the ENTSO-E Continental Europe Regional Group, which coordinates all activities related to this topic. Thus, at ENTSO-E level activities are carried out through dedicated working groups on:

- establishing transfer capacity in the interconnection, at the level of its profile (i.e. interconnections between Ukraine - Moldova, Ukraine - Hungary, Ukraine - Slovakia, Ukraine - Romania and Republic of Moldova - Romania);
- identifying and proceeding with emergency measures in the event of extensive failures or inability to maintain interconnected operation;
- drafting of a legal document (Multilateral Agreement) on all the above-mentioned and operational issues, to be agreed at ENTSO-E level by all OTS in the Continental Europe synchronous area;

Research-innovation projects funded under the HORIZON 2020 programme

The projects, in which the Company participates as a partner in trans-national consortia, continued their

implementation in the period January-December 2022 with the following characteristics:

Table 26: Research-innovation projects funded under the HORIZON 2020 programme

No.	Project Name	Start Date	Duration (months)	Estimated eligible amount (euro)	Maximum amount to be reimbursed (euro)	Repayment percentage %	Financing agreement
1	CROSSBOW*	Nov.17	54	449.675	314.773	70	773430 - CROSSBOW - H2020-LCE-2016-2017/H2020-LCE-2017-SGS
2	INTERFACE**	Jan.19	48	283.750	198.625	70	824330- INTERFACE - H2020-LC-SC3-2018-2019-2020/H2020-LC-SC3-2018-EN-SCC
3	PHOENIX**	Sep.19	36	85.000	59.500	70	832989 - PHOENIX - H2020-SU-DS-2018-2019-2020/H2020-SU-DS-2018
4	FARCROSS	Oct.19	48	162.500	113.750	70	864274 - FARCROSS - H2020-LC-SC3-2018-2019-2020/H2020-LC-SC3-2019-EN-SCC

No.	Project Name	Start Date	Duration (months)	Estimated eligible amount (euro)	Maximum amount to be reimbursed (euro)	Repayment percentage %	Financing agreement
5	CyberSEAS	Oct.21	36	292.125	204.488	70	101020560- CyberSEAS - H2020-SU-DS-2018-2019-2020 / H2020-SU-DS-2020
6	ELECTRON	Oct.21	36	245.000	171.500	70	101021936- ELECTRON - H2020-SU-DS-2018-2019-2020 / H2020-SU-DS-2020

* The project is completed. The reimbursement of the final tranche from the European Commission is awaited.

**The project is completed. The European Commission's approval is pending for the last periodic report submitted by the Consortium Leader.

CROSSBOW Project

The project, completed in April 2022, was part of the European Commission's Horizon 2020 programme on research and innovation, namely the LCE pillar - 04- 2017 - Demonstration of system integration with smart transmission grid and storage technologies with increasing share of renewables, with a budget of 17 million Euros, fully funded by structural funds.

The Crossbow project is one of the largest funded under this axis, with a value of EUR22,000,000 over 48 months.

The project consortium consisted of 24 partners (from 13 countries):

- 8 Transmission and System Operators in South-East Europe
- 1 Distribution operator
- 1 Regional Security Centre
- 2 Major producers
- 5 Universities
- 6 Industry partners
- 1 Association.

CROSSBOW proposes the pooling of resources to promote cross-border management of renewable energy and storage units, enabling greater penetration of renewable energy sources while reducing grid operational costs and improving the economic benefits of RES and storage units.

The objective of this project was to demonstrate a series of new but complementary technologies that offer transmission system operators greater flexibility and robustness through the following advantages:

- better control of balancing energy at interconnection points;
- New storage solutions - distributed and centralised - that provide ancillary services for the operation of virtual storage facilities;
- improved information and communication technologies - for example better network

observation, allowing flexible generation and demand response schemes;

- Defining a transnational wholesale market, proposing a fair and sustainable return on clean energy by defining new business models that support new player participation and cost reduction.

Transelectrica was one of the largest of the 8 OTSs present, playing an important role in this project, both in terms of network and geographical positioning.

The company has been active in 15 of the 20 work packages organised, having a broad input into this project, the results of which are expected to be important for what will become the power systems in the next decade.

European Research Project - INTERFACE

The project "INTERFACE - Interface architecture to provide innovative grid services for an efficient power system" under the Horizon 2020 framework programme, on the LC-SC3-ES-5-2018-2020 axis: TSO-DSO-Consumer: Large-scale demonstrations of innovative grid services through demand response, storage and small-scale (RES) generation, was one of the 2 projects approved by the EC in summer 2018 on this axis.

The project had a Consortium of 42 partners and ran for 48 months.

It effectively started in January 2019 and aimed at developing and demonstrating a pan-European Interoperable Network Services Architecture (ASRIE), which will become an interface between the power system (TSO & DSO) and customers (consumers) enabling their coordinated operation and service procurement by all actors involved in this chain.

The project will develop and apply cutting-edge technologies based on blockchain and big data management that will bring new opportunities to the energy market, with benefits in the area of integration of renewable resources, lower electricity costs, etc.

The results of the project will bring the following novelty components:

- New services: market rules, coordination and flexible distributed allocation from distributed energy sources;
- Digital technologies: Internet of things, Big data management, Blockchain, Novel AI;
- Advanced communication and information management technologies: which will support the plug-and-play model for different services and tools in an IT platform supporting the implementation of the pan-European Interoperable Network Services Architecture (ASRIE);
- Data models: which will enhance data privacy and have a new structure, ensuring a heterogeneous and unified exchange between different actors at European level;
- Changes and developments in the roles of actors in the SEN: in particular through increased involvement, changing the role of consumers and the energy market by managing their needs and capabilities.

FARCROSS Project

The FACilitating Regional CROSS-border Electricity Transmission through Innovation (FARCROSS) project started in October 2019 with a duration of 48 months, is part of the European Commission's "Horizon 2020" programme on the LC-SC3-ES-2-2019 axis and involves connecting key stakeholders in the energy transformation chain and presenting integrated hardware and software solutions to "unlock" resources for cross-border electricity flows and regional cooperation.

The company is part of the consortium formed to carry out the project, according to Grant Agreement no.864274 and Consortium Agreement with the amount of 183 thousand euro eligible expenses.

The project aims to:

- Address high-level technologies that facilitate increased line throughput (e.g. Dynamyc Line Rating and Power Flow Control);
- Developing markets and market coupling platforms to improve current intra-day markets;
- real-time incident management
- support for systems management, by providing balance and risk mitigation services at regional level
- testing of services to ensure flexibility, congestion avoidance, frequency regulation and flexible integration of microgrids generating/using electricity.

The project is structured in 10 work packages as follows:

- WP1 - ethical requirements that the project must comply with.
- WP2 - project management and quality assurance
- WP3 - changes to national regulations on removing barriers to innovation and cross-border cooperation.
- WP4 - Deployment, demonstration and evaluation of the pilot project - MPFC DEMO: Unlocking cross-border capacity with modular power flow control solutions
- WP5 - Deployment, demonstration and evaluation of the pilot project - DLR-H DEMO: Complex network management, technology for dealing with capacity problems on cross-border transmission lines.
- WP6 - Deployment, demonstration and evaluation of the pilot project - WAMS DEMO: Implementation of a wide area Protection, Automation and Control System (WAMPAC) applied to cross-border transmission systems.
- WP7 - Deployment, demonstration and evaluation pilot project - DEMO, EUROPAN: pan-European modelling framework for improved planning/forecasting of system operation and analysis at inter-OTS level.
- WP8 - Pilot project deployment, demonstration and evaluation - OPTIM-CAP DEMO: Co-optimisation of cross-border capacity auction algorithm.
- WP9 - Cost-benefit analysis.
- WP10 - Exploitation, dissemination and communication.

According to the "Grant Agreement", there are 30 participants, Transelectrica being involved in 3 work packages, namely WP7, WP8 and WP10.

Project ELECTRON

The ELECTRON project ('ELECTRON: rEsilient and seLf-healed EleCTRical pOwer Nanogrid') develops the research theme of building and testing a complex platform that includes risk analysis, detection and mitigation of power system intrusion through cyber-attacks, improvement of power system component confidentiality, cyber training and certification, and mitigation of the effects of cyber-attackers.

The ELECTRON project proposes a series of advanced technology demonstrators, supported through four main pillars:

- ✓ risk assessment,
- ✓ detecting and limiting the effects of power system penetration,
- ✓ Improving power system confidentiality, certification and training in cyber security,
- ✓ developing the ability to restore power service after an attack.

In this context the project will contain several ideas as follows:

- Additional and effective protection for both Internet of Things (IoT) and legacy assets (i.e. both hardware and software entities) of the Power System ecosystem,
- detecting and limiting potential intrusions against devices connected to the mains supply,
- implementing a scheme for continuous risk assessment, thus calculating the risk level of each asset involved,
- improving the confidentiality of communications between components of the Advanced Measurement Infrastructure (AMI),
- Testing the effectiveness of the privacy-preserving platform to prevent potential cryptanalysis attacks against IAM communications .

The project is structured in 10 work packages, the amount allocated to the Company in this project is 171.500 Euro.

According to the Grant Agreement, there are 34 participants, Transelectrica is involved in 9 work packages. The project implementation period is 36 months.

10.2. Platform

FSKAR Platform

Following the application of Regulation (EU) No 1485/2017 laying down guidelines for the operation of the electricity transmission system and Regulation (EU) No 2195/2017 laying down guidelines for balancing the electricity system, common settlement rules for intentional exchanges of energy and common settlement rules for unintentional exchanges of energy have been developed and approved by the Transmission System Operators at ENTSO-E level.

The new set of common rules for the settlement of intentional energy exchanges and unintentional energy exchanges provides for a financial settlement between Transmission System Operators and System Operators, so that bilateral compensations in kind, which Transelectrica has been recording separately in the Revenue and Expenses Budget with the Party Responsible for Balancing Unplanned Exchanges as a result of energy trading on the Day-Ahead Market, will be stopped.

The FSKAR calculation methodology, called Accounting and Financial Settlement of $k\Delta f$, ACE and Ramping period has been implemented from 1 June 2021.



The Settlement Centres at Amprion and Laufenburg transmit the results to each Transmission Operator and System in the form of daily files containing the intentional and unintentional exchanges (quantities - prices) calculated for the respective Transmission Operator and System for each settlement interval.

The price set is the weighted average of prices from trading on the Day-Ahead Markets in all ENTSO-E Member States, in Euro/MWh.

In accordance with the Approval Decisions, at the level of ENTSO-E members, Transmission System Operators have developed at the Coordinated Computing Centre - Amprion a Transmission System Operator imbalance platform called the FSKAR platform.

JAO has been designated as the operator for the monthly energy billing service resulting from intentional and unintentional exchanges. Billing is done in Euro, CET hours.

CMM Platform

On 01.03.2021 the Contract on the common service provider for the CMM platform (Capacity Management Module) entered into force.

During 2020, the ENTSO-E Market Committee approved the development of an IT platform, called CMM, to calculate and harmonise available capacities on interconnection lines between member countries in the PICASSO, IGCC, TERRE and MARI projects.

At the same time, ACER Decision No 02/2020 for the Framework for the implementation of the European platform for balancing energy exchange for frequency restoration through automatic activation and ACER Decision No 03/2020 for the Framework for the implementation of the European platform for balancing energy exchange for frequency restoration through manual activation, approved that Transmission System Operators shall implement a cross-border capacity management function to calculate in a coordinated manner the availability of this capacity and the transmission of values to the platforms where standard balancing products are traded.

The development and operation of the CMM shall be carried out in accordance with the principles and provisions set out in the Master Agreement for European Balancing Platforms of 1.07.2020 (hereinafter referred to as the "Master Agreement");

CMM is currently in the development stage at the Czech transmission and system operator CEPS, with a commissioning deadline of the end of 2023.

IGCC Platform - International Grid Control Cooperation

The IGCC project is the reference project and the starting point for the creation of the unique European Imbalance Netting platform to reduce balancing energy costs (secondary balancing reserve).

The implementation framework for the European Imbalance Clearing Platform was approved by ACER on 24 June 2020 by Decision No 13/2020.

The IGCC platform operates with secondary regulation (step-up and step-down) or RRFa (Frequency Restoration Reserve with automatic activation) and its main objective is to reduce the counteracting actions of the member operators' regulators, resulting in an optimised use of the system reserve "secondary regulation band", at the overall level; the process is basically a way of optimising secondary frequency regulation - exchange power.

In line with the provisions of Regulation (EU) 2019/2017, the IGCC platform currently includes all transmission system operators in the European Union, plus EMS Serbia (non-EU country), which has chosen to join the platform in order to benefit from imbalance compensation, alongside the other EU OTSs. Three Continental European OTSs have observer status - NOS Bih Bosnia and Herzegovina, CGES Montenegro and MEPSO North Macedonia.

On 1 December 2021, Transelectrica's RFP-TEL frequency regulation block was connected to the TransnetBW Germany servers, thus integrating Transelectrica's local IGCC module to the INPF (Imbalance Netting Process Function) located in Wendlingen (main server) and Esslingen (backup server) Germany.

With this joining, the Company has complied with the legal obligations established by Commission Regulation (EU) 2017/2195 of 23 November 2017 establishing a guideline for balancing the electricity system (Article 22).

As a result of the implementation of this project, the amount of energy avoided at activation within the IGCC imbalance compensation platform compensated in 2022 was 174.9 GWh (import) in the sense of power

increase and 258.8 GWh (export) in the sense of power reduction. The benefit obtained from participation in this mechanism was approximately EUR98 million, which represents a decrease in the resulting costs in the Balancing Market.

10.3. Affiliations

ENTSO-E - European Network of Transmission System Operators for Electricity

ENTSO-E aims to promote the integration of the electricity market within the European Union, creating market rules and secure electricity supply based on technical network and electricity market codes.

All transmission system operators shall cooperate at Community level through the ENTSO for Electricity in order to promote the completion and functioning of the internal market in electricity and cross-border trade, and to ensure the optimal management, coordinated operation and sound technical evolution of the European electricity transmission network.

The responsibilities and modus operandi of the Association (Statutes, Internal Rules of Procedure and Rules of Procedure for consultation of other parties) are approved at European Commission level on the basis of the opinion of ACER.

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

- to ensure that the interests of the OTS in the field of research and development are properly addressed to relevant stakeholders;
- to facilitate research and development between STOs;
- provide comprehensive support and a mutually built vision for the research and development activities of ENTSO-E committees and other stakeholders;
- to promote the concepts, methods and research and development technologies that will make up and drive the energy systems of the future;
- support activities related to standardisation and interoperability.

There are also 5 working groups within the RDIC with members from Transelectrica:

- WG1 Assets and Technologies;
- WG2 Security and System operation of tomorrow;
- WG3 Flexibility and Markets;
- WG4 Future of energy systems;
- WG5 Digital & Communication.

In 2022, various workshops were held online with topics of interest and high degree of novelty in which Transelectrica representatives also participated. It was also ensured the participation in the Strategy workshop, organized once a year within the RDIC.

SECI - South East Cooperation Initiative

The SECI TSP project was funded until October 2017 by USAID, and since November 2017 the SECI TSP project has become a special project within ENTSO-E, functioning as a sub-group of the Continental South East Regional Group (CSE RG).

The SECI TSP project involves 10 countries/companies: Albania - OST; Bosnia and Herzegovina - NOS BiH; Slovenia - ELES; North Macedonia - MEPSO; Romania - Transelectrica; Serbia - EMS; Montenegro - EPCG, Greece - IPTO, Italy - TERN and Kosovo - KOST.

CIGRE - International Council of Large Electricity Systems

CIGRE (Conseil International des Grands Reseaux Electriques) - is an international technical-scientific body whose basic objective is to develop knowledge in the field of high-voltage grids and to exchange information between member countries on: the generation and transmission of high-voltage electricity; the construction and operation of connection and transformer stations and their component equipment; the construction, insulation and operation of high-voltage lines; the interconnection of systems and the operation and protection of interconnected systems.

CIGRE is considered to be the most important professional organisation in the electricity sector, with activity within the organisation covering 16 areas of activity, all of which are of major interest to the Company's business.

The company is a member of CIGRE and our specialists are active in the organisation. Active participation of the Company and its representatives has many advantages: free access to all CIGRE publications via e-cigre, access to ELECTRA magazine, participation of young specialists in the activity of the NGN (Next generation Network).

CIGRE membership offers a wide range of benefits incentives, participation, problem-solving and professional development opportunities. Participation can involve formal positions in the global knowledge programme and access to a range of collaborative online tools used by the community. Under CIGRE's new strategy, the activity extends across all links in the energy system from producers, to consumers, to renewables, to electricity storage, etc.



At the same time, since January 2023 the "Women in Energy" forum has been established. CIGRE WiE Romania's mission will be to inspire and motivate women working in the energy sector by facilitating links with similar programmes and international leaders, as well as by increasing the skills of its members in achieving professional goals. The first steering committee leading the activity is represented by two ladies working in the energy sector within Transelectrica- National Energy Dispatcherate.

AIR - Association of Romanian Investors in the Republic of Moldova

AIR is a non-governmental, apolitical, non-profit and public benefit association, created as a "union of legal persons" in accordance with the Constitution of the Republic of Moldova and the Civil Code of the Republic of Moldova. The Company's participation in this Association has the following advantages and permits:

- facilitating cooperation with the homologous operator and other electricity companies in the Republic of Moldova,
- a better identification of the possibilities of exploiting the expertise of the Company in the development, operation and maintenance of electricity transmission networks and related telecommunication networks and process IT, as well as in the implementation of European legislation for transmission and system operators, by carrying out lucrative activities within the energy sector in the Republic of Moldova,
- the possibility of promoting, together with the members of the Association, legislative initiatives in the interest of Romanian investors.

The Association is constituted and operates on the basis of the principles of freedom of association, legality, transparency, equal rights of all members, free expression of opinion by all members and their access to any information related to the Association's activity, self-administration and self-management.



Financial Report



11. Separate financial results 2022

The Company's total operating revenues for the period January-December 2022 increased significantly 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).

Total operating expenses (including depreciation) increased by 52% compared to the same period of the previous year (RON 5,421 million in 2022 compared to RON 3,745 million in 2021).

Allowable Profit Business Segment: The core business area saw a ▲77% increase in revenue (which exceeded the ▲32% increase in operating expenses including depreciation) compared to the previous year.

Within this segment, the most significant increase was recorded in revenues from the allocation of cross-border interconnection capacities, while revenues from the capitalisation of OTC were recorded 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 increase in the unit price of electricity as well as the existing electricity deficit at EU level.

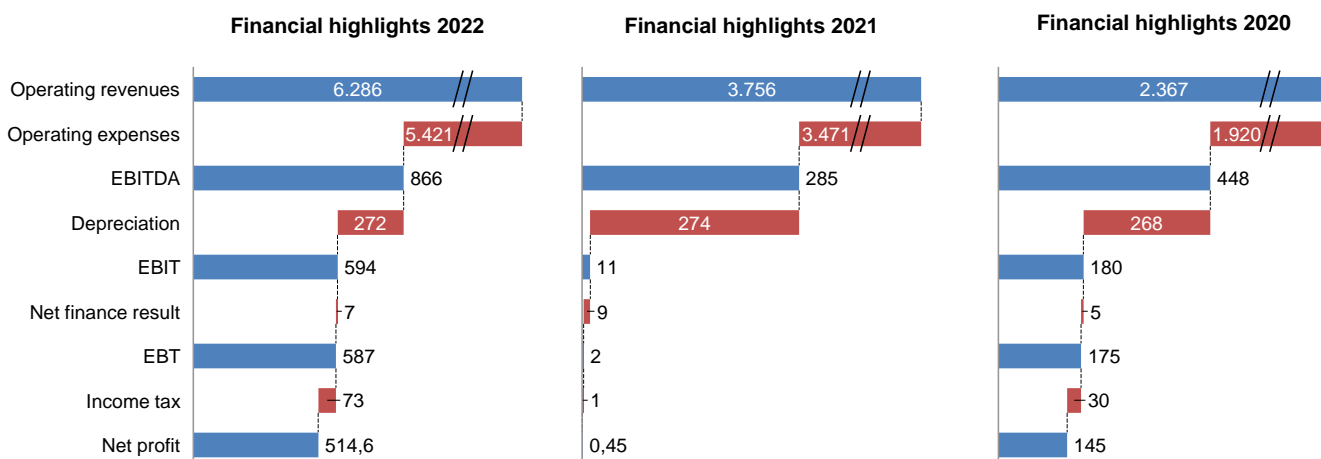
Revenue from interconnection capacity allocation amounted to 399 million lei (compared to 65 million lei in 2021), 42% of which came from daily auctions, similar to the monthly capacity allocation.

The net revenue from the allocation of interconnection capacities (net of corporate income tax and legal reserve) shall be used to make investments in the electricity transmission system to maintain or increase interconnection capacities.

As of 30 September 2022, the Company shall apply the provisions of GEO no. 119/2022, whereby the additional costs for the purchase of electricity made between 1 January 2022 and 31 August 2023 to cover its own technological consumption, compared to the costs recognised in the regulated tariffs, shall be capitalised on a quarterly basis. The company recorded revenues from the capitalization of OTC (non-cash income) in the amount of RON 339 million, representing additional OTC calculated as the difference between the net cost with the purchase of OTC and the cost of OTC included in the regulatory tariff, for the period January 1 - December 31, 2022.

The costs for the purchase of energy to cover own technological consumption (OTC) amount to 827 million lei for 2022, 300 million lei higher than in the previous year (+57%), significantly exceeding the values recorded in recent years, in the context of a net amount of OTC of 959 GWh, down from 1,089 GWh in 2021, but with significantly higher average purchase prices on all markets (Bilateral Contracts Market, Next Day Market, Intraday Market and Balancing Market).

Figure 29: Net result (million lei)



Zero-profit business segment: In the zero-profit business area, there was a significant increase during 2022 in revenues and costs in the balancing market, almost twice as high as in 2021. This segment had a share of 63% in the total operating revenues recorded in 2022.

Expenses on non-profitable activities has increased significantly, amid rising costs in the balancing market in the context of European and national regulations

accentuated by the resources crisis, with an impact on the way contracting is carried out in the pre-balancing market at local and regional level.

We specify that the Company's role on the balancing market is that of an administrator, the European and national regulations specific to this market establishing that Transelectrica is financially neutral in carrying out this activity, it does not record gains or losses.

The non-zero monthly balances (income surplus/deficit) resulting from this activity will be compensated by ex-post tariff correction

(negative/positive correction) applied by ANRE to the tariff in the years following the one in which they were registered.

11.1. Separate profit and loss account

RON mn	2022	2021	2020	22/21
Charged energy volume (TWh)	52.18	56.35	53.85	▼ (7%)
ALLOWED PROFIT ACTIVITIES				
Operating revenues	2,319	1,310	1,198	▲ 77%
Transmission and other revenues on the electricity market	1,930	1,252	1,035	▲ 54%
Functional system services and energy exchanges	0	1	121	n/a
Other revenues	389	57	42	n/a
Operating expenses	1,474	1,051	859	▲ 40%
System operating expenses	902	576	310	▲ 56%
Repairs and maintenance expenses	108	97	98	▲ 11%
Personnel expenses	306	244	273	▲ 25%
Other expenses	158	133	178	▲ 19%
EBITDA	845	259	340	▲ 226%
Depreciation	272	274	268	▼ (1%)
EBIT	573	(16)	589	n/a
ZERO-PROFIT ACTIVITIES				
Operating revenues	3,967	2,445	1,169	▲ 62%
Technological system services revenues	488	623	674	▼ (22%)
Balancing market revenues	3,479	1,823	495	▲ 91%
Operating expenses	3,946	2,419	1,061	▲ 63%
Technological system services expenses	467	610	566	▼ (23%)
Balancing market expenses	3,480	1,810	495	▲ 92%
EBIT	21	26	108	▼ (21%)
ALL ACTIVITIES (WITH ALLOWED PROFIT AND ZERO-PROFIT)				
Operating revenues	6,286	3,756	2,367	▲ 67%
Operating expenses	5,421	3,471	1,920	▲ 56%
EBITDA	866	285	448	▲ 204%
Depreciation	272	274	268	▼ (1%)
EBIT	594	11	180	n/a
Net finance result	(7)	(9)	(5)	▲ 23%
EBT	587	2	175	n/a
Income tax	73	1	30	n/a
Income tax	514.57	0.45	145	n/a
Net result per share	7.02	0.01	1.98	n/a

Activities with allowed profit

Volume of energy charged

In the period January-December 2022, the total amount of electricity charged 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).

Operating income

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 income from the capitalisation of OTC under the category "**Other revenue**" 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

Table 27: Income from allowed profit activities

RON mn	2022	2021	2020		22/21
Operating revenues	2.319	1.310	1.198	▲	77%
Transmission and other revenues on the electricity market	1.930	1.252	1.035	▲	54%
Revenues from transmission tariffs	1.401	1.152	963	▲	21,6%
Revenues from allocating the interconnection capacity	399	65	59	▲	517%
Other transport revenues	130	36	13	▲	263%
System Services and energy exchanges	0	1	121	▼	(82%)
Revenues from functional system services tariffs	0	0	117		n/a
Revenues from energy exchanges	0	1	4	▼	(82%)
Other revenues	389	57	42	▲	n/a

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. Annual, monthly and intra-day (borders with Serbia, Ukraine) auctions are explicit - only transmission capacity is auctioned, while 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-

(2023-2027) in accordance with the relevant legislative provisions.

The revenues obtained from the transport tariff represented only 22% of the total operational revenues recorded by the Company in 2022, this increase partially covering the substantial increase in the costs borne by the Company with the electricity purchased to cover technical losses from the transmission network (OTC).

The increase in transmission and other revenues on the energy market (1,930 million lei at the end of 2022 compared to 1,252 million lei in 2021) is mainly influenced by the evolution of interconnection revenues.

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.

Income 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.

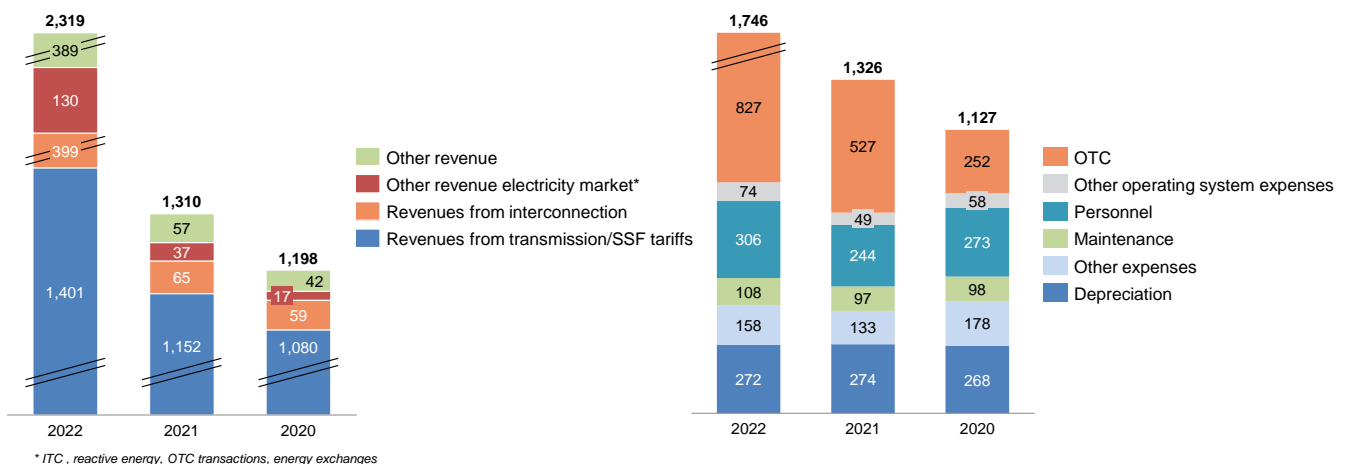
In the period January-December 2022 (as well as during 2021), the main factor that has had a significant impact on the revenue/expense of energy transactions for OTC hedging is the context of rising prices across the energy market, over all time horizons, as the value of realized OTC declines.

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.

Income 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 OTS, in accordance with the provisions of the Contract concluded with UKRENERGO.

Figure 30: Income/ Expenses from activities with allowed profit (mil lei)



* ITC, reactive energy, OTC transactions, energy exchanges

Table 28: Costs from allowed profit activities

RON mn	2022	2021	2020	22/21	22/21
Operating expenses	1,474	1,051	859	▲	40%
System operating expenses	902	576	310	▲	56%
Expenses on own technological consumption	827	527	252	▲	57%
Expenses on congestion	0	2	0	▼	n/a
Expenses on electricity consumption in PTG substations	40	25	16	▲	61%
Expenses regarding the functional system services	0	4	30	▼	n/a
Expenses on Inter OTS Compensation (ITC)	34	19	11	▲	84%
OPCOM administration expenses	0.14	0.22	0.20	▼	(40%)
Repairs and maintenance expenses	108	97	98	▲	11%
Personnel expenses	306	244	273	▲	25%
Other Expenses	158	133	178	▲	19%
Depreciation	272	274	268	▼	(1%)
Operating expenses inclusive of depreciation	1,746	1,326	1,127	▲	32%

Operating expenses from profit-allowed activities (including depreciation) in 2022 increased by 31% compared to the same period last year (1,746 million lei from 1,326 million lei).

System operating costs

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).

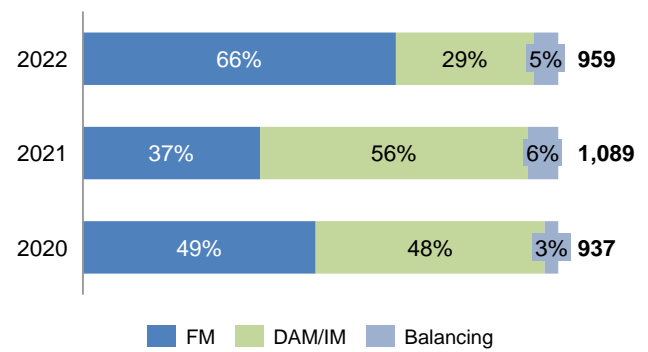
Expenses on OTC

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.

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

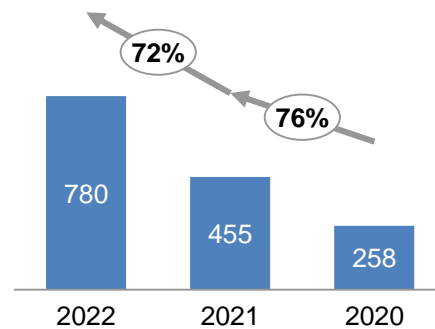
Figure 31: Procurement mix by quantities purchased from markets (GWh)



At the same time, taking into account the provisions of GEO no. 153/2022, Transelectrica will purchase electricity to cover its own technological consumption (OTC) through the Centralised 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.

Figure 32: Average total (net) OTC price on markets (RON/MWh)



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

Expenses on electricity consumption in RET stations 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 OTS Compensation (ITC)

In 2022 these expenses were 84% higher and represent the monthly payment obligations/collection

charges for each transmission system operator (OTS) 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 OTSs that have joined this mechanism within ENTSO-E.

Operating result - activities profit allowed

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 the income from interconnection and income 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 activities

Table 29: Summary of revenue from zero-profit activities

RON mn	2022	2021	2020	22/21
Operating revenues	3,967	2,445	1,169	▲ 62%
Technological system services revenues	488	623	674	▼ (22%)
Balancing market revenues	3,479	1,823	495	▲ 91%

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 increase of +1,656 million lei 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 OTSs, according to the IN (Imbalance Netting) Platform. In this respect, from 01.01.2022 the European platform, International Grid Control Cooperation (IGCC)/IN (Imbalance Netting) Platform for the process of imbalance netting between all OTSs, which performs the automatic frequency restoration process under Part IV of Regulation (EU) 2017/1485, became operational.
 - on 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;
- hydraulic evolution;
- 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/realisations of participants in this market.

For the balancing market management activity, according to ANRE regulations, the monthly non-zero balances (revenue surpluses/deficits) resulting from this activity are to be compensated by ex-post tariff correction (negative/positive 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 national electricity production and consumption 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.

Table 30: Summary of expenses from zero-profit activities

RON mn	2022	2021	2020	22/21
Operating expenses	3,946	2,419	1,061	▲ 63%
Technological system services expenses	467	610	566	▼ (23%)
Balancing market expenses	3,480	1,810	495	▲ 92%

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 SEN and the quality of the electricity transmitted at the parameters required by the technical standards in force.

The contracting of these services is carried out:

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

The procurement of system technology services shall be carried out on a competitive basis through daily tenders in accordance with 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 the value of 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.

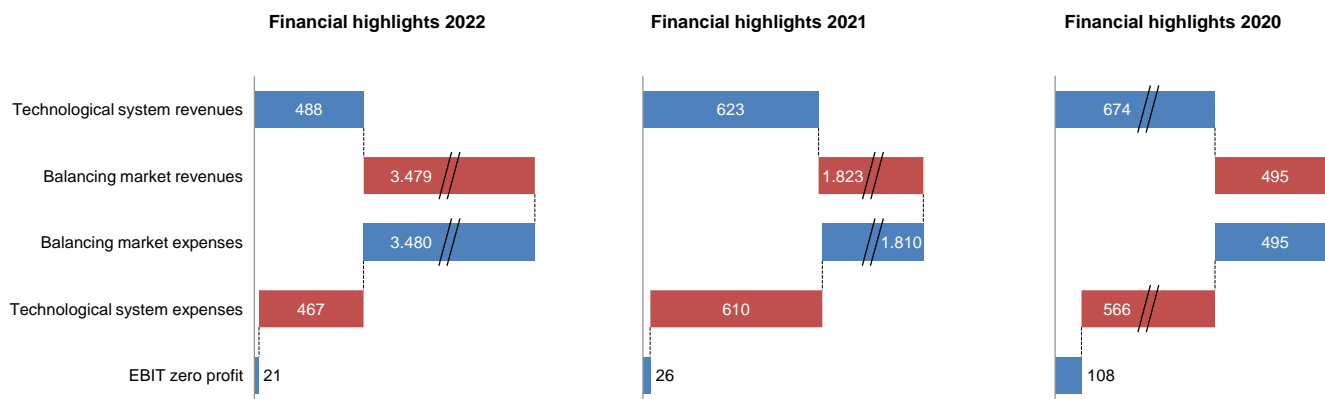
For the year 2023, it is estimated that the evolution of the costs for the purchase of system services through daily and one-way auctions at Transelectrica SA level will have a significant impact on the evolution of ANRE's regulatory framework for the electricity market, as well as on the European context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

Operating result - zero profit activities

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
 Figure 33: Results from zero-profit activities (million lei)

against the level of expenses required to carry out the activities in question.



Gross profit Company (EBT)

Total operating revenue

Total operating revenues 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 revenues from the allocation of cross-border interconnection capacity, the significant increase in revenues from the balancing market and other revenues from the energy market and the registration of a special income (income from the capitalization of OTC. This income is of a non-cash

nature, its collection will be realized by the Company in stages through the transport tariff over the next five years (2023-2027) in accordance with the relevant legislative provisions.

Total operational expenses

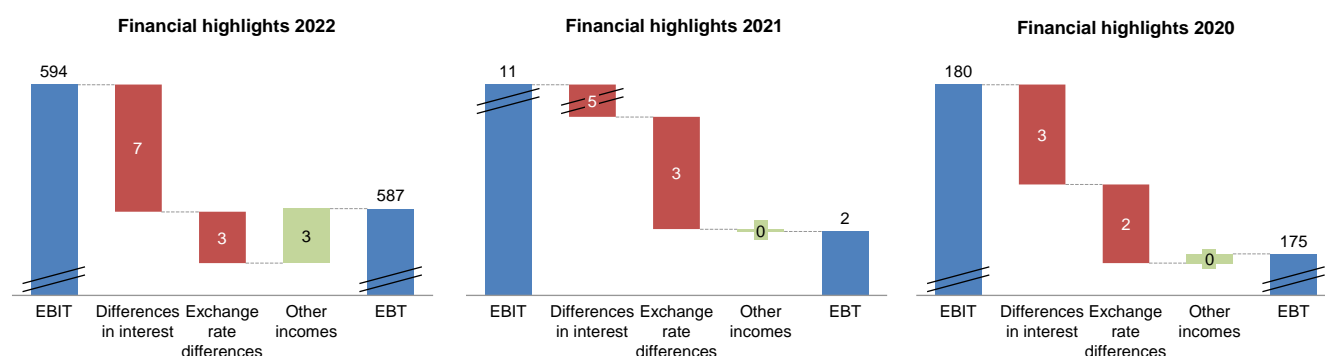
Total operating expenses (including depreciation) incurred in 2022 increased by 52% compared to the same period of the previous year (5,692 million lei in 2022 compared to 3,745 million lei in 2021).

Financial result

Table 31: Exchange rate development as at 31 December

Lei	2022	2021	2020	22/21
1 EUR	4,9474	4,9481	4,8694	▼ (0%)
1 USD	4,6346	4,3707	3,9660	▲ 6%

Figure 34: Financial results (million lei)



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/income from exchange rate differences. Their increased level was significantly influenced by the high volume of transactions related to the market coupling business segment.

Net result

The net result at the end of 2022 showed an appreciation compared to the previous year both on the back of the increase in the unit price of electricity and the electricity shortage across 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.

11.2. Balance sheet - financial position

RON mn	2022	2021	2020	22/21
Non-current assets				
Tangible assets	4.002	3.815	3.561	▲ 5%
Assets representing rights of use under a lease - buildings	22	30	38	▼ (27%)
Intangible assets	338	7	7	n/a
Financial assets	86	82	82	▲ 5%
Total non-current assets	4.447	3.933	3.687	▲ 13%
Current assets				
Inventories	42	40	38	▲ 5%
Trade and other receivables	3.340	2.996	848	▲ 12%
Other financial assets	-	-	-	n/a
Profit tax recoverable	4	21	1	▼ (81%)
Cash and cash equivalents	315	252	554	▲ 25%
Total current assets	3.702	3.309	1.442	▲ 12%
TOTAL ASSETS	8.149	7.242	5.129	▲ 13%
Shareholders' Equity				
Share capital	733	733	733	n/a
Reserves	939	988	1.047	▼ (5%)
Retained earnings	2.196	1.634	1.616	▲ 34%
Total shareholders' equity	3.869	3.355	3.395	▲ 15%
Non-current liabilities				
Long term borrowings	56	79	102	▼ (30%)
Other loans and assimilated debts - Non-current building lease liabilities	15	23	31	▼ (35%)
Other non-current liabilities	617	621	544	▼ (1%)
Total long-term debt	687	723	676	▼ (5%)
Current liabilities				
Trade liabilities	3.372	3.034	888	▲ 11%
Short-term borrowings	92	25	25	▲ 271%
Other loans and assimilated debts - Current building lease liabilities	8	8	7	▲ 2%
Other current liabilities	120	98	137	▲ 23%
Total current liabilities	3.593	3.164	1.058	▲ 14%
Total liabilities	4.281	3.887	1.733	▲ 10%
TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES	8.149	7.242	5.129	▲ 13%

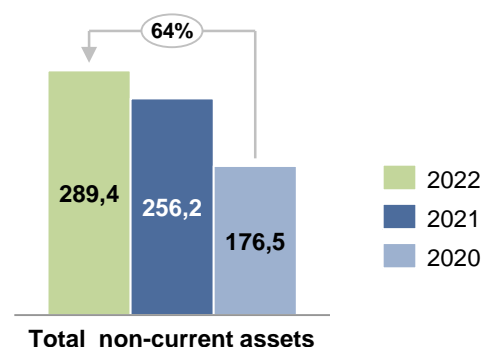
Assets

Fixed 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.

The total value of *property, plant and equipment* at 31 December 2022 compared to 31 December 2021 was driven by the increase in the value of property, plant and equipment in progress concurrent with the recording of depreciation of property, plant and equipment.

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.

Figure 35: Value of fixed assets entered in the accounts (excluding VAT, million lei)



The largest transfers from property, plant and equipment in progress to property, plant and

equipment 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 electrical stations - Phase 2, phase 2 - LOT 1 - LOT 2 - 15,3 mil lei.

Purchases of tangible and intangible fixed 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 - Stâlpu 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 OTS of CEE 300 MW Ivești, CEE 88 MW Fălcu 1 and CEE 18 MW Fălcu 2 through the new (400)/220/110 kV Banca Station - 46,9 mil lei;
- 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.

Fixed assets relating to rights to use leased assets - buildings

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

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 is 21.9 million lei.

Intangible fixed 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 fixed assets

Financial fixed 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 fixed assets as at 31 December 2022 is RON 86 million.

Given that the energy sector is undergoing a process of transformation at the European level, focusing 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 the European level, ensuring a unified development at the continental level but also allowing for adaptation to national specifications while pursuing the legitimate interests of the European states, 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 EUR259,325 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 EUR50,000, 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 (EUR50,000). On 07.02.2023 by repaying the value of the shares held, the Company effectively exited this association.

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 200 million lei (2,394 million lei at 31 December 2022 compared to 2,194 million lei 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, RAN, 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 debts, the Company applied and still applies the provisions of art. 17 para. 5 of the Order of the Chairman 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 (OTS) 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.

The 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 by 13 January 2023.

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).

Equity and debt

Long-term debts 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 debt

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 the 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 the electricity purchased for OTC.

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 payables. 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 the total energy suppliers is 91.7%.

- the significant decrease of the debts 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 from December 2022 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 debts 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 Chairman of ANRE no. 116/2013, as the suppliers (producers) have payment obligations towards the Company on the bonus support scheme.

- **suppliers of fixed 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, debt 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.

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.

Table 32: Cash flow

RON mn	2022	2021	2020		22/21
Operational activities					
Cash flows before changes to working capital	537	247	494	▲	289,5
Changes to working capital	11	(25)	177	▲	35,4
Paid interests and taxes	(70)	(28)	(54)	▼	(42,2)
Net cash from the operational activities	478	195	617	▲	282,7
Investment activity					
Acquisition of tangible and intangible assets	(462)	(495)	(375)	▲	32,8
Collections from the investment activity	12	96	7	▼	(83,4)
Participation titles held in SELENE CC	0	0	(0,24)	▼	-
Dividends cashed	2	0	0	▲	1,5
Other financial assets	0	0	85	▼	-
Cash used in the investment activities	(448)	(399)	(284)	▼	(49,1)
Financing activity					
Repayments of non-current borrowings	(24)	(24)	(25)	▼	(0,03)
Use of cogeneration credit line	0	0	(30)	▼	-
Use of working capital credit line	68	0	0	▲	67,6
Building lease payments	(11)	(11)	(10)	▼	(0,05)
Dividends paid	(0,1)	(64)	(36)	▲	63,6
Cash used in the financing activities	33	(98)	(100)	▲	131,1
Net increase/decrease in cash and cash equivalents	63	(302)	233	▲	365
Cash and cash equivalents as at January 1st	252	554	321	▼	(302)
Cash and cash equivalents at the end of the period	315	252	554	▲	63

Table 33: Indicators of profitability, liquidity, risk and activity

Ratio	Formula	2022	2021	2020
Profitability ratios				
EBITDA in total sales	$\frac{\text{EBITDA}}{\text{Turnover}}$	15%	7%	19%
EBITDA in shareholders' equity	$\frac{\text{EBITDA}}{\text{Shareholders' equity}}$	22%	8%	13%
Gross profit rate	$\frac{\text{Gross profit}}{\text{Turnover}}$	10%	0%	8%
Rate of return on capital	$\frac{\text{Net profit}}{\text{Shareholders' equity}}$	13%	0%	4%

Ratio	Formula	2022	2021	2020
Liquidity ratios				
Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	1,03	1,05	1,36
Quick ratio	$\frac{\text{Current assets} - \text{Inventories}}{\text{Current liabilities}}$	1,02	1,03	1,33
Risk ratios				
Indebtedness ratio*	$\frac{\text{Debt capital}}{\text{Shareholders' equity}}$	4,4%	4,0%	4,8%
Indebtedness ratio*	$\frac{\text{Debt capital}}{\text{Committed capital}}$	4,3%	3,9%	4,7%
Interest coverage rate %	$\frac{\text{EBIT}}{\text{Interest expenses}}$	62,33	1,38	18,45
Activity ratios				
Clients' turnover	$\frac{\text{Average client balance}^{**} \times \text{no. days}}{\text{Turnover}}$	57,88	67,84	69,18
Non-current assets turnover	$\frac{\text{Turnover}}{\text{Non-current assets}}$	1,33	0,94	0,63

* 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.

12. Regulated tariffs for electricity transmission

General Manager

The current model for regulating transmission tariffs in Romania is revenue cap.

The model involves regulating the total revenue allowed to the transmission system operator and includes the objectives of ensuring the necessary prerequisites for the efficient operation of the transmission service and maintaining the financial viability of the operator in order to adequately remunerate financiers and maintain access to financing.

The model contains mechanisms to incentivise operational efficiency and a financial return framework based on the control of the operator's investments (the regulated asset base) and a regulated rate of return based on the operator's estimated average cost of financing.

Tariffs for electricity transmission services are set for regulatory periods. Regulatory periods are multi-year tariff regulation cycles (currently 5 years), during which a tariff calculation methodology is applied² and for which a complete set of parameters is pre-determined over the horizon of the respective periods for the actual tariff calculation.

Setting tariff parameters on multi-year horizons gives a high level of predictability and visibility of Transelectrica's investments, operational costs and revenues.

Within a regulatory period, tariffs are reviewed annually and remain valid for periods of 12 months from the date of approval (tariff years).

Differences between forecast and actual values of tariff calculation parameters for a given tariff year are compensated by ex-post corrections implemented in the tariff in subsequent tariff years or at the beginning of the next regulatory period.

In the case of certain specific components of the regulated cost base that are subject to caps, the overrun of the forecast level of those costs shall not be compensated. Also in the case of certain cost components, the savings achieved are partially retained by Transelectrica.

The set of calculation parameters is approved by ANRE and includes:

- costs of the day-to-day operation of the service: controllable and non-controllable operating and maintenance costs, own technology consumption, internal network congestion, costs and revenues related to the financial compensation mechanism for electricity transits within ENTSO-e;
- service development costs: planned investments in the transmission network, depreciation schedule based on regulated service lives, return on invested capital based on a regulated rate of return applied to the regulated asset base;
- the quantity of electricity that can be charged for.

Transmission tariffs are billed on the basis of the quantities of active electricity input/output from the public electricity grids in Romania, excluding imports/exports.

Transelectrica charges a transmission tariff for injection into the public electricity networks (tariff component TG) and for extraction from the public electricity networks (tariff component TL).

The TG does not apply to electricity produced by power plants with a small installed capacity of up to 5 MW. The TG also does not apply to imported electricity. TL does not apply to exported electricity.

Tariffs valid until 2022

Transport tariff (transport service + system functional service)

In accordance with the *Methodology for setting tariffs for the electricity transmission service* approved by Order of the Chairman of ANRE No 171/2019, as subsequently amended and supplemented by ANRE Order No 153/2020, the method for determining regulated revenues and calculating regulated tariffs for the electricity transmission service is established, tariffs which also include the component relating to the system functional service.

In view of the above, we present in the table below: the average tariff for electricity transmission service, with the related component:

- of electricity fed into the grid (Tg),
- electricity extraction from the grid (TI).

² The methodology currently applied is the one approved by ANRE Order No 171/2019 with subsequent amendments and additions.

Table 34: Transport tariff

Activity	u.m	Applied tariff 1 Jan - 31 Dec 2021	Applied tariff 1 Jan - 31 Mar 2022	Difference (%)	Applied tariff 1 Apr 2022 - 31 Mar 2023	Difference (%)
(1)	(2)	(3)	(4)	(5)=(4)/(3)	(6)	(7)=(6)/(4)
Electricity transmission	lei/MWh	20.55	23.96	16.59%	28.10	17.28%
<i>Transmission Tariff - the feed-in component</i>	lei/MWh	1.30	1.49	14.62%	2.53	69.8%
<i>Transmission Tariff - the component of electricity withdrawal from the grid</i>	lei/MWh	19.22	22.47	16.91%	25.57	13.8%

Thus, the factors that have had a significant contribution to the change in tariffs presented in the above table applicable from 1 January to 31 March 2022 (according to ANRE Order no.124/24.11.2021) and from 1 April 2022 to 31 March 2023 (according to ANRE Order no.33/23.03.2022) are detailed as follows:

- 1) *When setting tariffs applicable from 1 January to 31 March 2022*, the results of the annual corrections for 2020 (ex-post corrections), calculated separately for regulated transmission activities and functional system services, were taken into account due to the fact that different tariff setting methodologies and therefore separate tariffs for these activities were applied in 2020.

Thus, the correction factors relating to the closure of 2020, which had a significant contribution to the change in tariffs from 1 January 2022, are detailed as follows:

➤ **Corrections related to the transport service**

- a) Correction for differences in the amount of electricity extracted and the purchase price of OTC. The amount of the correction is -30,395,017.00 lei.
- b) Correction related to the income from the application of the electricity transmission tariff. The amount of the correction is +36,417,075.00 lei.
- The tariff revenue correction was calculated as: the difference between the approved regulated revenue for 2020 adjusted by the correction difference applied in the tariff as of 1 January 2021 for the period 1 - 15 January 2021 to reflect the reduction of the OTS contribution to the ANRE budget that was not considered on 1 January 2021 (on 1 January 2021 the contribution was calculated at the level of 1% as of 1 January 2021) and the revenue achieved in 2020.
- c) The difference between the percentage inflation figures for 2020 reported by the National Forecast Commission in the Autumn 2019 Forecast vs. the

Spring 2021 Forecast. The amount of the correction is -9,121,467.00 lei.

NPC - Autumn 2019 Forecast	NPC - Spring 2021 Forecast
2020	2020
3%	2,06%

- d) Correction for uncontrollable operating and maintenance costs. The amount of the correction is +3.816.197,00 lei.
- e) Correction for electricity transmission between OTS. The amount of the correction is -5.177.692,00 lei.

➤ **System functional service corrections**

The corrections related to the system functional service for the year 2020 amounted to +14,988,903.00 lei and were made in accordance with the provisions of *the Methodology for establishing the tariffs for the system service*, approved by ANRE Order no. 45/2017, applicable to the system functional service for the year 2020.

2) The *change in tariffs from 1 April 2022* was based on the provisions of Article 14(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 energy-related legislation. Thus, ANRE established the amount of additional expenses for the purchase of electricity necessary to cover its own technological consumption generated by the increase in prices on the wholesale market in the amount of 172,598,330.00 lei.

The value specified above resulted from the difference between the average electricity price for regulated OTC coverage taken into account ex-ante in the calculation of tariffs for 2021 of 288.76* lei/MWh, and the new average price of electricity to cover the regulated OTC recognized by ANRE at 455.28 lei/MWh.

System service charge (formerly system technology services)

In accordance with the provisions of *the Methodology for establishing the tariffs for the system service*, approved by Order of the Chairman of the National

Energy Regulatory Authority no. 45/2017, with subsequent amendments and additions, the tariff for the system service has been established, applicable from 1 January 2022, according to ANRE Order no. 124/24.11.2021.

Table 35: System service tariff

Activity	u.m	Applied tariff 1 Mar - 31 Dec 2021	Applied tariff 1 Jan - 31 Dec 2022	Difference (%)
System service	lei/MWh	10.82	9.32	-13.86%

In determining the regulated revenue and system service tariff for 2022 (shown in the table above), the following was taken into account:

➤ **Corrections:**

- a) The second tranche of the correction determined upon approval of the tariff valid from 1 March 2021 and recalculated taking into account the inflation rates achieved, in the amount of -56,414,653.00 lei;
- b) Penalty income of -1,200,000 lei.

➤ **Assumptions:**

- a) For the purchase of secondary regulation reserve on the power increase direction, the quantities requested by TEL were considered. At the same time, the price used was updated to the value of 75.80 lei/hMW, in accordance with TEL's request, representing the weighted average price for the period March - September 2021;
- b) For the purchase of secondary balancing reserve in the power reduction direction, the required

- quantities were not considered, since the secondary balancing requirement from previous tariff periods (realised values) is around 3,900,000 hMW, and the secondary balancing reserve quantity in the power increase direction was considered at the level of 3,828,000 hMW;
- c) For the purchase of fast tertiary reserve on the power increase direction the required quantities were considered. At the same time, the price used was updated to 46.96 lei/hMW, in accordance with TEL's request, representing the weighted average price for the period March - September 2021;
- d) For the purchase of fast tertiary reserve in the power reduction direction the required quantities were considered. At the same time, the price used was updated to 12.33 lei/hMW, in accordance with TEL's request, representing the weighted average price for the period March - September 2021;
- e) For the purchase of reactive electricity, the quantities requested and the price of 199.68 lei/hour-group, approved by ANRE Decision no. 1078/29.06.2020, were considered.

*The price of 288.76 lei/MWh resulted from the calculation: $262.71 * 1.0206 * 1.077 = 288.76$, where:
262.71 lei/MWh - the forecast OTC price for 2021 in real terms of 2019
1.0206 - realised inflation in 2020

1.077 - the estimated inflation in 2021, according to the autumn forecast issued by the National Forecast Commission.

13. Disputes

The most important disputes impacting the Company are presented below:

- **ROMENERGY INDUSTRY**

The subject matter of the case No 2088/107/2016 is 'Bankruptcy - Request for inclusion in the creditor's list'.

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

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

- **RAAN**

The subject matter of the file No **9089/101/2013/a140** is an action for claims/ objection against the supplementary list of claims against the debtor RAAN.

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

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

Decision no. 163/20.06.2019: Accepts the exception of forfeiture. Partly upholds the main action and the related appeal. Orders the defendant to pay the plaintiff the sum of 16,950,117.14 lei, a claim arising in the course of the proceedings, and orders that it be entered in the creditors' list set up against the debtor RAAN for that amount. Dismisses the remainder of the related claims.

Transelectrica appealed within the legal time limit. The appeal was dismissed as unfounded. Transelectrica has filed an application for review on the grounds of inconsistency of judgments, which is registered under no. 1711/54/2019 and will be heard by the High Court

of Cassation and Justice. The objections of untimeliness and inadmissibility were raised. The ICCJ's decision: accepts the exception of tardiness of the request for review. The next scheduled hearing is on 06.10.2022.

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

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

*File no. **3694/3/2016** - Claims 15.698.721,88 lei. Trial date 08.11.2021: the case has been adjourned until the final resolution of Cases No 26024/3/2015 and No 28458/3/2017. Decision of 09.05.2022: Rejects the request to redocket as unfounded. With appeal for the duration of the suspension.*

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

*File No **26024/3/2015** - Re: order the defendant to pay the amount of RON 10 048 628,86. ICCJ decision of 01.03.2022: Admit the appeal lodged by RAAN and refer the case back to the CAB. Final. Decision of the CAB: Appeal accepted. Reverses the judgment under appeal in its entirety in the sense that: admits the request as formulated. Orders the defendant to pay the applicant the amount of 10,048,628.86 lei. With a right of appeal within 30 days from the communication. Judgment 1933/12.12.2022*

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

*File No **28460/3/2017** - Re: order the defendant to pay a total of RON 12,346,063. CAB solution 27.09.2021: suspend the appeal proceedings until the final resolution of the cases No. 28458/3/2017, No. 26024/3/2015. Decision of 23.05.2022: Rejects as*

unfounded the redocket. Maintains the suspension of the appeal trial.

- **CET Govora**

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

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

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

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

- **MUNICIPALITY OF REȘIȚA**

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

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

The Court of First Instance (CS): Suspends the proceedings on the claim brought by the applicant, the Municipality of Reșița, through the Mayor, against the defendant Transelectrica, concerning claims under

Article 413(1)(1) of the Civil Procedure Code. With an appeal to the superior court while the proceedings are suspended. Document: Decision - Suspension 22.03.2021.

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

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

- **NAFA**

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

Summary judgment: Grant the appellant's claim for a suspension of proceedings. Pursuant to Article 413 para. (1) para. 1 of the Civil Procedure Code, suspends the proceedings until the final resolution of **case no. 1802/2/2018**, pending before the Bucharest Court of Appeal, Administrative and Fiscal Litigation Section VIII. With appeal for the entire duration of the suspension, the appeal application to be filed at the District 1 Court of Bucharest. Delivered in open court. Document: Decision - Suspension 17.04.2018.

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

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

- ✓ cancels the obligation to pay corporation tax in the amount of 18,522,280 lei, VAT in the amount of 5,694,636 lei and the related tax accessories in the amount of 48,436,653 lei, tax obligations established for the 349 special tax invoices found to be missing from the applicant's management.
- ✓ removes the non-deductible character in the calculation of the taxable profit of the amount of 27,001,727 lei, representing the technological system services invoiced by the energy suppliers,

considered non-deductible following the tax inspection and the obligation to pay the main and accessory tax claims related to this amount.

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

calculated for a period of more than 6 months from the date of commencement of the tax inspection, in respect of the principal tax liabilities which have been upheld by the court by the present judgment, as determined by Tax Decision No.F-MC 439/30.06.2017, issued on 12.07.2017, by NAFA - DGAMC, Tax Decision No. F-MC 439/30.06.2017, issued by NAFA - DGAMC and by Decision No. 122/13.03.2018, on the settlement of the appeal lodged against Tax Decision No. F-MC 439/30.06.2017, issued by NAFA - Directorate General for Dispute Resolution.

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

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

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

The parties appealed. ICCJ deadline: **13.12.2023**.

• **CONAID COMPANY SRL**

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

The case is adjourned to 28.09.2022 for lack of reply to the objections. The new hearing date is **03.05.2023**.

• **OPCOM**

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

Order the defendant OPCOM SA to pay the amount of 4,517,460 lei, related to the invoice series TEL 16 AAA no. 19533/29.07.2016, representing the VAT countervalue, related to the contribution made by NPG

Transelectrica SA to the share capital of OPCOM SA, issued on the basis of the Loan Agreement no. 7181RO/2003, commitment to finance the investment project "Electricity Market Project".

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

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

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

Decision of the CAB according to Decision No 532/12.10.2022: Dismiss the appeal as unfounded. Orders the appellant to pay the respondent the amount of 11,325.21 lei by way of costs. With appeal within 30 days of communication. Transelectrica has appealed against Civil Decision no.532/12.10.2022 pronounced by the CAB, the case has been submitted to the ICCJ and is in the filtering procedure.

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

Hearing: **16.05.2023** for expert evidence.

- **GRAND VOLTAGE**

File **no.17976/3/2021**, registered at the Bucharest Court of First Instance, concerning a claim for damages, by which the applicant Grand Voltage seeks an order that the defendant NPG Transelectrica SA pay compensation for the damage caused to the undersigned in the amount of EUR 6 125.822,13 lei as a result of the culpable non-fulfilment of the obligations related to the Works Contract no. C 111/23.05.2018 concerning the "Connection of the 100kV Isaccea - Varna LEA and the 400 kV Isaccea-Dobrujda LEA to

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

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

- **ANRE**

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

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

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

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

- **COURT OF ACCOUNTS**

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

At the deadline of 13.06.2018, the action of the plaintiff-Transelectrica SA is partially admitted. Annuls in part the decision no. 7/20.02.2014, the decision no. 37/9.12.2013 and the inspection report no. 35521/6.11.2012 issued by the defendant in relation to the measures ordered by the decision referred to above in paragraph. I.1, I.3, I.6, I.8, I.11, II.14, II, 15, II.17, II.18, II.20, II.21, II.22 and partially the measure at points I.1, I.3, I.6, I.8, I.11, II.14, II, 15, II.17, II.18, II.20, II.21, II.22 and partially the measure at points I.1, I.6, I.8 and I.11. II.13 in the sense of removing the

phrase "including those found for invoices issued by SC FLOREA ADMINSTRARE IMOBILIARĂ SRL". Dismisses the remainder of the plaintiff's action as unfounded. Approves the electro-energetic technical expertise report drawn up by expert Toaxen Vasile.

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

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

New case no. **2985/1/2021** on 24.11.2022 ICCJ declares null and void the appeal filed by the Company.

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

Following an audit carried out in 2017, the Court of Auditors ordered certain measures to be implemented by the Company as a result of some deficiencies found during this audit. The Company filed a number of 8 appeals against the measures ordered by the Court of Accounts of Romania (CoA) by Decision no. 8/27.06.2017, requesting their annulment, as well as the Decision no. 77/03.08.2017, registered at the Company's registry under no. 29117/08.08.2017, respectively the Control Report no.19211/26.05.2017. The appeals are pending before the Bucharest Court of Appeal (**2 files: file no.6576/2/2017** concerning the annulment of the findings under points 7.1, 7.2 and 8, as well as the measure ordered under point II.10, deadline 20.01.2021, solution: the objections of inadmissibility, raised in the statement of defence, are rejected, the request is rejected as unfounded, TEL filed an appeal on 19.11.2021 and **file**

no.6581/2/2017 on the annulment of the findings in point 6 as well as the measure ordered in point II.9, hearing **31.03.2023**.

Six cases have been definitively settled, with the dismissal of the request for annulment by the Bucharest Court of Appeal and the dismissal of the appeals by the High Court of Cassation and Justice (**case no. 6574/2/2017** concerning the annulment of the findings in point 5.2 and the measure ordered in point II.8, **case no. 6577/2/2017** concerning the annulment of the findings in point 13 and the measure ordered in point II.13, which became **case no. 1614/1/2020**, **case no. 6578/2/2017** on the annulment of the findings in paragraph 9 and the measure ordered in paragraph II.11, **case No 6580/2/2017** on the annulment of the findings in paragraph 10 and the measure ordered in paragraph II.12, **case No 6582/2/2017** on the annulment of the findings in paragraph 11 and the measure ordered in paragraph I.5 and **case No 6583/2/2017** on the annulment of the findings in paragraph 5.1 and the measure ordered in paragraphs II.7 and II.8).

- The object of the file **No 2153/2/2021** is the annulment of the administrative act issued as a result of the control carried out by the CoA 77in January-July 2020, which ordered 10 measures to be implemented by the Company contained in Decision No 15/2020.

At the hearing on 10.12.2021, the CAB rejects the Company's application for a writ of summons.

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

At the same time, the Company is also involved in litigation with former members of the Directorate and Supervisory Board, and for these disputes the Company has updated its provisions.



Report
Corporate governance and
social responsibility



14. Corporate governance

Corporate Governance Regulation

With the listing of its shares on the regulated market of the Bucharest Stock Exchange ("BVB"), the Company has adopted the principles of the BVB's Corporate Governance Code. In accordance with the BVB's requirements, Transelectrica has made public to investors the revised Corporate Governance Rules of the Company.

The objective is to improve and strengthen the elements and principles of corporate governance to protect shareholders and their rights and to comply with transparency requirements.

The Corporate Governance Regulation is an extremely important tool for the Company and aims, in particular, to bring together in a single document, in a concise form, the main existing rules and regulations already applied by the Company. The core elements of this Corporate Governance Regulation are access to information for investors and the protection of shareholders' rights.

The Company has adopted a transparent culture and an effective corporate governance model, the internal supporting documents and the Company's conduct are aligned with the new requirements of the BVB Corporate Governance Code. Reporting obligations in accordance with the new BVB Corporate Governance Code are included in the periodic reporting.

The document is drafted in accordance with the principles set out in the BVB Corporate Governance Code and can be found on the website www.transelectrica.ro, under Investor Relations/ Corporate Governance/ Corporate Governance Code of the Company.

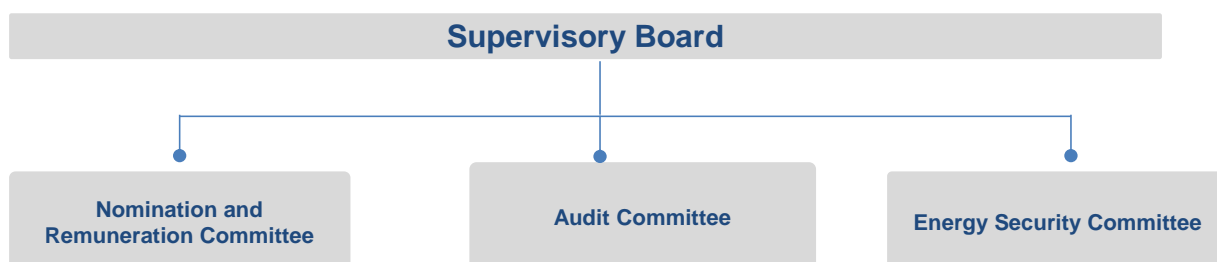
Other applicable documents

The Company complies with the provisions of primary and secondary legislation pertaining to the capital market, as well as the regulations of the BVB and other bodies, and complies with and applies all

provisions of the legislation of companies and public enterprises, including internal regulations and documents of the Company relevant to this field, among which:

- Law no.24/2017 on issuers of financial instruments and market operations, republished, as amended and supplemented;
- ASF Regulation No 5/2018 on issuers of financial instruments and market operations, as amended;
- Bucharest Stock Exchange Code BVB Corporate Governance Code;
- Corporate Governance Code and the set of Anti-Corruption Principles developed by AmCham Romania, which are international benchmarks for a healthy business climate;
- Company Law no.31/1990, republished, as amended and supplemented ("Law no.31/1990");
- GEO No 109/2011 on corporate governance of public companies, as amended and supplemented ("GEO No 109/2011");
- The listing commitment, by which Transelectrica, at the Initial Public Offering (in 2006), undertook to respect the rights of security holders and to ensure equal treatment for all security holders of the same type and class;
- The Company's updated Articles of Association ("Articles of Association");
- The Supervisory Board's Rules of Organisation and Functioning, updated;
- Internal rules of the Board, updated;
- The Code of Business Ethics, binding on all structures of the organisation, which sets out the ethical rules of conduct that establish and regulate the corporate values, responsibilities, obligations and business conduct on which the organisation has been built.

Figure 36: Structure of the Supervisory Board on 31 December 2022



Supervisory Board

(hereinafter also referred to as "CS")

The composition of the Supervisory Board on 31.12.2022 was as follows:

- Cătălin-Andrei Dascăl - Chairman
- Teodor Atanasiu - Member
- Virgil-Dumitru Orlandea - Member
- Costin-Mihai Păun - Member
- Gheorghe Sterp Vingărzan - Member
- Alexandru-Cristian Vasilescu - Member
- Luminița Zezeanu - Member

According to the Articles of Incorporation, the SB is composed of seven members, appointed for a maximum period of four years and may be dismissed at any time by the General Meeting of Shareholders of the Company ("GMS").

All members are non-executive, the management of the Company being vested, under the law and the Articles of Association, in the Directorate. The members of the SB may meet at any time, but in any case at least once every three months.

The company bears the costs of the professional liability insurance of the SB members. The amount of the sum insured and the insurance premium have been determined by resolution of the GMS.

In 2022, the SB met whenever the interests of the Company required discussions on matters within its competence.

Election of members of the Supervisory Board by cumulative voting method

At the request of shareholders representing, individually or jointly, at least 10% of the subscribed and paid-up share capital, the Directorate shall convene a mandatory GMS with the election of the members of the SB by cumulative voting.

Any shareholder holding less than 10% of the subscribed and paid-up share capital may make written proposals to the Directorate for the application of the cumulative voting method within 15 days of the date of publication in the Official Gazette of Romania, Part IV, of the notice of the general meeting of shareholders with the election of the members of the SB on the agenda. In this case, the application of the cumulative voting method for the election of the members of the SB is subject to the vote of the General Meeting of Shareholders.

By the cumulative voting method, each shareholder has the right to allocate his cumulative votes - obtained by multiplying the votes held by any shareholder, according to the shareholding, by the

number of members to form the SB - to one or more persons proposed for election to the Supervisory Board.

In exercising cumulative voting, shareholders may cast all cumulative votes for one or more candidates. Shareholders shall indicate the number of votes cast for each candidate.

If the cumulative voting method is applied, the members of the SB in office on the date of the general meeting will be automatically included on the list of candidates for the election of the members of the SB together with the candidates proposed by the shareholders.

All candidates on the list of candidates will be put to a shareholder vote at the GMS.

Members of the SB in office at the date of the General Meeting who are not reconfirmed by cumulative vote as members of the SB shall be deemed to be removed from office by resolution of the General Meeting.

The term of office of the members of the SB in office on the date of the general meeting of shareholders at which cumulative voting was applied shall continue in the event of their reappointment by cumulative voting.

In the event that two or more persons proposed for election to the SB receive the same number of cumulative votes, the person who has been voted for by a greater number of shareholders shall be declared elected as member.

The criteria for the election of the members of the SB in the event that two or more nominees obtain the same number of cumulative votes cast by the same number of shareholders shall be determined by the general meeting of shareholders and specified in its minutes.

During 2022 the members of the SB were not elected by cumulative voting.

Remuneration of the Supervisory Board

During the period 01 January 2022 - 17 August 2022, the members of the Supervisory Board had a fixed monthly gross indemnity, according to the form of the mandate contract approved by the GMS Decisions no. 8/14 December 2021, and no.3/18.04.2022, in the amount of 13.976 lei.

For the period 18 August 2022 - 31 December 2022, the members of the Supervisory Board had a fixed monthly gross compensation of 17,926 lei gross/month, according to the GMS Decision no. 6/18 August 2022.

Powers of the Supervisory Board

The Supervisory Board has the following main tasks:

- exercises control over the way the Directorate runs the Company,
- checks the income and expenses budget and the investment programme for the financial year submitted for approval to the general meeting of shareholders,
- performs any duties provided for by the special legislation applicable to the administration of public undertakings,
- determines the structure and number of members of the Board,
- appoints and dismisses the members of the Directorate and determines their remuneration,
- verifies that the activity carried out in the name and on behalf of the Company complies with the law, the articles of association and the resolutions of the general meeting of shareholders,
- submits to the general meeting of shareholders at least once a year a report on the supervisory activity carried out,
- represents the Company in its relations with the Board,
- approves the internal rules of the Directorate,
- verifies the financial statements of the Company,
- verifies the report of the members of the Directorate,
- proposes to the General Meeting the appointment and dismissal of the financial auditor and the minimum duration of the audit contract,
- approves the Company's transactions with related parties in the cases and under the conditions prescribed by law.

However, in exceptional cases, when the interest of the Company so requires, the Supervisory Board may convene a general meeting of shareholders and certain types of operations may only be carried out with the consent of the Supervisory Board. These are as follows:

- the purchase of products, services and works, irrespective of duration, with a value of more than EUR 5 000 000,
- operations for the provision of transmission service, system services and wholesale electricity market management, operations for the collection of the contribution for high efficiency cogeneration, operations for the payment of the bonus and refund of overcompensation/undue bonus, operations for connection to the RET, for the realisation of coexistence conditions, for the release of the site and execution of these works,

technical consultancy and project management related to these works, sale-purchase operations of the land necessary for the construction of the new installations under the RET connection contracts, as well as the land necessary for the access roads to these installations, operations for the constitution in favour of the Company of rights of use and easements, surface rights, rights of use, rights of affectation in any way on the land affected by the new installations under the RET connection contracts, as well as any other operations to be carried out for the proper conduct of the Company's main activity in accordance with the regulations in force, with a value of more than 10.000.000 euro,

- initiation, settlement, exercise, abandonment of claims, litigation, arbitration, with a value of more than 500.000 euro,
- commitments involving significant obligations on the part of the Company, with the exception of the operations referred to in the first two points, with a value in excess of EUR 5,000,000,
- any act free of charge, including any sponsorships and donations offered by the Company, with an individual value of more than 100,000 lei,
- the establishment or dissolution of secondary offices of the Company, in the country or abroad, (branches, representative offices, agencies or other such units without legal personality),
- changes to the organisational structure (organisation chart) of the Society and to the organisational and operational rules.

At the same time, the members of the Supervisory Board owe a duty of care and loyalty to the Company and shall comply with this duty if, when making a business decision, they are reasonably entitled to believe that they are acting in the best interests of the Company. The Supervisory Board, in exercising its essential powers of control over the manner in which the Directorate conducts the Company and of monitoring the activities carried out on behalf of and on account of the Company, has the right and the duty to determine in relation to the Directorate and the Company the means of control, monitoring and reporting that it deems necessary to fulfil these duties.

Correlatively, the Directorate has the duty to ensure at the Company level the reporting procedures and organisational conditions necessary for the performance of the control and verification tasks entrusted to the Supervisory Board.

Advisory Committees

As at 31.12.2022, three advisory committees are set up at Supervisory Board level:

- *Audit Committee;*
- *Nomination and Remuneration Committee;*
- *Committee on Investment and Energy Security.*

Decisions in the Advisory Committees shall be taken by majority vote. In the event of a tie, the Chair of the Committee shall have the casting vote.

According to the approved rules of organisation and operation, at least one member of each committee set up must be an independent director within the meaning of company law, legislation and capital market regulations. As regards the audit committee, the majority of the members must be independent directors.

Any member of an advisory committee may convene a meeting of the committee of which he or she is a member. Notice of meetings of advisory committees shall be sent to each member of the committee in writing, by fax or by electronic mail to the e-mail address and fax number of that committee member.

Tasks of the Supervisory Board committees

The main tasks of the committees of the Supervisory Board according to the area of activity are:

Nomination and Remuneration Committee

- makes proposals for the position of member of the Supervisory Board and member of the Directorate,
- prepares and makes proposals to the Supervisory Board regarding the selection procedure for members of the Supervisory Board, members of the Company's Directorate and for other management positions,
- makes proposals for the remuneration of the members of the Company's Directorate and other management positions, subject to the general remuneration limits approved by the General Meeting of Shareholders,
- coordinates the appointment process of the members of the Directorate,
- present in the Annual Report the total amount of direct and indirect remuneration of the members of the Directorate and the Supervisory Board.

Audit Committee

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

Audit Committee tasks related to financial reporting and statutory audit:

- monitors the financial reporting process at Company level,

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

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

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

financial statements and amending some normative acts.

Committee on Investment and Energy Security

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

The activity of the SB committees in 2022

The Investment and Energy Security Committee held 3 (three) meetings in 2022 where they discussed the OTC post-calculation and efficient optimization of the level of losses; the presentation of the energy balance in 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.

Five (5) meetings of the **Nomination and Remuneration Committee** were held in 2022.

Proposals and recommendations were made for the appointment of provisional members of the Directorate, in accordance with the provisions of GEO no.109/2011 on corporate governance of public companies.

In 2022, 6 (six) **Audit Committee** meetings were held, during which the Interim Financial Statements for the financial year 2021 were audited, the Income 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.

Directory

Composition of the Directorate on 31.12.2022:

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

Organisation of the Directorate

Members of the Directorate are appointed and dismissed by the Supervisory Board. One of the members of the Directorate is appointed by the Supervisory Board as Chairman of the Directorate (alternatively also referred to as the Chief Executive Officer of the Company), who convenes and chairs the meetings of the Directorate and is also responsible for the proper organisation of the activity of the Directorate as a collective management body, in order to fulfil the duties and responsibilities incumbent on it under the applicable law and the Articles of Association.

and revoked by the SC. The number of members shall be determined by the SB, provided that the number of members shall not be less than three and not more than seven, which number shall always be odd. One member of the Directorate shall be appointed as Chairman of the Directorate (alternatively also referred to as the Chief Executive Officer - "CEO" - of the Company).

Remuneration of the Directorate

From 1 January 2022 to 14 October 2022 the members of the Directorate had a fixed gross monthly allowance of 46,597 lei gross/month.

From 15 October 2022 to 31 December 2022 the members of the Directorate had a fixed gross monthly allowance of 55,050 lei gross/month.

Powers and duties of the Board

The Directorate shall perform all acts necessary and useful for the achievement of the Company's object of activity, with the exception of those reserved by law to the Supervisory Board and the General Meeting of Shareholders, the management of the Company being exclusively incumbent upon it under the Applicable Law.

The Directorate exercises its powers under the control of the Supervisory Board and has the duty:

- provide the Supervisory Board, at least every three (3) months, with written reports on the Company's management, the Company's business and the possible evolution of the Company;
- to ensure at the Company level the reporting procedures and organisational conditions necessary for the performance of the control and verification tasks entrusted to the Supervisory Board.

The Directorate manages the Company, approves all operations within the Company, other than those provided for by the General Meeting of Shareholders, and represents the Company in relation to third parties and in court.

The main duties of the Directorate, carried out under the supervision of the Supervisory Board (SB), are:

- establishes the Company's strategy, development policies, accounting policies and financial control system and approves financial planning,
- approves, with the agreement of the SC, the organisational structure (organisation chart) of the Company and its organisational and operational rules,
- submits annually to the General Meeting of Shareholders the report on the Company's activity, the financial statements for the previous year, the draft budget and the investment programme of the Company for the current year,
- concludes legal acts with third parties in the name and on behalf of the Company, in compliance with the provisions of the Articles of Association relating to joint signature and in compliance with the matters reserved to the competence of the general meeting of shareholders or the Supervisory Board,
- hires and fires, determines the duties and responsibilities of the Company's personnel in accordance with the Company's personnel policy,
- negotiates the Collective Labour Agreement at Company level, as well as its additional acts, together with the employees' representatives,
- perform all acts and take all measures necessary and useful for the management and fulfilment of the Company's object of activity, except those reserved by law or by the Articles of Association to the General Meeting of Shareholders and the Supervisory Board.

In this regard, the Directorate approves operations at the Company level, other than those provided for in the GMS, with the obligation to obtain the approval of the SB for the types of operations for

which the law or the Articles of Association provide for such approval,

- approves the mandates of the Company's representatives in the general meetings of the shareholders of the Company's subsidiaries and informs the Directorate, on a quarterly basis, of the mandates granted to them,
- approves, with the agreement of the SC, the establishment or closure of secondary offices (branches, representative offices, agencies or other such establishments without legal personality),
- approves the conclusion by the Company of legal acts in the nature of a partnership contract governed by the Civil Code when the result is not an entity with a separate legal personality as well as approving the Company's participation as a member in domestic or international organisations,
- exercise any power provided by law or delegated by the general meeting of shareholders pursuant to law,
- performs any duties provided for by the special legislation applicable to the administration of public undertakings,
- carries out the decisions of the general meeting of shareholders.

The Directorate shall inform the General Meeting of Shareholders at least twice a year of the following types of operations:

- the purchase of products, services and works of any duration with a value of more than EUR 5 000 000,
- the initiation, settlement, exercise, abandonment of claims, litigation, arbitration, with a value exceeding EUR 500.000,
- Commitments involving significant obligations on the part of the Company, amounting to more than EUR 5,000,000,
- loans, regardless of duration, under EUR 50,000,000,
- guarantees for loans, below EUR 50.000.000.

The Directorate is required to obtain the approval of the Supervisory Board for certain types of operations, for which the Directorate is able to approve the operation only after obtaining the approval of the Supervisory Board.

In the event of a refusal, the Directorate may also request the consent of the Ordinary General Meeting of Shareholders, which will decide in accordance with the law.

General Meeting of Shareholders

The GMS is Transelectrica's governing body, which decides on the Company's business and economic policy. It may be ordinary or extraordinary, its specific powers being set out in the Articles of Association.

With the listing of its financial instruments on the regulated market administered by the BVB, the Company undertook the obligation to respect the rights of the holders of the financial instruments issued and to ensure their fair treatment.

Thus, all holders of financial instruments of the same class of securities are treated equally, with all financial instruments of the same type and class giving holders equal rights.

Each share confers rights on the holder as set out in the Articles of Association:

- voting rights in the GMS (one share = one vote),
- the right to elect and be elected to governing bodies,
- the right to participate in the distribution of profits (dividend entitlement).

Ownership of the share certifies de jure adherence to the Articles of Association.

All shareholders have the right to attend the GMS, to exercise their voting rights and to express their views during the debates.

The Ordinary General Meeting of Shareholders has the following duties and powers:

- discusses, approves or amends the annual financial statements on the basis of reports submitted by the Directorate, the Supervisory Board and the financial auditor,
- approves the distribution of profits and fixes the dividend,
- elects and dismisses members of the Supervisory Board,
- appoints and dismisses the financial auditor and sets the minimum duration of the financial audit contract,
- sets the general remuneration limits for members of the Directorate,
- fixes the remuneration for the current year of the members of the Supervisory Board,
- shall pass judgement on the management of the members of the Directorate and the members of the Supervisory Board, evaluate their activity and discharge them, in accordance with the law,
- decides on legal action against members of the Directorate and members of the Supervisory Board, as the case may be, for damages caused to the Company,

- establishes the revenue and expenses budget and the investment programme for the financial year submitted for approval,
- decides on any matter within its competence under the applicable law,
- examines the Supervisory Board's reports on its work,
- decides on the pledge or lease of one or more units of the Company.

The Extraordinary General Meeting of Shareholders meets whenever it is necessary to take a decision on the following matters:

- change the legal form of the Company,
- relocation of the Company's headquarters,
- change of the Company's object of activity,
- increasing the share capital of the Company,
- reducing the Company's share capital or replenishing it by issuing new shares,
- merger with other companies,
- splitting the Company,
- early dissolution of the Company,
- conversion of shares from one category to another,
- conversion of registered shares into bearer shares or bearer shares into registered shares,
- conversion of bonds from one class into another class or into shares,
- the bond issue,
- the conclusion of acts of acquisition, disposal, exchange or pledging of assets in the category of fixed assets of the Company, the value of which exceeds, individually or cumulatively, during a financial year, 20% of the total book value of the fixed assets of the Company less receivables,
- any amendments to the Articles of Association or any other resolution for which GMS approval is required.

In addition to the powers and duties mentioned above or by law, the Extraordinary General Meeting of Shareholders decides on the following matters:

- the making by the Company as a lender of any loans or obligations of any kind,
- the establishment of, or participation in the establishment of, separate legal entities with a proprietary or non-proprietary purpose, as well as participation in the share capital of other companies,
- the taking out of loans with a duration of 5 years or more, the value of which is EUR 50 000 000 or more,
- the provision of guarantees with a value equal to or greater than EUR 50,000,000,

- setting the minimum sum insured and the maximum amount of the insurance premium for the professional liability insurance of members of the Supervisory Board and members of the Directorate respectively.

The company makes every effort to facilitate the participation of shareholders in GMS meetings, encourages dialogue between shareholders and members of the Supervisory Board and/or members of the Directorate and the full exercise of their rights. The General Meeting of Shareholders is the actual mechanism for exercising all shareholders' rights. The notice of the GMS becomes public within 24 hours from the moment of convening the GMS on the BVB website, on the Company's website www.transelectrica.ro, and on the ASF website, and in the Official Gazette within a maximum of 4 days and in the press within a maximum of 5 days from the convening. Similarly, the materials subject to debate are published, according to the agenda and the legal deadlines.

Each notice of the GMS shall include the location, date and time of the first call, the address of the place where the meeting will be held and the date, time and place of the second call.

The notice of the GMS shall explicitly state the subjects to be discussed and the reasons for them. The rules of organisation and conduct for each GMS and the procedures for attending the meetings shall be explicitly set out directly in the notice of the meeting so that all shareholders wishing to attend the meeting are aware of them.

The company encourages shareholder participation at GMSs and takes every measure to facilitate this. As the materials for discussion are published on the Investor Relations / GMS section of www.transelectrica.ro, shareholders are encouraged to ask questions on the agenda items.

The access of shareholders entitled to attend the GMS is allowed by simply proving their identity, in the case of individual shareholders, with their identity card or, in the case of legal entities and represented individual shareholders, with the proxy given to the individual representing them.

For shareholders who are unable to attend, the Company provides the opportunity to vote:

- a) by proxy, on the basis of a special power of attorney;
- b) by mail;
- c) remote.

At the GMS, shareholders will also be able to vote by electronic means, in accordance with Law 455/2001

on electronic signatures, as amended and supplemented, and in accordance with ASF regulations. The related forms (postal voting form and special proxy form), both in Romanian and English, are also posted on the website www.transelectrica.ro Investor Relations/GMS section.

Decisions adopted at the GMS are disseminated on the day of the meeting, by means similar to those previously presented for the convocation. Voting results are published on the Company's website no later than 15 days after the date of the GMS.

In order to provide shareholders with relevant information in real time, the Company has created a special section on its website, www.transelectrica.ro, called Investor Relations, which is easily accessible and constantly updated. The page is structured in such a way that it contains all the information needed by security holders: including information on the GMS. The GMS is convened by the Directorate whenever necessary, in accordance with the law. In exceptional cases, when the interest of the Company so requires, the Supervisory Board may also convene the GMS.

GMS meetings are held in Romanian.

Internal control

Within the Company, internal control is the set of policies and procedures designed and implemented by management and personnel to achieve overall objectives.

Transelectrica has an internal management control system whose design and implementation allow the Company's management to ensure both the reasonable management of financial resources in order to achieve general and specific objectives and their use in conditions of legality, regularity, effectiveness, efficiency and economy.

The mission of the internal management control activity is to ensure the internal administrative control within the Company in order to achieve at an appropriate level of quality, the Company's tasks, established in accordance with its own mission, in conditions of regularity, effectiveness, economy and efficiency.

The managerial internal control system includes self-monitoring mechanisms and the application of objectives to increase its effectiveness is based on risk assessment.

The scope of internal management control is given by the scope of activities of the component organisational sub-units and consists of:

- to carry out internal control of activities at Company level and in its organisational units;
- participation in detailed investigation committees, fraud investigation and proposal of sanctions according to the field of competence;
- preventing conflicts of interest in the management of company funds according to the area of competence;
- promoting fair competition and antitrust policies by identifying, deterring and sanctioning anti-competitive agreements according to its area of competence.

The main objectives of internal control are the execution of systematic, ethical, economical, efficient and effective operations, the fulfilment of accountability obligations, compliance with applicable laws and regulations, the protection of resources against loss and damage through waste, abuse, mismanagement, errors, fraud, irregularities, monitoring, coordination and methodological guidance of the implementation and development of the internal/managerial control system.

Operational Procedures are developed for specific activities and are reviewed as often as necessary. In this way, operations, processes and activities are periodically reviewed to ensure that they comply with current rules, policies, procedures or other requirements.

The internal management control system operates with a variety of procedures, means, actions, provisions, which concern all aspects of Transelectrica's activities. These are established and implemented by management to enable it to have good control over the operation of the Company as a whole, as well as over each individual activity/operation.

Public internal audit

The company has organized the internal public audit activity through its own structure since 2004. According to the Organizational and Functional Structure in force and in accordance with Law no. 672/2002 regarding the internal public audit, the "Internal Public Audit" structure (IPA) is subordinated to the Company Directorate.

At the level of the Company, the audit activity is carried out based on its own rules, approved by the higher hierarchical body (General Secretariat of the Government) with no. 1911/11.06.2014. Out of the five subsidiaries of the Company, only three are organized and carry out their own internal public audit activity (Opcom SA, Smart SA, Teletrans SA). Internal public audit activity is not organized at the branches of

Formenerg SA and Icemenerg Service SA, it being ensured by the Internal Public Audit (API) structure within the Company.

Role

- Providing consultancy and assurances with respect to the risk management, control and governance systems, contributing to acquiring added value and providing recommendations to improve them;
- Assisting the Company management in accomplishing the objectives and providing objective detailed assessments on the legality, regularity, efficiency, economy and effectiveness of performed activities and operations;

Regulations and principles governing this activity

- Law 672/2002 on the public internal audit, with later additions;
- The general norms regarding the exercise of public internal audit activities (HG 1086/2013);
- Ethical code of conduct for the internal auditor, which provides the ethical framework necessary for the internal auditor trade;
- The internal audit charter sets the position of the internal audit structure in the public entity, defines the activity of public internal audit as well as the internal auditors' rights and obligations;
- Organisational independence within the Company so as not to be subject to any kind of interference, beginning from the establishment of audit objectives, actual work specific to the mission and up to communicating the results;
- Individual objectivity, competence, professional conscience and permanent professional training of auditors;
- Integrity, obligation to maintain confidentiality and political neutrality of internal auditors;

In August 2022, the Government of Romania issued Ordinance no. 29/2022 amending Law no. 672/2002 regarding the internal public audit, which leads to the modification of all the Company's internal documents regarding the internal public audit.

The validation of these changes by the Parliament, the republishing of the law and the modification by the Ministry of Public Finance of the General Norms for the exercise of the internal public audit are expected. All these legislative changes are the basis for the development of the "Multiannual Internal Public Audit Plan" which must be finalized by the end of 2023.

Planning the public internal audit activities

The annual planning is established on the basis of the "Multiannual internal public audit plan, following the analysis of the associated risks and some requests from the members of the Directorate.

Taking into account that risks associated to activities are generated by the economic and social environment activities are performed in there is need to periodically reevaluate risks in order to supervise their dynamics.

To provide founded risk analysis and reduce the subjectivity of such the utilisation of well defined risk analysis criteria is considered necessary, while also explaining the actual execution of risk analysis and establishing the risk score.

Risk analysis criteria used in the annual and multi-annual planning are as follows:

- Likelihood of risk occurrence;
- Seriousness of event consequences (impact degree);

Public internal audit activities

In 2022, 17 internal public audit missions were carried out at the Company level, of which 16 were insurance and one was ad hoc.

They targeted the following domains:

- financial-accounting, in ten missions carried out;
- public procurement, in five completed missions;
- IT in a single mission performed;
- specific functions in the ad hoc mission.

No advisory missions were carried out during the year.

For the audit activity carried out in 2022, a report was drawn up and presented to the higher hierarchical body (General Secretariat of the Government).

Taking into account the Methodological norms on the exercise of the Company's public internal audit, there is periodical analysis of the implementation results, progress in implementing the recommendations reported by the audited entity / structure. There is annual reporting of the progress registered in the implementation of recommendations to the Company's management and to the public internal audit structure from the superior hierarchical body.

In 2022 a number of recommendations were formulated, of which:

- 77 recommendations implemented on the set term;
- 24 partially implemented recommendations;
- 18 recommendations not implemented.

The Company's public internal audit structure issued the Programme for quality insurance and

improvement, and the latest update of this document was on 10.12.2020.

In accordance with the provisions of item 2.3.7 from annex 1 to HG 1086/2013, within the internal public internal audit structure a programme is elaborated to provide and improve quality (PAIC) in all aspects of internal audit, which should enable uninterrupted control of its effectiveness.

The programme providing and improving the quality of public internal audit activities should guarantee such activities are carried out in accordance with the norms, guidelines and the internal auditor's Ethical conduct code and also contribute to improving the public internal audit activities.

The public internal audit by its counselling provider missions adds value to activities and supports the management to preserve an effective public internal control and to accomplish established objectives.

The public internal audit's vision takes into account:

- Providing continuous uniform training at qualitative standards as necessary to obtain certificates ascertaining the national licensing of internal auditors,
- There is need for permanent methodological collaboration and guidance between the public internal audit structure of the superior hierarchical body (Secretariat General of the Government) and the Company's Public Internal Audit.

The internal public audit through the activities it carries out adds value both through the evaluation of the internal control system and the analysis of the risks associated with the auditable activities, as well as through the recommendations contained in the report drawn up and sent in order to ensure the achievement of the Company's objectives. These recommendations determined the audited structures to perfect their activities and improve their internal control system, so that significant progress was noted from one audit to another.

The monitoring activities are oriented towards the added value created by the internal public audit in supporting the fulfillment of the Company's objectives. Considering the involvement of the staff of the audited structures and their leaders in the implementation actions of the issued recommendations, it can be said that the internal public audit supported the staff by reviewing the way of working and applying the legal provisions, better organization of the activity and permanent collaboration in the efficiency of the works performed.

Declaration of compliance with the BVB Corporate Governance Code

Provisions of the Code	Complies	Partially complies (Reason for non-compliance)	
Section A - Responsibilities [of the Supervisory Board]			
A.1.	TEL must have internal Supervisory Board (SB) rules of procedure that include the terms of reference/responsibilities of the SB and key TEL management functions, and that apply, among other things, the General Principles in Section A.	TEL's SB carries out its activity on the basis of the legislation in force, of the Articles of Association, of the <u>Rules of Organization and Functioning of the SB</u> and decides on matters concerning the Company's activity, except for those which, according to the law, are within the competence of the GMS or other corporate bodies.	
A.2.	Provisions for the management of conflicts of interest should be included in the SB Regulation. In any case, SB members must notify the SB of any conflicts of interest that have arisen or may arise and refrain from participating in discussions (including by not attending, unless not attending would prevent the formation of a quorum) and from voting on a resolution on the matter giving rise to the conflict of interest in question.	<p>These aspects are also stipulated in detail in the Rules of Functioning and Organisation of the SC;</p> <p>The members of the SB have been appointed by the OGMS in compliance with the provisions applicable to listed companies and are selected in accordance with the provisions of Government Emergency Ordinance No 109/2011 on corporate governance of public companies (<i>see explanations A.4.</i>).</p> <p>All seven SB members have completed and submitted declarations of independence. In addition, the selection of candidates for a seat on the SB is made in compliance with the provisions of Article 40 of the Constitutive Act in application of Article 34 of Law no. 123/2012;</p> <p>All seven SB members have completed and submitted declarations of independence.</p> <p>Details - in the Annual Report Corporate Governance section</p>	
A.3.	The SB must consist of at least five members.	SB of seven members	
A.4.	No less than two non-executive members of the SB must be independent. Each independent member of the SB must make a declaration at the time of his/her nomination for election or re-election, as well as at the time of any change in his/her status, indicating the basis on which he/she is considered to be independent in character and judgement.	<p>All seven SB members have completed and submitted declarations of independence.</p> <p>Recruitment process related to the procedure regulated by GEO 109/2011, candidates are required to submit an affidavit of independent status, (attached to the application documentation);</p>	
A.5.	Other relatively permanent professional commitments and duties of a member of the SC, including executive and non-executive positions on the SB of not-for-profit companies and institutions, must be disclosed to shareholders and potential investors prior to appointment and during his/her term of office.	<p>Details - in the Declarations of Interests posted on the Company's website, Human Resources section;</p> <p>https://www.transselectrica.ro/web/tel/declaratii-de-avere;</p>	
A.6.	Any member of the SB must disclose to the SB information concerning any relationship with a shareholder who directly or indirectly holds shares representing more than 5% of all voting rights. This obligation relates to any relationship that may affect the member's position on matters decided by the SC.	The information is required from any SBmember at the date of appointment by signing the declaration of compliance with the provisions of Article 40 of the Constitutive Act in application of Article 34 of Law no. 123/2012;	

Provisions of the Code		Complies	Partially complies (Reason for non-compliance)
A.7.	TEL must designate a Secretary of the SB responsible for supporting the activity of the Council.	The composition of the SB Secretariat was designated by SB Decision No 46/2022 and the persons who worked in the Secretariat in 2022 were: Ionela Chelu and Irina Răcănel.	
A.8.	The corporate governance statement will inform whether an evaluation of the Board has taken place under the leadership of the Chairman or the nominating committee and, if so, will summarise the key actions and resulting changes. TEL must have a SB evaluation policy/guideline covering the purpose, criteria and frequency of the evaluation process.		Partially implemented - The activity of the SBs reviewed by the shareholders at the GMS every six months, based on the Activity Report presented. For the year 2022 Transelectrica did not have a policy for the evaluation of the activity of the SB members
A.9.	The corporate governance statement should contain information on the number of meetings of the BoD and committees during the last year, the attendance of directors (in person and in absentia) and a report by the BoD and committees on their activities	In 2022, the Supervisory Board held 26 meetings, at which all or a majority of the members were present or represented as appropriate. Six meetings of the Audit Committee and five meetings of the Nomination and Remuneration Committee were held. There were also 3 meetings of the Investment and Energy Security Committee. Activity details - in the Annual Report Corporate Governance section	
A.10.	The corporate governance statement must include information on the exact number of independent members of the SC.	All seven SB members have completed and submitted declarations of independence.	
A.11.	The TEL SB shall establish a nominating committee of non-executive members, which shall lead the procedure for nominations of new members to the SB and make recommendations to the SC. The majority of the members of the Nomination Committee must be independent.	The Nomination and Remuneration Committee formulates proposals for the position of member of the SB and member of the Directorate, develops and proposes to the SB the procedure for the selection of members of the SB, members of the Directorate and for other management positions, formulates proposals for the remuneration of members of the Directorate and other management positions. The organisation, functioning and tasks are laid down in the CS ROF. Details - in the Annual Report Corporate Governance section	
Section B - Risk management and internal control system			
B.1	The SB must set up an audit committee of which at least one member must be an independent non-executive director. A majority of the members, including the chairperson, must have demonstrated that they have appropriate qualifications relevant to the functions and responsibilities of the committee. At least one member of the audit committee must have proven and appropriate audit or accounting experience. In the case of Premium Category companies, the audit committee must consist of at least three members and a majority of the audit committee members must be independent.	The Audit Committee assists the Board in fulfilling its responsibilities in the areas of financial reporting, internal control and risk management. Detailed duties and responsibilities are stipulated by the CS ROF. All seven SB members have completed and submitted declarations of independence. Details - in the Annual Report Corporate Governance section	
B.2.	The chair of the audit committee must be an independent non-executive member.	By the date of the Annual Report, the Chairman of the Audit Committee, Ms. Zezeanu Luminita, has submitted a declaration that he is independent.	

Provisions of the Code		Complies	Partially complies (Reason for non-compliance)
B.3.	As part of its responsibilities, the audit committee must carry out an annual assessment of the internal control system.	Details in the Audit Committee's Annual Report - GMS material to the meeting to approve the Annual Financial Statements, published in the GMS section of the Company's website.	
B.4.	The assessment should consider the effectiveness and comprehensiveness of the internal audit function, the adequacy of risk management and internal control reports presented to the Board's audit committee, the timeliness and effectiveness with which executive management addresses deficiencies or weaknesses identified through internal control, and the presentation of relevant reports to the Board.	Details - in the Audit Committee Report in the GMS section on the Company's website, i.e. https://www.transelectrica.ro/web/tel/aga ,	
B.5.	The Audit Committee must assess conflicts of interest in relation to the company's and its subsidiaries' transactions with related parties.	According to the Constitution of the National Power Transmission Company "Transelectrica"-SA, the competence limits of the Directorate, the Board of Statutory Auditors and the GMS concerning operations at TEL. The SB is required to follow the implementation at the Company level of approval and implementation procedures for transactions concluded by the Company, or its subsidiaries, with stakeholders, as defined by capital market legislation and regulations, as well as best practices to ensure substantial procedural fairness of transactions with stakeholders (self-dealing), using for this purpose the criteria established or recommended by capital market legislation and regulations.	
B.6.	The Audit Committee should assess the effectiveness of the internal control system and the risk management system.	Details - in the Report of the Audit Committee of the SB on internal control and significant risk management systems for the year 2022 (Material related to the annual meeting of the OGMS/27.04.2023 having on the agenda the approval of the Annual Financial Statements)	
B.7.	The Audit Committee shall monitor the application of legal standards and generally accepted internal auditing standards. The Audit Committee shall receive and evaluate the reports of the Internal Audit Team.	Details - in the Report of the Audit Committee of the SB on internal control and significant risk management systems for the year 2022 (Material related to the annual meeting of the OGMS/27.04.2023 having on the agenda the approval of the Annual Financial Statements)	
B.8.	Whenever the Code mentions reports or reviews initiated by the Audit Committee, these should be followed by regular (at least annual) or ad-hoc reports to be subsequently submitted to the Council.	Details - in the Report of the Audit Committee of the SB on the internal control and significant risk management systems for the year 2022 (Material related to the annual meeting of the OGMS/27.04.2023 having on the agenda the approval of the Annual Financial Statements)	
B.9.	No shareholder may be given preferential treatment over other shareholders in connection with transactions and agreements entered into by the company with shareholders and their affiliates.	The company shall ensure equal treatment for all holders of securities of the same type and class and shall provide them with all necessary information to enable them to exercise their rights.	
B.10.	The SB must adopt a policy to ensure that any transaction of TEL with any of its closely held companies which equals or exceeds 5% of TEL's net assets (as per the last financial report) is approved by the SB following a binding opinion of the SB audit committee and properly disclosed to shareholders and potential investors, to the extent that such transactions fall within the category of events subject to reporting requirements.	For the approval of certain types of operations, according to Art. 21 para. (3) and (5) of the Constitution requires the consent/approval of the SC. Also, in order to fulfil the reporting obligations under Art. 144 lit. B paragraph (4) of ASF Regulation no. 5/2018 on issuers of financial instruments and market operations, in conjunction with the provisions of art. 92 [^] 3 of Law 24/2017 on issuers of financial instruments and market operations, TEL's financial auditor performs a semi-annual analysis of transactions with affiliates. The auditor's report is sent to the BVB and ASF and is	In addition, the SB envisages the drafting of a separate document during 2023 on the <i>policy ON SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES</i>

Provisions of the Code		Complies	Partially complies (Reason for non-compliance)
		also published on the TEL website in the Investor Relations / Current Reports section.	
B.11.	Internal audits must be carried out by a structurally separate division (internal audit department) within TEL or by engaging an independent third party.	The internal public audit activity at the Company level is carried out through its own audit structure, thus complying with the requirement established by Law no. 672/2002 on internal public audit - art. 10 paragraph (1), republished with subsequent amendments and additions. According to the Organisation Chart, there are such organisational entities within TEL, namely Internal Public Audit, Integrated Management Department, Control Directorate	
B.12.	In order to ensure that the core functions of the internal audit department are fulfilled, it must report functionally to the BoG via the audit committee. For administrative purposes and as part of management's obligations to monitor and mitigate risks, it should report directly to the CEO.	According to the organisational and operational regulations of the organisational entities involved; Details - in the Annual Report of the Corporate Governance section and in the Report of the Audit Committee of the SB on internal control and significant risk management systems for the year 2022 (Material related to the annual meeting of the OGMS/27.04.2023 having on the agenda the approval of the Annual Financial Statements)	
Section C - Fair Reward and Motivation			
C.1.	TEL must publish on its website the remuneration policy and include in the annual report a statement on the implementation of the remuneration policy during the annual period under review.	In accordance with the regulations in force, the Company informs the General Meeting of Shareholders annually through the Nomination and Remuneration Committee Report. Details - in the Annual Report Corporate Governance section, including on the Company's website the mandate agreement is published, GMS/Corporate Governance section;	
Section D - Adding Value through Investor Relations			
D.1.	TEL must organise an Investor Relations service - indicating to the general public the responsible person(s) or organisational unit. In addition to the information required by law, TEL must include on its website a section dedicated to Investor Relations, in Romanian and English, with all relevant information of interest to investors, including:	Transelectrica has specialised organisational entities for both Investor Relations and Shareholder Relations (contact). Dates and information can be found at https://www.transelectrica.ro/web/tel/relatii-investitori ,	
D.1.1	Main corporate regulations: articles of association, procedures for general meetings of shareholders;	<i>Please refer to the TEL website, https://www.transelectrica.ro/regulament-de-guvernanta-corporativa, and the GMS Procedure is present in each Convener/Completion of Convener, Investor Relations/GMS section.</i>	
D.1.2	Professional CVs of TEL governing body members, other professional commitments of SB members, including executive and non-executive positions on boards of companies or non-profit institutions;	Public documents on the TEL website, in the Investor Relations/Corporate Governance/Supervisory Board and Directorate - <i>Biographical Notes and CVs</i> section; (https://www.transelectrica.ro/web/tel/guvernanta-corporativa).	
D.1.3	Current reports and periodic reports (quarterly, half-yearly and annual) - at least those referred to in point D.8 -	Relevant documents can be consulted on the TEL website, Investor Relations section, Current Reports and Periodic Reports tab, link:	

Provisions of the Code		Complies	Partially complies (Reason for non-compliance)
	including current reports with detailed information on non-compliance with this Code;	https://www.transelectrica.ro/web/tel/relatii-investitori ;	
D.1.4	Information relating to general meetings of shareholders: agenda and information materials; procedure for electing Board members; arguments supporting the proposed candidates for election to the Board, together with their professional CVs; shareholders' questions on agenda items and the company's replies, including resolutions adopted;	The documents are available on the TEL website, Investor Relations/AGA section, link: https://www.transelectrica.ro/web/tel/aga ,	
D.1.5	Information on corporate events, such as the payment of dividends and other distributions to shareholders, or other events leading to the vesting or limitation of a shareholder's rights, including deadlines and principles applied to such transactions. Such information will be published in a timeframe that enables investors to make investment decisions;	The documents are available on the TEL website, Investor Relations section, link https://www.transelectrica.ro/web/tel/relatii-investitori ;	
D.1.6	Name and contact details of a person who will be able to provide relevant information on request;	relatii.investitori@transelectrica.ro, Shareholder: Mihaela GRAMA - contact number: +40.21.303.59.48 Investor relations: Adrian ȘUȚA - contact number: +40.21.303.56.67, public data and on the TEL website, link: https://www.transelectrica.ro/web/tel/contact-ri ,	
D.1.7	TEL presentations (e.g. investor presentations, quarterly results presentations, etc.), financial statements (quarterly, half-yearly, annual), audit reports and annual reports.	The documents are available on the TEL website, Investor Relations section, link: https://www.transelectrica.ro/web/tel/rapoarte-periodice ,	
D.2	TEL will have a policy on the annual distribution of dividends or other benefits to shareholders, proposed by the Directorate and adopted by the Supervisory Board, in the form of a set of guidelines that TEL intends to follow regarding the distribution of net profit. The principles of the annual shareholder distribution policy will be published on TEL's website.	The distribution of the Company's profits is carried out in accordance with the provisions of GEO 64/2001 on the distribution of profits to national companies, national companies, commercial companies with full or majority state capital, as well as autonomous companies. The shareholders approved on 28 March 2016 a policy on the annual distribution of dividends	
D.3	TEL will adopt a policy in relation to forecasts, whether they are made public or not. Forecasts refer to quantified conclusions of studies aimed at determining the overall impact of a number of factors over a future period (so-called assumptions): by its nature, this projection has a high level of uncertainty, and actual results may differ significantly from the forecasts originally presented. The forecasting policy will determine the frequency, time period and content of the forecasts. If published, forecasts may only be included in annual, half-yearly or quarterly reports. The forecast policy will be published on the Company's	The Company's activity is regulated by the National Energy Regulatory Authority.	

Provisions of the Code		Complies	Partially complies (Reason for non-compliance)
	website.		
D.4.	The GMS rules must not limit the participation of shareholders in the GMS and the exercise of their rights. Changes to the rules will take effect at the earliest from the next GMS;	TEL respects all the rights of holders of issued financial instruments and ensures their fair treatment, regardless of the number of shares held, and continuously strives to achieve effective, active and transparent communication in order to ensure that shareholders exercise their rights in a fair manner;	
D.5.	The external auditors will be present at the general meeting of shareholders when their reports are presented at these meetings.		
D.6.	the AC will present to the annual general meeting of shareholders a brief assessment of the internal control and significant risk management systems and opinions on matters to be decided by the general meeting	OGMS material for the meeting of 27 April 2023 - Report of the Audit Committee of the SB on internal control and significant risk management systems for 2022	
D.7.	Any specialist, consultant, expert or financial analyst may attend the shareholders' meeting on the basis of a prior invitation from the Board. Accredited journalists may also attend the general meeting of shareholders, unless the Chairman of the Board decides otherwise.	Accredited journalists may also attend the general meeting of shareholders provided that they send prior information to the Directorate.	
D.8.	The quarterly and half-yearly financial reports will include information in both Romanian and English on key factors influencing changes in the level of sales, operating profit, net profit and other relevant financial indicators, both quarter-on-quarter and year-on-year.	Relevant documents can be found on the TEL website, Investor Relations/Regular Reports section, link https://www.transelectrica.ro/web/tel/relatii-investitori ;	
D.9.	TEL will hold at least two meetings/teleconferences with analysts and investors each year. Information presented on these occasions will be published in the investor relations section of TEL's website on the date of the meetings/teleconferences.	According to TEL's annual Financial Communication Calendar, approved and sent to the capital market institutions, BVB and ASF, the Company has scheduled four meetings in 2022 with financial analysts, investment consultants, brokers and investors to present financial results (https://www.transelectrica.ro/web/tel/calendar-financiar)	
D.10	If TEL supports different forms of artistic and cultural expression, sports activities, educational or scientific activities and considers that their impact on the innovative character and competitiveness of TEL is part of its mission and development strategy, it will publish a policy on its activity in this field.	The document can be consulted on the TEL website, section About us/ Corporate Social Responsibility, link: https://www.transelectrica.ro/web/tel/responsabilitate-sociala-corporativa Information related to this section can be accessed by consulting the documents in the 2022 Annual Periodic Report.	

15. Corporate Social Responsibility

Corporate social responsibility policy

Any modern organisation is measured not only by its economic performance, the quality of its management and its communication policy, but also by its contribution to the social life of the community to which it belongs.

Social Responsibility is a management process through which the Company wants to contribute to the development of a sustainable and successful Romanian society.

Social responsibility towards the community is as important as success in business, and that is why the Company has been considering during 2022 to link its Corporate Social Responsibility policy to the social issues of the community where it operates, getting involved in solving social problems and supporting increased access to education in disadvantaged areas.

The company takes into account the interests of society and is responsible to employees, shareholders, the community and the environment.

Social responsibility is an integral part of the company's business strategy and contributes to strengthening its market position and maintaining its reputation.

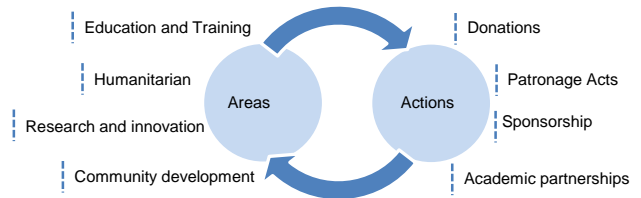
Figure 37: CSR policy - stakeholder dialogue



CSR areas and actions

Social Responsibility is a management process through which Transelectrica wishes to contribute to the development of a sustainable and efficient Romanian society. Our vision in Corporate Social Responsibility is to promote national values such as innovation, team spirit, respect for diversity and commitment. These underpin our performance.

Through its corporate social responsibility policy, the Company focuses on the following areas and actions contained in a long-term strategy:



Education and training

Objective: To support young people studying in the field of energy for their educational and professional development.

For Romanian society, young people are the most important value. We are active in the university environment through partnerships with student associations and other initiatives.

- We collaborate with energy faculties by equipping research laboratories and providing scholarships to students.
- We offer energy students the opportunity to participate in Transelectrica's activity in the form of technical visits to the company.

Humanitarian actions

Objective: to sponsor Associations that support people with medical needs, from disadvantaged areas and low-income families or in need of long-term medical treatment.

People are at the heart of our concerns and we always try to help the disadvantaged.

Among those who can benefit from our support are associations that come to their aid.

Environment

Objective: To ensure the protection and improvement of the quality of the environment and to promote activities that result in selective collection for recycling.

Corporate social responsibility could also be seen as based on personal social responsibility, on the care and willingness of each individual to build his or her existence in close connection with the environment, in the context of finding oneself in the values promoted by the company.

Our environmental policy embodies a commitment to conducting all of our specific activities in a responsible manner, giving due consideration to environmental and development impacts. sustainable.

This includes environmental protection and environmental protection conditions for sustainable development. Existing requirements and demands at EU level require a new approach to global environmental issues, in terms of environmental impacts and pressures and all the consequences of socio-economic development. Specifically, we want corporate social responsibility actions to have as a main component, regardless of their final direction, environmental aspects and ways to significantly reduce the environmental impact of the activity of no astre.



Social responsibility towards employees

The Company's objective regarding social responsibility towards employees involves providing support to both Company employees and their families in the event of major health problems.

Corporate volunteering

Objective: To carry out voluntary actions to solve community problems.

Employer-supported volunteering is any effort by the Company to encourage its employees to participate in volunteer activities in the community and to support them in their involvement efforts.

The Company's executive management encourages and supports the participation of employees as volunteers in various actions and fundraising campaigns and proposes concrete projects in which they offer their time and dedication to improve employee relations through team activities.

Project eligibility criteria

Transelectrica will support only those projects or organisations that can ensure the achievement of the

objectives set out in the Corporate Social Responsibility strategy mentioned above.

At the same time Transelectrica wants to support projects/organisations with which it shares the same values and which prove to be beneficial to society.

Company sponsorships CANNOT be accessed by:

- Political parties or organisations whose activity is assimilated to that of a political party;
- Public institutions, except educational institutions (school, kindergarten, university, etc.), museums, hospitals and other cultural and health institutions based in Romania;
- Natural or legal persons subject to a conflict of interest;
- Profit-making organisations/institutions;
- Natural or legal persons who have been declared in a previous sponsorship situation;
- Beneficiaries who are undergoing or are in the process of undergoing judicial reorganisation, dissolution, liquidation or whose activity is suspended;
- Beneficiaries/organisations that have been convicted of a criminal offence;
- Beneficiaries/organisations that have been found to be in breach of a previous funding and/or donation and/or sponsorship contract with Transelectrica;
- Persons affiliated or whose relatives up to the third degree are affiliated with political parties or any other organisation whose activity is similar to theirs.

In accordance with Article XIV of GEO no. 2/2015, for the amendment and completion of some normative acts and other measures, it is provided that the economic operators referred to in Article 1 of Government Ordinance no. 26/2013 on strengthening financial discipline at the level of certain economic operators in which the State or territorial administrative units are the sole or majority shareholders or directly or indirectly hold a majority stake, approved with additions by Law no. 47/2014 (category to which the Company belongs), which grant donations and sponsorships in cash, in accordance with the legislation in force, shall comply with the following ceilings when granting them:

- at least 40% of the approved amount in the health and medical field;
- at least 40% of the approved amount in the education, teaching, social and cultural fields for equipment, services, actions or any other activities

related to these fields, including national programmes;

- a maximum of 20% of the approved amount for other actions and activities, including those supplementary to the first points.

Sponsorship policy

The sponsorship criteria established by the Company are:

- **Transparency:** Sponsorship must be transparent, its beneficiary must be known, and the purpose for which it will be used must be disclosed and verifiable;
- **Purpose:** The amount donated must contribute to a purpose relevant to the sector described above;
- **Cost:** The cost required to implement the project/action subject to sponsorship must be justified and detailed;
- **Reputation/trustworthiness of the beneficiary:** As far as possible, an integrity assessment of the beneficiary will be carried out;
- **Strategic framework for sponsorships:** sponsorships must be in line with Transelectrica's strategy;
- **Benefit to the Company:** The Recipient must provide Transelectrica with opportunities for visibility and reciprocity in business with financial impact;
- **Previous relations with Transelectrica:** Positive previous experience positively influences the assessment of the new application.

The sponsorship or donation is evaluated by the Company according to the evaluation criteria.

- The grantee must submit a concise report to the Corporate Social Responsibility Service after the completion of the Donation/Sponsorship process, mentioning all tangible results implemented by the grantee.
- The company should generally monitor the following:
 - Compliance with the written contract and company policies;
 - Achieving sponsorship or donation targets;
 - Good management and record keeping;
 - Submission of reports;
 - Benefits to the Company and the community.

All sponsorship/donation requests must be made in writing and addressed to the Corporate Social Responsibility Service, including the following details:

- Name of organisation/beneficiary, telephone number, address and contact person;

- Purpose of the action/programme/event for which support is requested, including background information;
- Amount needed;
- Results to be achieved through the support provided;
- Benefits resulting from the support.

Transelectrica, as part of public life, therefore has certain duties towards society.

Community involvement is necessary not only to ensure our commercial success, but also to gain the respect of the communities in which we operate, contributing to the development of a sustainable and successful Romanian society.

This is why the projects we choose to get involved in must go beyond the business area and get as close as possible to the needs of people and the environment in order to actively participate in improving the quality of life and living standards.

Our commitment is to support strategic partnerships in these areas and to persuade, by example, employees, customers or even business partners to join us.

Main CSR projects in 2022

In 2022, we have chosen to continue our involvement in areas such as: education and training, humanitarian and environmental actions, and employee responsibility.

The total amount for sponsorship, patronage, corporate social responsibility, scholarships, etc. was 2,750,000 lei, according to the approved amended expenses and income budget for 2022.

Expenses for the year 2022, has been distributed to the following areas:

- Medical and health: 706,150 lei
- Education, teaching, social and sport: 590.390 lei
- Other activities: 534,500 lei.

The company decided to grant financial aid amounting to 661,150 lei to 24 people diagnosed with various medical conditions, to cover treatment expenses.

In the same medical field, a sponsorship in the amount of 45,000 lei was granted to the "All about cancer" Association for the cancer project "Know to prevent!" .

In 2022, Transelectrica continued the social responsibility actions initiated in recent years and got involved in new programs, becoming increasingly visible and constant, being alongside associations, non-governmental organizations and energy/technical educational establishments.

In order to support education and encourage young people to pursue a career in the energy sector, Transelectrica has offered monthly scholarships to 10

students, with a total allocated in 2022 of 93,690 lei, and this scholarship program will continue in 2023.

Education and training

In the fields of education, social and sport, Transelectrica has been involved in numerous projects, such as those carried out by the following associations and foundations:

Sports Club "TEN CLUB TENIS BUZĂU"

Transelectrica sponsored the Sports Club "TEN CLUB TENIS BUZĂU" to complete the budget necessary for the competitive plan for the period, for Tatu Alexia to participate in national and international tennis tournaments".

BEST Local Group Association - Council of European Students in Technology

Transelectrica sponsored the "BEST Local Group" Association - Council of European Students in Technology necessary to support the "Prove it" Project, a Hackathon competition covering various areas of the technical field.

Gift Factory Association

Transelectrica sponsored the Gift Factory Association to support the project "Angels for Refugees" which consisted in the purchase of food and personal hygiene products, given as humanitarian support to Ukrainian refugees in Romania. Value of the sponsorship contract: 20.000 lei

New Odyssey Association

Transelectrica sponsored the New Odyssey Association to support the project "Summer camp for children from the New Odyssey Centre".

Tadeu Humanitarian Association

Transelectrica sponsored the Tadeu Humanitarian Association to support the project "Together we open

doors", which consists in providing home care service for 15 elderly people in Bucharest, including the purchase of food and non-food products, protective equipment and cleaning and sanitation products, for a period of 5 months.

Association Voice of Abandoned Children

Transelectrica sponsored the Association Voice of Abandoned Children to support the project "Therapy and legal assistance for abandoned children" which consists in organizing therapy workshops through theatre, psychotherapy and psychological counseling, legal assistance, activities related to strengthening independent living skills and recreational activities for young people in social care institutions in Bucharest.

The total value of sponsorship contracts in the fields of education, teaching, social and sport in 2022 was 590,390 lei.

As part of public life, Transelectrica therefore has clear duties towards society. Community involvement is necessary not only to ensure our commercial success, but also to gain the respect of the communities in which we operate, contributing to the development of a sustainable and successful Romanian society.

In 2023 Transelectrica will implement the CSR policy to achieve the set objectives, supporting disadvantaged groups and young people with prospects, while taking into account the quality of education and environmental impact.

Another priority for 2023 is to support the younger generation by getting involved in professional development through scholarships for both students and high achievers in energy-related educational establishments and by equipping the research laboratories of faculties or schools.

Environmental responsibility

Environmental protection is an important objective for the Company in order to achieve sustainable and sustainable development. Thus, the environmental protection policy is an integral part of the general policy, with the objectives of maintaining an efficient environmental management system, preventing and reducing pollution, complying with national and European legal requirements and sustainable development.

The environmental objectives for 2022 aimed at maintaining a high performance environmental management system, preventing and reducing

pollution so that the impact of the electricity transmission network on the environment is within national and European requirements. The objectives were achieved through preventive and corrective actions included in the annual environmental management programme.

In order to achieve its objectives, the Company has taken measures to reduce the environmental impact of both its operating activities and its maintenance and investment activities, which involved construction and assembly work, so that no particular environmental protection problems were reported in 2022.

Description of the impact of RET on the environment

High-voltage electrical installations consisting mainly of overhead power lines and transformer and connection stations are installations that can have a significant impact on the environment due both to the technical complexity of the installations and to the land areas occupied and the lengths of tens or even hundreds of kilometres, usually over several counties.



Under normal operating conditions of RET installations, no pollutants are discharged into the environment. Some polluting chemicals may be accidentally released into the environment in the event of equipment leaks, incorrect operation, damage or during construction and maintenance work.

Identification and assessment of environmental aspects for technology and construction are carried out from the first design phase. On this basis, the environmental management plan (for construction, operation and decommissioning of the facility) is developed, including the programme of measures for pollution prevention and impact mitigation and the monitoring programme of environmental factors.

In terms of type of impact, the environmental aspects related to construction and operation-maintenance are divided into the following:

➤ **physical** effects (effects):

- soil damage through the opening of new access roads, excavations and excavations
- occupancy of land with site organisation, including warehouses
- damage to the flora through systematic clearing of vegetation
- wildlife damage (habitat fragmentation, electrocution, etc.)
- affecting birds (by building aerial obstacles in the flight path)

- generation of waste (porcelain, glass, concrete, metals, waste oil, packaging, debris, etc.)
- the impact on the population and wildlife through noise from machinery, means of transport, etc.
- the effects on the population and wildlife of the noise caused by the corona effect from high-voltage installations
- occupancy of land with LEA routes and station locations
- danger of electrocution or burns from contact or falling LEA near or crossing roads, railways, water, buildings, etc.
- fire hazard due to damage to insulation or accidental touching of conductors by objects or dry vegetation
- the effects on the population and wildlife of noise and vibration caused by the operation or vibration of RET elements
- sound and light effects of the corona phenomenon
- disturbances of radio and television systems caused by the electromagnetic field
- electromagnetic field influences on telecommunications installations or other electrical networks at their junctions and approaches
- the effects of electromagnetic fields on living things.

➤ **chemical** ones among which can be listed:

- pollution of soil and/or water by accidental spillage of fuel, oil and other chemicals
- air pollution by:
 - emissions of combustion gases (SO_x, CO_x, NO_x, VOC, particulate matter) from heating installations or means of transport
 - sulphur hexafluoride (SF₆) emissions - accidental leaks during gas handling or due to equipment leaks
 - dust emissions due to construction-assembly works
 - emissions of volatile organic compounds from paints and thinners, etc.
 - ozone and nitrogen oxides - corona effect at high voltage
 - sulphuric acid vapour - from batteries.

➤ **socio-economic** ones such as the disruption of social activities, including population displacement

➤ **visual and psychological** ones by affecting the landscape and the fear caused by the proximity and the visual and sound effects of the RET.

In terms of environmental impact, in 2022:

- there were no accidental pollution incidents with a significant impact on the environment;
- there were no environmental complaints;
- 96.34% of the waste generated was disposed of/recovered and the rest was stored.

Impact indicators

Table 36: Area occupied by power lines and substations

Entity	Without safety zone [m2]		With safety zone [m2]	
	Stations	READ	Stations	READ
Total 2022	3.988.066	2.893.289	7.137.572	551.176.743
Total 2021	3.988.066	2.893.289	7.137.572	551.176.743

Sources of soil, groundwater and land pollution

From the normal operation of the RET installations, no noxious substances are discharged to the ground, groundwater or land. Accidental pollution may occur due to leaks/leaks from equipment containing hazardous substances or insulating oil or faults in oil regeneration/feed/discharge systems in/from equipment.

Oil/fuel spills from machinery and vehicles may also occur during construction and maintenance work (oil spilled into the environment has been contained with absorbent, biodegradable soil).

Sources of air pollution

Direct emissions

No significant quantities of pollutants are released into the atmosphere during the construction, maintenance and normal operation of RET installations.

During construction, maintenance and normal operation of RET installations, the following emissions to the atmosphere may occur: particulate matter - during construction work, combustion gases - from vehicles, generators and thermal power plants, negligible ozone (Corona effect), sulphur hexafluoride - due to equipment leaks or improper handling of the gas.

In the event of fire or explosion, combustion gases (SOx, COx, NOx, VOC, particulate matter, etc.) may result.

High-voltage LEAs generate ozone and nitrogen oxide pollution of the atmosphere as a result of corona discharges around active conductors, especially in rainy weather. The additional contribution of these pollutants to the existing background is not major and cannot lead to exceedances of the legal information threshold values, beyond which there is a risk to human health.

Wastewater sources

No technological wastewater results from the electricity transmission process. Wastewater generated on the site of RET installations is *domestic wastewater* from human activity (discharged directly into the city sewer or drained and transported to a municipal wastewater treatment plant or disposed of locally in micro-wastewater treatment plants and discharged to land or groundwater), *rainwater* collected in the tanks of oily equipment and in the chimneys of concrete platforms for the storage of waste and equipment (may contain oil from leaks) which is mechanically cleaned in water-oil separators and discharged into the city sewer or drained and transported to a municipal waste water treatment plant or discharged to land or to groundwater in compliance with the maximum permissible limits for pollutants discharged into the environment.

Waste generation

There is no direct waste from electricity transmission. Waste results from construction, maintenance and human activity. The quantities of waste vary from year to year, depending on the volume of investment and maintenance work.

The waste generated was disposed of/valued with authorised companies.

Electromagnetic field generated by RET installations

Transformer/connector substations and 220kV and 400kV overhead power lines have relatively limited impact on neighbourhoods, existing only around RET installations. A large part of the disturbance effects are due to electrical induction (in ungrounded metal objects or structures) and interference phenomena (radio interference).

The design solutions adopted for the construction of high-voltage power lines and substations ensure adequate protection against the effects due to exposure of living organisms to the electromagnetic field and reduce the impact of these installations on the environment.

According to studies carried out by specialist institutions in the vicinity of 220kV and 400kV overhead lines, the electric field strength decreases

Table 37: Waste management

An	Generated Waste (t)	Recovered Waste (t)	Disposed Waste (t)	Stored Waste (t)	Waste management indicator: waste disposed of, recovered/waste generated
2022	10,174.6	7,622.1	1,887.4	665.2	93.5%
2021	10,519.6	854.7	9,280.2	384.6	96.3%

Noise pollution

During the construction period, noise may be produced due to the execution of works and the operation of equipment and vehicles. During operation noise pollution is due to noise from operation, vibration of RET installations or corona discharges in the space around active conductors.

The noise level produced by the Corona effect at a distance of 25 m from the active conductor varies between 53 dB in rainy weather and 33 dB in fine weather.

Impact on wildlife

The impact on wildlife is significant, especially on birds, manifested by collision or electrocution by RET installations in migration corridors or protected areas.

The main migration corridors of the various types of birds have been identified in the Banat, Dobrogea and Danube Delta areas.

• Impact on vegetation

The impact on vegetation is determined by the permanent or temporary occupation of land and the removal of vegetation exceeding a certain height from the safety zones of the RET installations to avoid the occurrence of fires. This impact can only be significant in protected areas.

Measures to prevent and/or limit environmental impacts.

The main measures carried out during 2022 to prevent and/or limit environmental impacts were in relation to:

- *the execution of works of:*
 - construction or maintenance of sewerage networks for domestic waste water and/or rainwater;
 - installation of water-oil separators on oil equipment tanks and storage platforms;
 - construction of concrete platforms for temporary storage of equipment and waste;
 - maintenance of equipment with oil or SF6 to prevent leaks;

with distance, so that at a distance of about 25 - 30 m from the line axis, the field strength is zero.

- painting overhead power line (LEA) poles in colours appropriate to the landscape;
- Clearing/maintaining safety corridors for LEA;
- restoration/rehabilitation of land to its original state after completion of works.
 - *procurement of services concerning:*
- monitoring the quality of wastewater from the Company's plants and premises and proposing solutions to reduce pollution as required by environmental and water management permits;
- collection, sorting, transport and recovery/disposal of waste.
 - *development of environmental management plans for maintenance, refurbishment/modernisation projects.*



4.8 million lei Environmental protection

Total environmental protection expenses, included in operating, maintenance and investment costs, amounted to 4.8 million lei (approximately 1 million euro).

Compliance with legal requirements

The objects under the Company's management (270 objects: transformer and connection stations, overhead power lines, headquarters, etc., authorised or in the process of being re-authorised) operate in accordance with the legal requirements for environmental protection, with a 99.3% authorisation rate (20 authorisations). Maintenance and investment works executed during 2022 were carried out in compliance with legal and regulatory requirements (environmental permits and/or agreements and water management permits, where applicable).

The waste generated was managed according to legal requirements and disposed of/valorised with licensed companies, and fees were paid to the Environment Fund for stationary source emissions. The measures ordered by the regulatory and control authorities in the field of environmental protection and water

management were fully complied with, with the Company monitoring environmental factors (air, water, soil, noise, electromagnetic field, waste) throughout 2022 as required by the environmental and water management regulatory documents.

All environmental information has been reported correctly and on time according to legal, regulatory and control requirements.

The implementation of the Company's environmental policy and the environmental performance implemented are materialized by:

- proper management of waste resulting from maintenance and refurbishment activities;
- reducing and measuring emissions of pollutants into the environment;
- rational use of natural resources;
- regular monitoring of environmental factors (water, air, soil, noise, electromagnetic field, waste);
- upgrading and retrofitting of facilities with state-of-the-art technologies to prevent or reduce environmental pollution;
- ensuring that all company employees are aware of and comply with environmental legislation through information, training and motivation.

Proposed activities year 2023

The main services and works to prevent and/or limit environmental impacts proposed for 2023 include:

- cleaning services and periodic technical inspection of oil product separators in power stations;
- services for updating the technical documentation required for the renewal of water management permits for Transelectrica SA objectives;
- maintenance and repair services for biological wastewater treatment plants;
- collection, transport and recovery/disposal services for waste resulting from the works (WEEE, insulation waste, etc.);
- works to restore the natural environment affected by the works carried out in the Company's objectives;
- works to maintain safety lanes for the LEA;
- maintenance and repair works to prevent loss of SF₆;
- construction or maintenance work on sewerage networks for domestic and/or storm water;
- studies and research on wastewater quality monitoring at the Company's plants and sites.



Annexes

Annex 1 - Articles of Association amended in 2022

- According to EGMS Decision no.5/16.05.2022
 - It was approved to add to the scope of activity of the Company the activities codified according to NACE: 3511 Electricity generation and the corresponding amendment of the Articles of Association by adding in Art. 6 lit. B of the following wording: "Electricity generation (exclusively for the Company's own consumption) - activity of electricity generating installations; including thermal, nuclear, hydroelectric, gas turbine, diesel and recoverable energy plants - NACE code 3511".
 - The relocation of the Company's head office from Bucharest, Bdul. General Gheorghe Magheru no. 33, sector 1 to Bucharest, Olteni str. no.2-4, sector 3, "Platinum Center" building and the corresponding modification of art.3 paragraph (1) of the Articles of Association, the new wording being as follows: "(1) "Transelectrica" has its main office in Romania, Bucharest, Olteni str. no.2-4, sector 3, "Platinum Center" building and its secondary office in Bdul. Hristo Botev nr. 16 - 18, sector 3".
- According to EGMS Decision no.7/18.08.2022
 - It was approved to amend Article 20(2) of the Articles of Association, the new wording being as follows: "(2) Meetings of the Supervisory Board shall be convened by a notice sent at least 5 (five) calendar days before the proposed date of the meeting. The period of notice shall not include the day of transmission and the day on which the meeting is to be held. The notice shall be sent to all members of the Supervisory Board as provided for in the Constitution."
 - It was approved to amend Article 21(3) of the Articles of Association by adding the following wording to point (g): "(g) amendments to the organisational structure (organisation chart) of the Company and to the rules of organisation and functioning".
 - It was approved to amend Article 25(b) of the Articles of Association to read as follows: "b) approves, with the consent of the Supervisory Board, the organisational structure (organisation chart) of the Company and the rules of organisation and functioning".

All these amendments approved in Resolution No. 5 of the EGMS dated 16 May 2022 and Resolution No. 7 of the EGMS dated 18 August 2022 have been registered with the National Trade Registry Office.

Annex 2 - Appointment/revocation acts issued in 2022

Directory

- According to SB Decision No 48, 49, 50, 51, 52 and 53/22.12.2021
 - The members of the Supervisory Board took note of the fact that on 24 December 2021 the terms of office of the provisional members of the Directorate Bogdan Toncescu, Adrian Moraru, Ionuț-Bogdan Grecia, Marius Viorel Stanciu and Cătălin Constantin Nadolu expired and decided to appoint them for a period of 4 months starting from 25.12.2021 with the possibility of extension, for justified reasons, for another two months, but the term of office shall not exceed the date of completion of the selection procedure for the members of the Directorate of the Company, under the terms of GEO no.109./2011 of Gabriel ANDRONACHE, Ștefăniță MUNTEANU, Cătălin-Constantin NADOLU, Marius Viorel Stanciu and Florin-Cristian TĂTARU.
- According to SB Decision no.13/23.03.2022
 - The members of the Supervisory Board decided to extend the terms of office as provisional members of the Directorate for Gabriel ANDRONACHE, Ștefăniță MUNTEANU, Cătălin-Constantin NADOLU, and Florin-Cristian TĂTARU, for a period of 2 months from 25 April 2022 until 24 June 2022.
 - Have appointed as provisional member of the Directorate Mr Bogdan TONCESCU for a term of two months, starting on 25 April 2022 and ending on 24 June 2022.
- According to SB Decision no.18/21.06.2022
 - The members of the Supervisory Board took note of the fact that on 24 June 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 and decided to appoint them for a period of 4 months starting from the 25th of June 2022.06.2022 with the possibility of extension for two more months for good cause, but the term of office will not exceed the date of completion of the selection procedure for the members of the Company's Directorate, under the terms

of GEO no. 109/2011 of Gabriel ANDRONACHE, Ștefăniță MUNTEANU, Cătălin Constantin NADOLU, Bogdan TONCESCU and Florin Cristian TĂTARU.

- According to SB Decision no.43/14.10.2022
 - have unanimously decided to extend for a period of 2 months, from 25.10.2022 until 24.12.2022, the terms of office of Gabriel ANDRONACHE, Ștefăniță MUNTEANU, Cătălin Constantin NADOLU, Florin Cristian TĂTARU and Bogdan TONCESCU as members of the Directorate, but not later than the completion of the selection procedure in accordance with the provisions of GEO 109/20211 on corporate governance of public companies, as amended.
- According to SB Decision no.53/19.12.2022
 - The members of the Supervisory Board unanimously decided to appoint the members of the Supervisory Board for a period of 4 months, starting from 25.12.2022, with the possibility to extend the term of office for two more months for good cause, but the term of office shall not exceed the date of completion of the selection procedure for the members of the Company's Directorate, under the terms of GEO no.109./2011, if the procedure is completed within this period, the mandates of the following members of the Directorate: Gabriel ANDRONACHE, Ștefăniță MUNTEANU, Cătălin Constantin NADOLU, Florin Cristian TĂTARU and Bogdan TONCESCU.

Supervisory Board

- According to OGMS Decision no.8/14.12.2021
 - approved the appointment of the following members of the Supervisory Board of the Company for a four-month term of office, starting on 22 December 2021 and ending on 21 April 2022: Dogaru - Tulică Adina - Loredana, Popescu Mihaela, Morariu Marius Vasile, Năstasă Claudiu Constantin, Blăjan Adrian Nicolae, Dumitriu Victor Florin and Orlandea Dumitru Virgil
- According to SB Decision no.46/22.12.2021
 - The members of the Supervisory Board elected Mr Morariu Marius Vasile as Chairman of the Supervisory Board.
- According to OGMS Decision no.3/18.04.2022
 - approved the appointment of the following members of the Supervisory Board of the Company for a four-month term of office, starting on 22 April 2022 and ending on 21 August 2022: Oana-Cristina BALACCIU, Adrian-Nicolae BLĂJAN, Cătălin-Andrei DASCĂL, Victor-Florin DUMITRIU, Dumitru Virgil ORLANDEA, Costin-Mihai PĂUN, Alexandru-Cristian VASILESCU.
- According to SB Decision no.12/03.05.2022
 - The members of the Supervisory Board elected Mr Cătălin-Andrei DASCĂL as Chairman of the Supervisory Board.
- According to OGMS Decision no.6/18.08.2022
 - approved the appointment of the following members of the Supervisory Board of the Company for a term of office of 4 months, starting on 22 August until 21 December 2022: ATANASIU Teodor, DASCĂL Cătălin-Andrei, ORLANDEA Virgil Dumitru, PĂUN Costin-Mihai, STERP VINGĂRZAN Gheorghe, VASILESCU Alexandru-Cristian, ZEZEANU Luminița.
- According to SB Decision no.31/06.09.2022
 - The members of the Supervisory Board elected Mr Cătălin-Andrei DASCĂL as Chairman of the Supervisory Board.
- According to OGMS Decision no.10/15.12.2022
 - approved the extension of the mandate of the following members of the Supervisory Board of the Company for a period of 2 months, starting from 22 December 2022: DASCĂL Cătălin-Andrei, ATANASIU Teodor, ORLANDEA Virgil Dumitru, PĂUN Costin-Mihai, STERP VINGĂRZAN Gheorghe, VASILESCU Alexandru-Cristian, ZEZEANU Luminița.

Annex 3 - Major contracts concluded by the company in 2022

REPORT in accordance with DEGMS No 4/29.04.2015 on contracts signed in 2022 for the purchase of goods, services and works, the value of which exceeds 500,000 Euro/purchase (for the purchase of goods and works) and 100,000 Euro/purchase (for services) respectively

No.	Contract Number	Object of the Contract	Duration	Value		Contract Type	Legal Basis	Procurement Procedure
			Months	Thousand Lei	Thousand Euro			
0	1	2	3	4	5	6	7	8
1	C 987/2022	Isaccea 400 kV Station Upgrade - Phase II	44	116.392	-	Works	Law 99/2016 + GD 394/2016	Open tender
2	C 838/2022	Connection of 400 kV Isaccea-Varna and 400 kV Isaccea-Dobrudja LEA to 400 kV Medgidia South substation - stage II - 400 kV D.C. LEA connections to Medgidia South substation	18	76.557	-	Works	Law 99/2016 + GD 394/2016	Open tender
3	C 637/2022	Metering and data management system for electricity metering on the wholesale market	131	48.008	-	Supply	Law 99/2016 + GD 394/2016	Open tender
4	TM 52/2022	Specialized security, monitoring and intervention services at UTT Timisoara objectives	36	12.804	-	Services	Law 99/2016 + GD 394/2016	Open tender
5	TC 09C60/2022	Specialized security, monitoring and intervention services at UTT Constanta objectives	36	12.747	-	Services	Law 99/2016 + GD 394/2016	Open tender
6	C 1090/2022	Automotive fuel for the vehicle fleet, diesel units and other tools and equipment belonging to the Company	24	9.661	-	Supply	Law 99/2016 + GD 394/2016	Open tender
7	BA 7/2022	Specialized security and intervention services at UTT Bacău objectives	36	9.032	-	Services	Law 99/2016 + GD 394/2016	Open tender
8	SB 31/2022	Specialized security, monitoring and intervention services at the objectives of UTT Sibiu	36	8.369	-	Services	Law 99/2016 + GD 394/2016	Open tender
9	CJ 780/2022	Specialized security and intervention services at UTT Cluj objectives	36	6.763	-	Services	Law 99/2016 + GD 394/2016	Open tender
10	TM 64/2022	Modernization of the building for measuring instruments Văliug	36	5.356	-	Works	Law 99/2016 + GD 394/2016	Open tender
11	C 630/2022	Relocation of utilities by clearing the site and achieving conditions of coexistence between the objective "suspension bridge over the Danube in the Braila area" belonging to CNAIR S.A. and electricity networks, belonging to NPG Transelectrica SA	6	5.013	-	Works	Law 99/2016 + GD 394/2016	Open tender
12	EN 70/11487/2022	Maintenance services of the 220-400kv LEA crossing lanes in areas with tree vegetation (UTT Pitesti)	36	4.138	-	Services	Law 99/2016 + GD 394/2016	Open tender
13	C 588/2022	Revolving bank credit agreement for the financing of the working capital of NPG Transelectrica SA	12	4.017	-	Services	Law 99/2016 + GD 394/2016	Own procedure
14	C 624/2022	Revolving bank credit line	12	3.710	-	Supply	Law 99/2016 + GD	Own procedure

No.	Contract Number	Object of the Contract	Duration	Value		Contract Type	Legal Basis	Procurement Procedure
			Months	Thousand Lei	Thousand Euro			
0	1	2	3	4	5	6	7	8
							394/2016	
15	BC 27/2022	Specialized security, monitoring and intervention services at UTT Bucharest objectives	6	3.201	-	Services	Law 99/2016 + GD 394/2016	Own procedure
16	TC 9C40/2022	Specialized security, monitoring and intervention services for UTT Constanta objectives	9	3.054	-	Services	Law 99/2016 + GD 394/2016	Own procedure
17	PT 40/5090/2022	Specialized security, monitoring, intervention and intervention in special situations services at UTT Pitesti objectives	9	2.584	-	Services	Law 99/2016 + GD 394/2016	Own procedure
18	C 518/2022	Domestic and international air passenger services (framework agreement)	24	2.533	-	Services	Law 99/2016 + GD 394/2016	Open tender
19	C 896/2022	VRF/VRV type air conditioning installations for office spaces and hallways within UNO DEN, located at 16-18 Hristo Botev Boulevard, sector 3, Bucharest	7	2.500	-	Supply	Law 99/2016 + GD 394/2016	Open tender
20	TM 66/2022	Maintenance services of the LEA crossing lane in areas with tree vegetation (UTT Timisoara)	24	1.700	-	Services	Law 99/2016 + GD 394/2016	Open tender
21	C 778/2022	Optimization of voltage regulation and power quality parameter by installing facts equipment in Gutinaş, Suceava and Roşiori stations (design)	12	1.190	-	Services	Law 99/2016 + GD 394/2016	Open tender
22	CR 1010/2022	Maintenance services of tree-lined lanes (UTT Craiova)	24	891	-	Services	Law 99/2016 + GD 394/2016	Open tender
23	SB 27/2022	Specialized security, monitoring, intervention and intervention in special situations services at the objectives of UTT Sibiu	4	830	-	Services	Law 99/2016 + GD 394/2016	Own procedure
24	C 694/2022	Cleaning services for NPG Transelectrica SA Executiv and UNO DEN buildings	24	821	-	Services	Law 99/2016 + GD 394/2016	Open tender
25	SB 28/2022	Cleaning and sanitation services in UTT Sibiu offices and stations	24	821	-	Services	Law 99/2016 + GD 394/2016	Open tender
26	BC 41/2022	Cleaning services in the administrative headquarters, operation centres and electrical stations belonging to UTT Bucharest	24	729	-	Services	Law 99/2016 + GD 394/2016	Open tender
27	BA 5/2022	Cleaning services at UTT Bacau and DET objectives	24	718	-	Services	Law 99/2016 + GD 394/2016	Open tender
28	C 1044/2022	Motor insurance services RCA and CASCO for vehicles owned by the Company	12	673	-	Services	Law 99/2016 + GD 394/2016	Simplified procedure

No.	Contract Number	Object of the Contract	Duration	Value		Contract Type	Legal Basis	Procurement Procedure
			Months	Thousand Lei	Thousand Euro			
0	1	2	3	4	5	6	7	8
29	C 1021/2022	Public/operating telephone and internet services (framework agreement)	36	591	-	Services	Law 99/2016 + GD 394/2016	Simplified procedure
30	EN 58/6110/2022	Mowing and vegetation removal services to prevent fires in power stations managed by UTT Pitesti	36	531	-	Services	Law 99/2016 + GD 394/2016	Open tender
31	TM 25/2022	Cleaning services at the premises of UTT Timisoara - LOT 1 Timis county	24	503	-	Services	Law 99/2016 + GD 394/2016	Open tender

Annex 4 - List of Transelectrica subsidiaries

- Society for Maintenance Services of the Electricity Transmission Network "SMART" SA - J40/ 8613/2001 - Bucharest, General Gheorghe Magheru Boulevard no. 33, sector 1, code 010325, www.smart-sa.ro;
- Electricity and Gas Market Operator "OPCOM" SA - J40/ 7542/2000 - Bucharest, 16-18 Hristo Botev Boulevard, sector 3, code 030236, www.opcom.ro;
- Society for Telecommunications and Information Technology Services in Electric Transport Networks "TELETRANS" SA - J40/ 12511/ 2002 - Bucharest, 16-18 Hristo Botev Boulevard, sector 3, code 030236, www.teletrans.ro;
- Company "FORMENERG" SA - J40/ 2265/ 2002 - Bucharest, Gheorghe Șincai Boulevard no. 3, sector 4, code 040311, www.formenerg.ro;

List of persons related to the company

Company subsidiaries:

- SMART
- OPCOM
- TELETRANS
- FORMENERG

Annex 5 - Significant transactions

All contracts concluded with affiliated persons with a value greater than 50,000 euro were reported through Current Reports, as required by law.

The company informed its shareholders and investors on 21 December 2022 about the conclusion of a significant transaction with the subsidiary OPCOM SA, i.e. the purchase of the energy necessary to cover its own technological consumption (OTC) for the period 01.01.2023-31.03.2025, through the Centralized Electricity Purchase Mechanism (MACEE) provided for in the Annex to the Emergency Ordinance no.153/2022.

Annex 6 - Disputes

As of 31.12.2022, the Company was involved in the following litigations, with a value exceeding 100,000 euro (494,740 lei at BNR exchange rate):

No	File No	Court	Parties to the dispute and quality	Subject of the file	Amount in dispute	Hearings/solution
1	41911/3/2014 41911/3/2014*	Bucharest Law Court CAB ICCJ	c: Transelectrica Defendant I. SC Gallup Organization Romania SRL Defendant II. Stelian Baicusi and others	Claims	4.958.587,72 lei	Dismisses the appeals as unfounded. Orders the appellant-claimant to pay to the respondent-appellant Gallup Organization Romania SRL the sum of 6,250 lei in costs (representing reduced lawyer's fees). With appeal within 30 days from communication. Delivered in public sitting today, 18.12.2017. Document: decision 2269/2017 18.12.2017 TEL filed an appeal on 26.03.2018. The case is in the filter procedure at the ICCJ Dismisses, as unfounded, the appeal brought by the defendant The Gallup Organization Romania SRL against decision no. 2269 of 18 December 2017 of the Bucharest Court of Appeal - Fifth Civil Section. Admit the appeal filed by the applicant Compania Națională de Transport al Energiei Electrice Transelectrica SA against the same decision. Partially quashes the decision, with regard to the appeals filed by the plaintiff National Electric Power Transmission Company Transelectrica SA and the defendants Adrian Băicuși, Mihaela Măciuceanu against the judgment no. 6508 of 17 October 2016 of the Bucharest Court - Civil Section VI, with reference to the solution given to the subsidiary application. Upholds the other provisions of the contested decision. Orders the plaintiff Compania Națională de Transport al Energiei Electrice Transelectrica SA to pay 10,000 lei in costs on appeal to the defendant The Gallup Organization Romania SRL, reduced in accordance with Article 451 para. 2 Code of Civil Procedure. Final. CAB's decision in summary: Dismisses the main appeal and cross-appeal as unfounded. With appeal within 30 days of communication. The appeal shall be lodged with the Bucharest Court of Appeal, Fifth Section Decision 1560/2019 09.10.2019
2	2177/99/2012/a 40 2177/99/2012	Iasi Law Court	CET SA Iasi - debtor in insolvency Transelectrica SA - Creditor	Insolvency proceedings	the amount of 1.935.308,24 lei registered in the creditors' list	Dismisses the appeals brought by the appellants. Grant a control hearing of 21.05.2019 The short answer: the judicial reorganization plan of the debtor S.C. CET S.A. (CENTRALA ELECTRICĂ DE TERMOFICARE IAȘI), with registered office in Iași, Calea Chișinăului nr.25, is rejected, registered with the ORC under No J22/677/2002, CUI 14718982 Pursuant to Article 107(1)(B) of Law No 85/2006 on insolvency proceedings, orders the opening of general bankruptcy proceedings for the debtor S.C. CET S.A. (CENTRALA ELECTRICĂ DE TERMOFICARE IAȘI), established in Iași, Calea Chișinăului No 25, registered with the ORC under No J22/677/2002, CUI 14718982. 2 of the Law on Insolvency Proceedings, provisionally appoints as liquidator the judicial administrator MANAGEMENT REORGANIZARE LICHIDARE IAȘI S.P.R.L. with registered office in Iași, str.Aleea Nicolina, nr.82, jud.Iași, registered with the Register of Professional Companies under no. 0120/31.12.2006, who will carry out the duties provided for in art. 25 of the Law. Pursuant to the provisions of Article 107(1) of the Act, the following persons are entitled to apply for registration 2 of the Law on Insolvency Proceedings, orders the dissolution of the debtor company and the withdrawal of the debtor's management rights. Fixes the maximum

No	File No	Court	Parties to the dispute and quality	Subject of the file	Amount in dispute	Hearings/solution
						deadline for handing over the management to the judicial liquidator, together with the list of acts and operations carried out after the opening of the proceedings on 21.03.2014. Orders the notification of the opening of bankruptcy proceedings to the debtor, creditors and the Commercial Registry Office of the Iasi Court, for the purpose of making a mention, by publication in the Insolvency Proceedings Bulletin. Sets the hearing for filing claims arising in the course of the proceedings at 25.04.2014. Sets the hearing for verifying claims arising in the course of the proceedings, drawing up, displaying and communicating the supplementary schedule of claims at 26.05.2014. The hearing for lodging objections to claims arising in the course of the proceedings shall be at least 10 days before 24.06.2014. Sets the hearing for settling objections to claims arising in the course of the proceedings at 24.06.2014. Sets the hearing for drawing up and posting the final consolidated statement of claims at 24.06.2014. Pursuant to Article 113 of the Law on Insolvency Proceedings, orders the sealing of the debtor's assets, the seizure of the real estate, the shares and the performance of other liquidation operations. Document: Interim decision 17.09.2014 . Hearing for continuation of the procedure: 22.02.2023
3	9089/101/2013/ a 152	Mehedinti Law Court	RAAN - debtor in bankruptcy Transelectrica SA - Creditor	bankruptcy proceedings	Request for registration in the creditors' list with the amount of 89.360.986,06 lei.	Transelectrica SA was entered in the debtor RAAN's table with the amount of 11,264,777.30 lei, in the category of claims resulting from the continuation of the debtor's activity, the amount requested by our company being 89,360,986.06 lei, while the amount of 78,096,208.76 lei was not entered in the preliminary table of claims, on the grounds that "it does not appear as being due in RAAN's accounting records. Moreover, the request for the amount of 78.096.208,76 lei is late, being related to the period 2011 - 2013, which is why the statement of claim should have been formulated at the time of the opening of the insolvency proceedings, i.e. on 18.09.2013. We filed an objection to the Table. Summary: On the basis of Art. 139 C. pr. civ. Joins the present case to file No 9089/101/2013/a140. Definitive. Delivered today 14.02.2019 in open court. Document: final closure (divestment) 14.02.2019 Hearing for continuation of procedure: 09.02.2023
4	6473/111/2013	Bihor Law Court	SC Electrocentrale Oradea - debtor in insolvency Transelectrica SA - Creditor	insolvency proceedings	Request for registration in the creditors' list with the amount of 641.673,13 lei	Pursuant to Article 107 para. 1 lit. B) of the Law on Insolvency Proceedings, orders the opening of the bankruptcy proceedings of the debtor SC Electrocentrale S.A. Provisionally appoints CITR- Filiala Bihor SPRL with registered office in Oradea, Roman Ciorogariu str. no. 24, which will perform the duties provided for in art.25 of the law, whose remuneration will be established later, according to the statement. Pursuant to Article 107(2) of the Insolvency Procedure Act, orders the dissolution of the debtor company and the withdrawal of the debtor's right of administration. Fixes the maximum deadline for handing over the management to the liquidator, together with the list of acts and operations carried out after the opening of the proceedings on 18 January 2018. Pursuant to Articles 61 and 109 of the Insolvency Proceedings Act; Orders the notification of the opening of the proceedings to the debtor, the creditors and the Commercial Registry Office of the Bihor Court, through the Insolvency Proceedings Bulletin, in order to make the mention pursuant to Article 61 of the Insolvency Proceedings Act. Sets the hearing for filing claims arising in the course of the proceedings at 26 February 2018. Fixes the hearing for the verification of claims, drawing up, display and communication of the supplementary schedule of claims at 16 March 2018. Fixes the hearing for the settlement of any objections on 28 March 2018 and for the

No	File No	Court	Parties to the dispute and quality	Subject of the file	Amount in dispute	Hearings/solution
						<p>publication of the final consolidated statement of claims on 11 April 2018. Sets a date for the hearing of the case for 11 April 2018, room 66, at 9 a.m. Orders the liquidator to fix the date of the creditors' meeting and to convene the debtor's creditors. Orders the liquidator to send notices to all creditors. Orders that the judgment be notified to the courts within whose jurisdiction the debtor has its registered office and to all banks where it has opened accounts. Pursuant to Article 113 of the Insolvency Proceedings Act, orders the sealing of the debtor's assets and the performance of other liquidation operations. Enforceable. With an appeal within 30 days from the date of communication to be filed with the Bihor Court.</p> <p>Document: interim decision 14/2018 10.01.2018</p> <p>Hearing: 06.02.2019 - Solution type: Postpone the case</p> <p>Solution in brief: Inventory and recovery of the debtor's assets</p> <p>Document: meeting closure 06.02.2019</p> <p>Hearing 17.04.2019 - Solution type: Law 85/2006 on Insolvency Solution in brief: Admit the claim made by the creditor Vinter loan against the judicial liquidator CITR - Filiala Bihor SPRL. Resets the creditor within the time limit for filing the statement of claim. Orders the judicial liquidator to examine the creditor's statement of claim. Enforceable. With an appeal within 30 days from the communication to be filed with the Bihor Court.</p> <p>Document: interim decision 483/2019 17.04.2019 Hearing 17.05.2023</p>
5	873/1259/2008	Arges Court	Creditor:DGFP, Transelectrica Debtor: SC Termoficare 2000 Pitesti SA	Insolvency procedure Transelectrica has filed a request to be registered as a creditor in order to recover its debt	Entry in the creditors' list with the amount of 3.903.604,27 lei	<p>Solution type: Closed winding up (art. 118 of the law)</p> <p>Summary solution: Admit the request made by the judicial liquidator to close the insolvency proceedings of the debtor. Orders the closure of the insolvency proceedings of the debtor TERMOFICARE 2000 S.A. and its removal from the commercial register. Relieves the liquidator, to the extent provided for by law, of any duties or liabilities in relation to the proceedings, the debtor and his assets, creditors, holders of preferential rights, shareholders or associates. Orders notification of the judgment closing the proceedings: - to the REGIONAL DIRECTORATE GENERAL OF PUBLIC FINANCE PLOIESTI - ARGES JUDETEANA ADMINISTRATION OF PUBLIC FINANCE, - to the OFFICE OF THE REGISTRY OF COMMERCE, with a view to making the entry, - to the OFFICE OF REGISTRY AND PUBLICITATION OF REAL ESTATE, with a view to noting, if appropriate, the closure of the proceedings, - to all creditors, by publication in the BPI. Enforceable. With appeal within 10 days of notification of the judgment. Delivered in open court today 25.10.2022 Document: Decision 481/2022 25.10.2022</p>
6	4328/110/2013	Bacau Law Court	CET SA Bacau - debtor in insolvency Transelectrica SA - Creditor	insolvency proceedings	Request for registration in the creditors' list with the amount of 1.484.636,78 lei	<p>Adjourn the case</p> <p>Solution in brief: to continue the procedure</p> <p>Hearing: 11.07.2019</p> <p>Solution type: Adjourn the case Brief solution: for continuation of the proceedings Doct: Closure of the hearing 11.07.2019</p> <p>Hearing for continuation of the procedure: 16.02.2023</p>
7	29322/3/2014	Bucharest Law Court	SC ENNET GRUP SRL- debtor in insolvency Transelectrica- Creditor	insolvency proceedings	Request for registration in the creditors' list with the amount of 3.277.527,03 lei	<p>Hearing for continuation of the procedure: 22.05.2023</p>
	1867/90/2010	Valcea Law	SC Total Electric Oltenia	insolvency	Listed in the list of creditors	<p>Solution in brief: To continue the proceedings with a view to recovering the assets of the</p>

No	File No	Court	Parties to the dispute and quality	Subject of the file	Amount in dispute	Hearings/solution
8		Court	SA	proceedings - joint stock companies - on the debtor's request	14.085.415,27	debtor. Hearing: 08.02.2023
9	47478/3/2012 170/3/2014 47478/3/2012*/a1	Bucharest Law Court	SC PETPROD SRL Transelectrica SA - creditor	insolvency proceedings - joint stock companies - on the debtor's request	30.047.752,90 lei	We are registered in the creditor's creditor's estate of S.C. PETPROD S.R.L, with the amount of 30.046.403,79 lei Summary: Rejects as unfounded the request of the creditor Petprod Pre S.R.L. for an extension of the time limit for the resolution of the bankruptcy petitions. Admit the requests made by the creditors A1 Carpi Finance S.A. and Direcția Fiscală Braşov. Pursuant to Article 107(1)(a) of the EC Treaty 1 lit. A(c) and (c). B of Law 85/2006 on Insolvency Proceedings, orders the debtor PETPROD S.R.L. to enter into bankruptcy through the general procedure. Pursuant to Article 107(2)(a) of Law 85/2006 on Insolvency Proceedings, revokes the debtor's right of administration. Pursuant to Article 107(2) of Act No 85/2006 on insolvency proceedings, orders the debtor company to be wound up. Orders the sealing of the debtor's assets and the sending of notices to the courts in other counties where the debtor has assets for sealing, to be carried out by the liquidator. Sets a maximum period of 10 days from the date of notification of the opening of bankruptcy proceedings for the debtor to hand over the management of the assets to the liquidator, together with the list of acts and operations carried out until the opening of the proceedings, referred to in Article 46(2) of Law No 85/2006. Orders the drawing up and delivery to the liquidator, within a maximum of 5 days from the date of the bankruptcy, of a list containing the names and addresses of the creditors and all their claims, indicating those arising after the date of the request for the opening of the proceedings. It sets the following hearings: a) the hearing for the registration of the request for admission of claims referred to in Article 108(1)(a), (b) and (c), and the hearing for the submission of the request for admission of claims referred to in Article 108(1)(b) (b) the hearing for the verification of the claims referred to in Article 108(3) of Law No 85/2006 and arising after the date of the opening of the procedure, with a view to the drawing up of the supplementary schedule - 02.07.2021, (b) the hearing for the verification of the claims referred to in Article 108(3) of Law No 85/2006 and arising after the date of the opening of the procedure - 02.07.2021 3 of Law no. 85/2006, arising after the date of the opening of the procedure, and the drawing up, display and communication of their preliminary table - 02.08.2021, c) the hearing for lodging appeals with the court - 23.08.2021, c) the hearing for finalising the supplementary table of claims arising after the date of the opening of the procedure and for drawing up the final consolidated table - 01.09.2021. Appoints CLV Insolv I.P.U.R.L. as provisional liquidator, who will carry out the duties provided for in Article 25 of Law no. 85/2006, with a fee of 2,000 lei from the debtor's assets. Pursuant to Article 108(1) and (2) of Law No 85/2006, orders the liquidator to send a notification, in accordance with Article 61(1) to (3) of the same law, concerning the debtor's entry into bankruptcy proceedings by way of general proceedings, the withdrawal of the right of administration and its dissolution, to all the creditors mentioned in the list submitted by the debtor/judicial administrator, referred to in Article 107(2)(e), to the debtor and to the trade register office or, as the case may be, to the register of agricultural companies in which the debtor is

No	File No	Court	Parties to the dispute and quality	Subject of the file	Amount in dispute	Hearings/solution
						registered, in order to make the entry. Orders the publication of the notification in a widely circulated newspaper and in the Insolvency Proceedings Bulletin, to be carried out by the judicial liquidator. Orders the judicial liquidator to ensure that the notifications sent to creditors include the request for communication of the statement of claims, supporting documents, stamp duty: (i) one copy shall be sent both in scriptural format (paper) to the registry of the 7th Civil Division of the Bucharest Court of Appeal, and (ii) one copy shall be sent to the court of the 7th Civil Division of the Bucharest Court of Appeal. ti, cât ?i în format electronic (PDF documents of maximum 4 MB each) pe adresa de e-mail a Sec?iei a VII-a Civilă a Law Courtului Bucure?ti (trb-insolventa@just.ro); (iii) the copy destined to the insolvency practitioner will be sent to the correspondence address that will be indicated by him by notification. The court orders the judicial liquidator to take measures to archive the accounting documents of the debtor company in accordance with the provisions of Law no. 16/1996, namely the grouping by archival units, preservation and inventory during the reorganisation and judicial liquidation procedure, and subsequently the selection and preparation of the minutes provided for in Article 11 of the same law, the handing over of the documents in accordance with Article 18 of the same law, with the county directorates of the National Archives being informed of the measures ordered. Sets the hearing for the continuation of the procedure at 31.01.2023
10	36755/3/2018	Bucharest Law Court	A:Conaid CompanySRL P: Transelectrica	Claims and finding of unjustified refusal to conclude an Addendum of contract for connection of RET C154/2012	17.216.093,43 lei, damage suffered and 100.000 euro, estimated unrealized benefit	Solution type: Postpone the case Solution in brief: To take notice of the request to amend the request for a writ of summons. Hearing: 07.05.2019 Summary: Dismisses the lis pendens plea as unfounded. Dismisses the request for stay of proceedings as unfounded. Appeal together with the merits. Hearing for further proceedings on 17.09.2019, with summons to the parties. Delivered by making the decision available to the parties through the court registry. Document: meeting minutes 11.06.2019 Hearing : 22.02.2023 - expert evidence is administered.
11	8207/62/2011	Brasov Court	CET SA Brasov - debtor in insolvency Transelectrica SA - Creditor	insolvency proceedings	Registered in the creditors' list with the amount of 4.303.741,44 lei	Solution in brief: In order to collect the auction price of the assets auctioned by the Municipality of Brasov, under the conditions approved by the creditors, to continue the steps to recover the assets remaining in the debtor's assets, to continue the steps to solve the company's environmental problems and to solve the disputes to which CET Brasov SA is a party, sets the hearing for control at 23.05.2023.
12	926/62/2019	BV Court	C: Transelectrica D: ICCO Energ SRL	Request for registration in the creditor's account	1.422.119,64 lei	The claim was registered in the TP published on 15.05.2019. According to the reorganization plan voted by the Creditors' Meeting on 27.08.2020 the reorganization plan was voted, which provides that unsecured creditors will receive 0 lei. The plan was confirmed by the syndic judge by interim decision no. 796/09.11.2020, and the syndic judge's decision was appealed by the creditors. Hearing for judgment: 23.02.2021. The creditors' appeal was rejected. According to Article 140 para. 1 of Law no. 85/2014, if the reorganization plan fails and bankruptcy is entered, the situation will revert to that established by the final table of all claims against the debtor provided for in Art. 112 para. (1), deducting the amounts paid during the reorganization plan. According to Article 59 paragraph 3 of Law no. 85/2014, for the continuation of the

No	File No	Court	Parties to the dispute and quality	Subject of the file	Amount in dispute	Hearings/solution
						reorganization plan, the hearing for control in the Council Chamber is 13.09.2022, at 10.30 a.m. The activity report must be filed at least 5 days before the trial date under penalty of a fine. Hearing for continuation of procedure: 13.06.2023
13	1284/101/2015 24206/3/2015	Mehedinti Law Court Bucharest Law Court Bucharest Court of Appeal ICCJ	Plaintiff:RAAN Defendant: Transelectrica	Claims	16,896,664.09 lei, representing the countervalue of the cogeneration bonus for the months from September 2014 to February 2015 and the amount of 909,016.08 lei, countervalue of late payment penalties	Solution type: Defer the resolution of the case Summary solution: Admit the plea of lack of territorial jurisdiction. Declining jurisdiction in favour of the Bucharest Court, Civil Section VI. No appeal. Delivered in public session, today 22.05.2015. Document: Decision 41/2015 22.05.2015 Summary of the decision: The request, as supplemented, is granted. Orders the defendant to pay the applicant the sum of 17,805,680.17 lei, representing the value of the bonus and penalties. Dismisses the applicant's request for costs as unfounded. Appeal within 30 days of notification. The appeal is lodged with the Bucharest Court - Civil Section VI. Delivered in public sitting, today 03.11.2015. Document: Decision 6075/2015 03.11.2015 Appeal declared Dismisses the appeal filed by the appellant - defendant „TRANSELECTRICA" against the Civil Judgment no.6075/03.11.2015 rendered by the Bucharest Court - Civil Section VI in the case no.24206/3/2015 against the respondent - plaintiff RAAN through judicial liquidator EURO INSOL SPRL as unfounded. Dismisses as unfounded the appellant - defendant's claim for payment of costs incurred on appeal. With appeal within 30 days of notification. The request for leave to appeal shall be lodged with the Bucharest Court of Appeal - Fifth Civil Division. Delivered in public sitting, today 24.09.2020. Document: decision 1206/2020 24.09.2020. The amount has been foreclosed. Transelectrica appealed Dismisses the appeal brought by the appellant-respondent Compania Națională de Transport al Energiei Electrice „Transelectrica" S.A. against civil decision No 1206/2020 of 24 September 2020, delivered by the Bucharest Court of Appeal - Fifth Civil Section, as unfounded. Definitive. Decision No 2684/09.12.2021
14	7566/101/2014 26024/3/2015	Mehedinti Law Court Craiova Court of Appeal Bucharest Law Court CAB	Plaintiff:RAAN Defendant: Transelectrica	Claims Amount of 10,048,628.86 lei	10.048.628,86 lei	Solution in short: Admit the action. With appeal within 30 days of notice. Delivered in open court today, 04.02.2015. Document: Decision 16/2015 04.02.2015 Appeal declared Solution type: Order retrial to the first instance or to the competent court Summary solution: Admit the appeal. Annuls the judgment and refers the case to the Bucharest Court - Civil Section VI. Final. Document: Decision 509/2015 30.06.2015 TB's summary judgment: Dismiss the claim as unfounded. With appeal within 30 days of notice. Pronounced by making the solution available to the parties through the court registry today, 04.02.2020. Document: decision 166/2020 04.02.2020 RAAN appealed. Summary judgment: Dismiss the appeal as unfounded. Final. Delivered in open court.

No	File No	Court	Parties to the dispute and quality	Subject of the file	Amount in dispute	Hearings/solution
		ICCJ				Document: decision 1839/2020 09.12.2020 RAAN filed an appeal, hearing for judgement 1.03.2022CJCA decision of 01.03.2022: Admit the appeal filed by RAAN and send the case for a new judgement to the CAB. Summary judgment: The appeal is allowed. Reverses the judgment under appeal in its entirety to the effect that: Admit the request as made. Orders the defendant to pay the plaintiff the sum of 10,048,628.86 lei. With the right to appeal within 30 days from the communication. Pronounced in public sitting, today 12.12.2022. Document: Decision 1933/2022 12.12.2022
15	37352/3/2021	Bucharest Law Court Galati Law Court	R : Transelectrica P : Next Energy Partners	Claims	8.395.132,23 lei + legal interest	Hearing 12.05.2022 Type of solution: Defer the resolution of the case Summary solution: Admit the plea of lack of territorial jurisdiction of the Court of Bucharest, raised by the defendant. Declining jurisdiction to hear the case in favour of the Court of Galati. No appeal. Delivered by the Court Registry today, 27.05.2022. Document: Decision 1211/2022 27.05.2022 Hearing: 06.03.2023
16	2088/107/2016	Court of Alba	D: ROMENERGY INDUSTRY SRL C: Transelectrica P:	Insolvency procedure Law 85/2014	16.475.047,45 lei	TEL is registered with the amount of 16475047,45 lei to the creditor's account in file no. 2088/107/2016. Summary solution: sets a hearing of 19.09.2022, for the continuation of the bankruptcy proceedings, through the recovery of assets and the recovery of claims. The liquidator shall draw up and file: - on the 15th of each month, for the previous month, the monthly activity reports referred to in para. 1 of art. 59 Law 85/2014; - for the verification hearing, 5 days before the hearing, the summary report at 120 days, provided for in the final part of para. 3 of art. 59 Law 85/2014. Hearing 12.12.2022 Based on Art. 175 para. 2 of Law no. 85/2014, closes the bankruptcy proceedings concerning the debtor ROMENERGY INDUSTRY S.R.L. Orders the deletion of the debtor company from the commercial register. Pursuant to the provisions of Article 180 of the Law, the bankruptcy judge and the liquidator are discharged from any duties or responsibilities with regard to the proceedings, the debtor and its assets, creditors and associates. This decision will be notified in accordance with Article 179 of Law no. 85/2014 to the Trade Register Office of the Alba Court and to the Regional General Directorate of Public Finance of Brasov - Alba County Public Finance Administration, as well as to the creditors, the latter by publication in the Insolvency Proceedings Bulletin. With a right of appeal within 7 days of notification by the BPI, to be filed with the Alba Court. Pronounced by making the solution available to the parties by the court registry, according to art. 402 Code of Civil Procedure 2010 on 12.12.2022. Procedure for the resolution of appeals against the closure decision.
17	627/107/2016	Court of Alba	A: Transelectrica P:ROMENERGY INDUSTRY SRL	Claims	1.748.339,29 Lei	Summary: Suspended the case under Article 75 of Law 85/2014.Doc: Decision - Suspension 21.09.2016
18	7226/3/2016	Bucharest Law Court	Defendant: Energy Holding Plaintiff: Transelectrica	Claims	1.073.561,72 lei	Grant in part the request for a restricted and amended writ of summons. Orders the defendant to pay the applicant the sum of RON 1050000 as the price of the services rendered according to the tax invoice No 6080 of 23.11.2015 and the sum of RON 14129,79 as late payment penalties. Orders the defendant to pay the applicant the sum of 14 916,48 lei by way of costs. With appeal within 30 days of notification. The appeal is lodged with the Bucharest Court, Civil Division VI. Document: Decision 5375/2016 16.09.2016.

No	File No	Court	Parties to the dispute and quality	Subject of the file	Amount in dispute	Hearings/solution
						<p>We have filed an appeal.</p> <p>At the trial on 4.03.2017, the Court granted the evidence of an accounting expert.</p> <p>Hearing: 13.06.2017 for the expert's report and summons by the receiver On 08.05.2017, the defendant became insolvent.</p> <p>Suspended. Reopened for the termination of the file pursuant to Article 75 of the insolvency law. Hearing for decision:26.06.2018</p> <p>The short answer: allow the appeal. Annuls in part the judgment under appeal. Dismisses the action for payment of the sum of RON 7573.96 in late payment penalties contained in invoice No 3590/27.02.2016 and the sum of RON 1857.97 in late payment penalties contained in invoice No 17773/17.02.2016. Right of appeal within 30 days of notification. The request for appeal shall be submitted to the Bucharest Court of Appeal - Civil Section VI under penalty of nullity. Delivered in public sitting today, 26.06.2018.</p>
19	3694/3/2016	Bucharest Law Court	Plaintiff: RAAN Defendant: Transelectrica	Claims	15.698.721,88 lei	<p>Summary judgment: Dismiss the request as unfounded. Appeal within 30 days of service. The request for appeal shall be filed with the Bucharest Court, Civil Section VI. Delivered in public sitting today, 11.06.2020.</p> <p>Document: Decision 630/2020 11.06.2020</p> <p>Hearing: 08.11.2021</p> <p>Grant the request for a stay of proceedings. Pursuant to Article 413(2) of the EC Treaty, the Court of First Instance may stay the proceedings. 1, para. 1 of the Code of Civil Procedure, suspends the appeal until the final resolution of Cases No. 26024/3/2015 and No. 28458/3/2017. With the right to appeal throughout the suspension. The request for appeal shall be submitted to the Bucharest Court of Appeal, Civil Section VI. Delivered in public sitting, today, 08.11.2021.Document: Judgment - Suspension 08.11.2021</p> <p>Summary judgment: Dismiss the request to reopen the case as unfounded.</p> <p>Document: Order - Suspension 09.05.2022</p>
20	9089/101/2013/a140	Mehedinti Law Court CA CRAIOVA ICCJ	Plaintiff: Transelectrica Defendant: RAAN	Claims	86,513,430.37 lei	<p>Solution in short: Admit the plea of revocation. Allow in part the main action and the related appeal. Orders the defendant to pay to the applicant the sum of 16,950,117.14 lei, a claim arising in the course of the proceedings, and orders that it be entered in the list of creditors against the debtor RAAN in that amount. Dismisses the remainder of the related claims. Pursuant to Article 453(2) of the Civil Procedure Code. Orders the defendant to pay the applicant's legal costs and expenses in the amount of EUR 1 000. With appeal. Delivered today 20.06.2019 in open court.</p> <p>Document: decision 163/2019 20.06.2019</p> <p>CA Craiova: Dismisses the appeal as unfounded. Definitive.</p>
21	1396/90/2016 2428/2/2014	Valcea Law Court	Transelectrica - creditor CET Govora - debtor	1. Request for registration in the creditor's estate in TP <u>2.</u> By the appeal which is the subject of the request, the applicant <u>CET</u>	28.200.440,31 lei	<p>Transelectrica SA has been entered in the Preliminary Table with a total claim of 28,200,440.31 lei, according to the request made by our company. We mention that the claim in the amount of 21,962,243.71 lei, representing the principal debt and penalties related to invoice no. 8116/08.04.2016, is registered under the suspensive condition of the pronouncement of a final court decision in favour of ANRE in case no. 2428/2/2014 pending before the Bucharest Court of Appeal, having as object the annulment of ANRE decision no. 738/28.03.2014.</p> <p>Solution type: Postpone the case</p> <p>Grant a time limit for the continuation of the insolvency proceedings against the debtor</p>

No	File No	Court	Parties to the dispute and quality	Subject of the file	Amount in dispute	Hearings/solution
				<p><u>Govora</u> requested the annulment of the Decision of the Chairman of ANRE no. 738/28.03.2014, by means of the Clarification filed on 29.10.2014, it requested that, if the appeal is admitted, the sums of money withheld by the administrator of the support scheme, Transelectrica SA, in the execution of the overcompensation decision, be ordered to be refunded, for the recovery of the sum of 53,742,755 lei.</p> <p><u>By the Notes of the hearing</u> registered in the file on <u>13.10.2021</u> and <u>04.01.2022</u>, respectively, the Plaintiff <u>CET Govora SA</u> requests the admission of the request for clarification of the action filed for the hearing of 29.10.2014, indicating that the</p>		<p>company. Grant the proposal of the insolvency administrator to modify the composition of the creditors' committee, by setting up a committee of three members, namely Alpha Bank Romania SA, Rm.Vâlcea Municipality and NAFA-DGAMC.</p> <p>Document: meeting closure 10.06.2019</p> <p>Summary: Confirm the amendment to the reorganization plan filed on 23 Dec. 2019 (f.1-29 vol.76) and the extension of the execution period of the plan by one year, i.e. until 18 July 2022.</p> <p>Document: decision 225/2020 02.03.2020</p> <p>Hearing for continuation of procedure: 13.02.2023</p>

No	File No	Court	Parties to the dispute and quality	Subject of the file	Amount in dispute	Hearings/solution
				amount extinguished by offsetting the mutual claims between CET Govora SA and Transelectrica SA is 40,507,668.67 lei.		
22	1196/93/2016	Ilfov Court	Transelectrica - applicant UGM Energy Trading - parade	Claims	3.422.293,07 lei	Court date: 20.09.2016 On the basis of Article 75 paragraph 1 of the Law no.85 of 2014 on insolvency, it is hereby declared that the court proceedings have been suspended.
23	1705/93/2016	Ilfov Court	UGM Energy Trading SRL - debtor in insolvency	Claims	3.515.687,51 lei	29.06.2016 - opening of the general insolvency proceedings, 14.08.2016 - hearing for submission of the statement of claim. The claim in the amount of 3.515.687,51 lei was admitted, representing the countervalue of the invoices issued by our company, following the rendering of services in favour of the debtor UGM Energy Trading S.R.L., calculated until 29.06.2016, the date of the opening of the general insolvency proceedings, the claims in the amount of 200 lei and 41.331,59 lei claimed by our company as judicial stamp duties were rejected. We filed an objection to the table within the legal deadline. Summary: Dismiss the appeal as unfounded. With a right to appeal within 7 days of notification. The request for appeal shall be lodged with the Ilfov Court. Delivered in public sitting on 23.02.2017.Document: Decision 511/2017 23.02.2017 On 03.08.2017, the court ordered the opening of bankruptcy proceedings. Hearing for continuation of proceedings 02.02.2023
24	35304/3/2016	Bucharest Law Court	Debtor: Electrocentrale Bucuresti SA Creditor: Transelectrica SA	Insolvency - Request for registration in the creditor's estate	2.286.832,15 lei (dc. Amount of 1.739.926,66 lei not to be offset)	Solution type: Admit the claim Summary: Admit the claim of the debtor SC ELECTROCENTRALE BUCURESTI SA Pursuant to Article 71 para. 1 of Law no. 85/2014 on insolvency prevention and insolvency proceedings open general proceedings against the debtor SC ELECTROCENTRALE BUCURESTI SA. Pronounced by making the solution available to the parties through the court clerk's office, today 09.07.2020. Hearing for continuation of procedure: 02.02.2023
25	40958/3/2016	Bucharest Law Court CAB ICCJ	Plaintiff: Transelectrica Defendant COMMERCIAL COMPANY COMPANY FOR ELECTRICITY NETWORK MAINTENANCE SERVICES „SMART,, S.A.	Claims	2.797.095,21 lei, including VAT + 1.211.694,26 lei accessories	The defendant's plea that the right of action is time-barred is upheld. Dismisses the action as time-barred. Dismisses the applicant's request for an order that the defendant pay the costs as unfounded. Appeal within 30 days of service. The request for appeal shall be lodged with the Bucharest Court - Civil Section VI. Pronounced by making the decision available to the parties through the court registry, today, 29.10.2021. Document: Decision 2667/2021 29.10.2021. Transelectrica appealed. Hearing for appeal: 10.05.2022 Summary decision: Dismiss the appeal as unfounded. With appeal within 30 days from communication, appeal to be filed at the Bucharest Court of Appeal - Fifth Civil Division. Pronounced publicly today, 10.05.2022.Document: Decision 743/2022 10.05.2022 Transelectrica filed an appeal, which is in the filtering procedure at the ICCJ.

No	File No	Court	Parties to the dispute and quality	Subject of the file	Amount in dispute	Hearings/solution
26	3256/85/2016	Sibiu Court	Plaintiff: Transelectrica Defendant GOG METAL SRL and ELECTRO Construct System SRL	Claims	756,770 lei	Summary: The request for suspension of the proceedings brought by the applicant COMPANIA NAȚIONALĂ DE TRANSPORT A ENERGIEI ELECTRICE TRANSELECTRICA S.A. in response to the statement of defence is granted. Orders the suspension of the present case until the final resolution of the case no. 1658/2/2014 pending before the Bucharest Court of Appeal. With the right to appeal for the duration of the stay of proceedings. Pronounced in public sitting on 02.03.2017. Document: Judgment - Suspension 02.03.2017 A request for reinstatement has been made. Hearing : 09.06.2022 Solution type: Adjourn the case Short resolution : In order to redo and submit the expert report to the file. Document : Minutes 09.06.2022 Hearing 09.03.2023
27	7282/3/2017	Bucharest Law Court	C: Transelectrica and others D: Arelco Energy SRL	Bankruptcy proceedings	1.878.467,85 lei debt to be recovered	Claim admitted in the preliminary schedule of claims. Solution in brief: for the continuation of the procedure, the drawing up of the report on the closure of the procedure, for the submission of replies from the D.I.T.L. Sector 1-6, OCPI and the Car Registration Service Document: Minutes of the meeting 14.06.2022 Hearing: 25.10.2022 Solution in brief: Approve the final activity report. Pursuant to Art. 175 para. 2 of Law no. 85/2014 closes the insolvency proceedings against the debtor S.C. Arelco Energy S.R.L. Orders the deletion of the debtor's company from the Bucharest Trade Register. On the basis of Article 179 of the Law, this decision to close the proceedings will be notified to the Directorate General of Public Finance Bucharest and to the Trade Register Office Bucharest, for the purpose of making a mention. Pursuant to art. 180 of Law no. 85/2014 discharges the judicial liquidator and all persons who assisted him from any duties and responsibilities. With the right to appeal within 7 days from the communication, by publication in the Insolvency Proceedings Bulletin, to be filed with the Bucharest Court - Civil Section VII. Delivered in public sitting, today, 25.10.2022. Document: Decision 4525/25.10.2022
29	4452/3/2017	Bucharest Law Court	C: Transelectrica and others D: Arelco Power SRL	Bankruptcy proceedings	20.996.030,49 lei	The admitted claim 20.041.519,94 lei, with the mention that the amount 954.510,55 lei was extinguished by compensation. Initially, the amount requested and admitted was 21.025.161 lei Hearing for continuation of the procedure: 10.03.2023
30	1372/3/2017		C : Transelectrica D: Transenergo Com	Insolvency procedure	6.850.000,98 lei	The claim was admitted, but with the following observations: From the total amount is deducted the amount of 1983,36 lei (compensated); 69808,42 lei, of which 48642,11 lei is the claim settled by TEL through SGB execution and the amount of 21.166,31 lei, claim considered current, countervalue of invoices issued after the date of opening of the insolvency proceedings. Summary: Based on Article 139 of Law 85/2014, confirms the reorganization plan of the debtor S.C. TRANENERGO COM S.A., proposed by the special administrator. With appeal within 7 days from the communication of the decision by publication in the Insolvency Proceedings Bulletin, to be filed with the Bucharest Court - Civil Section VII. Delivered in public sitting today 03.02.2021. Document: interim decision 469/2021 03.02.2021 Hearing for continuation of reorganisation plan procedure: 08.02.2023
31	345/40/2017	Botosani Law Court	A: Transelectrica P: Elsaco Energy SRL	Claims	9.198.673,80 lei	Pursuant to Article 75 of Law No 85/2014 in conjunction with Article 412 NCPC, suspends the proceedings. With appeal for the duration of the stay. Delivered in open court today,

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						26.09.2017. Document: Closure - Suspension 26.09.2017
32	10085/3/2017	Bucharest Law Court	A: Electromontaj SA P: SMART SA Transelectrica SA	Claims	121099.16 euro, countervalue Lack of use of intervention poles 100.000 euro, income that could be obtained from the exploitation of poles	Summary ruling: upholds the objections to the expert accountant's report. Orders the defendant Transelectrica to provide the accounting expert Braham Irina with the values of active and reactive energy on the Lea 400kv Iernut-Gadalın between 22.09.2016 and 05.02.2017, as well as the tariffs charged in accordance with Order No 27/2016, under penalty of a fine. The address will be returned to the accountant expert with the mention to respond to objective 2 of the accountant expert's report by reference to the criteria established by the expert Grigoriu Mircea in the technical expert's report in the energy speciality, as completed by the reply to the objections, following which the reply will be submitted to the court at least 10 days before the granted deadline. Delivered today, 18.11.2022, in open court. Document: Minutes of the hearing 18.11.2022 Hearing: 24.02.2023
33	3052/99/2017	Iasi Law Court	Debtor: Fidelis Energy SRL	Insolvency procedure	2.219.985 lei, invoices + 200 lei, stamp duty	The claim was entered in the Preliminary Table in the amount of 2,219,985 lei. The amount of 200 lei, the judicial stamp duty was not entered. Adjourns the case and sets a hearing of 30.03.2023 for the continuation of the proceedings in order to submit the reorganisation plan.
34	14733/3/2017	Bucharest Law Court Bucharest Court of Appeal	Debtor: Energy Holding SRL	Insolvency procedure	1.199.910,16 lei, cval invoices and stamp duty, expert accountant fees	We were registered in TP with the amount of 1.179.545,28 lei, cval. Invoices, being rejected the amount of 20.364,88 lei, countervalue of judicial stamp duty and accountant fees. I have filed an objection to the preliminary table for the rejected amount. The appeal was rejected as unfounded. Hearing for appeal 22.03.2018. Dismiss the appeal as unfounded. Final Hearing 20.02.2023
35	2236/118/2017 yes 2236/118/2017/a11 - Payment claim dispute	Constanta Court CA CT	Debtor: Elcomex IEA SA C: Transelectrica	Insolvency procedure	31.189.486,75 lei	The claim has been entered in the creditor's list. The amount of 31,180,857.96 lei (<u>7,058,773.36 euro</u>) was recovered from the insurer ASITO KAPITAL SA, by enforcing the decision pronounced in case no. 24552/3/2017. The difference represents self-consumption energy +apa and is to be paid according to the reorganization plan. Under Law no.85/2014 a number of transactions concluded with some of the debtors are confirmed. During the reorganization, the debtor company will be managed by the special administrator under the supervision of the insolvency administrator in accordance with the provisions of the confirmed plan. The court orders the receiver to submit monthly activity reports, as well as the reports drawn up on the basis of Article 144 of Law no. 85/2014. Sets a hearing of 22.02.2023 for the continuation of proceedings
36	2428/2/2014	CAB	A: CET Govora Q: ANRE Intervener Cons. Local Valcea Transelectrica	Annulment of ANRE decision on overcompensation no. 738/2014	The amount of 53,742,755 lei. overcompensation 2011 - 2013	Hearing: 21.03.2022 Adjourned to 29.04.2022 Summary judgment: Dismissed the request as amended as unfounded. Dismisses the request for ancillary relief in favour of the applicant as unfounded. With an appeal, within 15 days from the date of communication, to be lodged with the Bucharest Court of Appeal. Delivered today, 16.05.2022, with the decision being made available to the parties through the Registry.
37	16216/3/2017	Bucharest Law Court	A: Teletrans P: Transelectrica	Action for a declaration of fulfilment of		Adjourned to 22.04.2019 Type of solution: reject the request Summary: Admit the plea that the substantive right of action in respect of the tax invoices for

No	File No	Court	Parties to the dispute and quality	Subject of the file	Amount in dispute	Hearings/solution
		CAB ICCJ		contractual obligations and claims		February to March 2014 is time-barred. Dismiss the claim relating to invoices No 115/01.03.2015 and No 123/01.03.2017 as time-barred. Dismisses the remainder of the action as unfounded. Appeal within 30 days of notification. The appeal is filed with the Bucharest Court - Civil Section VI. Delivered in public sitting today, 22.04.2019. Document: decision 1064/2019 22.04.2019 Teletrans has filed an appeal, which is due to be heard on 11.03.2021. Refer the case back to the Sixth Civil Chamber, find that there is a negative conflict of jurisdiction and send the case to the ICCJ. Summary: The appeal is dismissed as inadmissible. Dismisses the appeal as inadmissible. From the date of communication of the present decision, with reference to the provisions of Article 457(3) of the Code of Civil Procedure, the time limit for the exercise of the right of appeal begins to run. Definitive. Document: Decision 1214/2021 06.09.2021. Teletrans has lodged an appeal, which is in the filtering procedure before the ICCJ.
38	7141/2/2017	CAB	C: Transelectrica I: NAFA		Annulment of enforceable title no. 13540/22.08.2017 91823180 lei	Summary: Admit the objection of lack of material jurisdiction of the Bucharest Court of Appeal - SCAF. Declares that the Court of Sector 1 Bucharest has jurisdiction to hear and determine the case. No appeal. Delivered in public sitting, today 08.02.2018. Document: decision 478/2018 08.02.2018
39	28460/3/2017	TMB	A: RAAN P: Transelectrica		Action on claims 12.346.063,10 lei (bonus Nov 15 - Apr 16; regularization bonus 2015; late payment penalties)	Dismisses the action brought by the applicant, Regia Autonomă pentru Activități Nucleare, against the defendant, Compania Națională de Transport al Energiei Electrice Transelectrica SA, as unfounded. Dismisses as unfounded the parties' request for costs. With a right of appeal within 30 days of notification. The request for appeal is lodged with the Bucharest Court - Civil Section VI. Delivered today, 24 June 2020, and made available to the parties through the court registry. Document: decision 777/2020 24.06.2020 RAAN has lodged an appeal. Hearing for appeal: 27.09.2021 Under Art. 413 para. 1 para. 1 NCPC suspends the appeal proceedings until the final resolution of cases no. 28458/3/2017 no. 26024/3/2015. With appeal for the duration of the stay. Document: Order - Suspension 27.09.2021 Summary: Dismisses as unfounded the request to resume the case. The appeal is stayed. With appeal for the duration of the stay. Delivered in open court today, 23.05.2022. Document: Judgment - Suspension 23.05.2022
40	33009/3/2017	Bucharest Law Court	D: Photovoltaic Green Project C: Transelectrica S.A.		Insolvency procedure Request for registration in the creditor's account with the amount of 693.073,51 lei	Transelectrica was entered in the preliminary table of claims with a total amount of 693,073.51 lei. 11.03.2019 - Solution in short: Based on Article 139 paragraph 1 of Law 85/2014 on insolvency proceedings, confirms the reorganization plan of the debtor PHOTOVOLTAIC GREEN PROJECT SRL. Hearing : 17.10.2022 continuation of proceedings Solution in short: Approve the final report of the liquidator. On the basis of Article 175(1) of Law No. 85/2014 closes the insolvency proceedings against the debtor. Pursuant to art.179 of Law no.85/2014, the judgment closing the proceedings will be notified to the DIREȚELOR GENERALE A FINANȚELOR PUBLICE BUCUREȘTI and to the TRADE REGISTRY OFFICE of the Bucharest Court, for the purpose of making a mention. On the basis of art.141 paragraph 1 of Law no.85/2014 on insolvency prevention and insolvency proceedings, order all measures to be taken to reinstate the debtor in business activity.

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						Pursuant to Article 180 of Law no. 85/2014 discharges the judicial liquidator and all persons assisting him from all duties and responsibilities. With appeal within 7 days from the date of communication by publication in the Insolvency Proceedings Bulletin. The request for appeal shall be submitted to the Bucharest Court, Civil Section VII. Delivered today 17.10.2022 in public sitting. Document: Decision 4258/2022 17.10.2022
41	28430/3/2019	Bucharest Law Court	A: Romsilva SA P: Transelectrica		Claims 2.433.608,52 lei, rent for the year 2019 temporary occupancy + penalties	Solution in short: Pursuant to Article 413 para. (1), para. 1 C.proc.civ., suspends the case until the final resolution of case no. 3155/115/2018 pending before the High Court of Cassation and Justice. With a right of appeal for the duration of the stay. Delivered today, 19.05.2020. The decision will be made available to the parties through the court registry. Document: Order - Suspension 19.05.2020 Judgement hearing 15.02.2022 Adjournment of the decision to 21.04.2022 Summary solution: Dismiss the request as unfounded. With the right to appeal within 30 days of communication, the appeal to be filed with the Bucharest Court, Civil Section IV. Delivered today, 03.05.2022. The decision will be made available to the parties through the court registry. Document: Judgment 692/2022 03.05.2022
42	32612/3/2017	Bucharest Law Court	Biol Energy		Insolvency procedure Request for registration in the creditor's account with the amount of 566.511,73 lei	The claim has been entered in the Preliminary Receivables Table. Hearing for continuation of the procedure: 30.03.2023
43	4328/110/2013	Bacau Law Court	C : Transelectrica D : CET Bacau		Bankruptcy proceedings Request for registration in the creditors' list with the amount of 1.484.636,78 lei	Registered in the creditors' list with the amount of 1.484.636,78 lei. Hearing for continuation of proceedings: 16.02.2023
44	48509/3/2017	TMB CAB	R: Transelectrica P: SMART	Claims	Action on claims 7.652.449 lei + interest	Dismisses the request as unfounded. With right of appeal within 30 days from communication, the appeal request to be filed at the Bucharest Court - Civil Section VI. Pronounced by making the decision available to the parties through the court registry, today, 12.04.2022. Document: Decision 741/2022 12.04.2022 TEL appealed. Hearing for appeal: 31.10.2022 Summary: Admit the plea of inadmissibility. Dismiss, as inadmissible, the appeal filed by the appellant-claimant COMPANIA NATIONALA DE TRANSPORT AL ENERGIEI ELECTRICE TRANSELECTRICA SA against the respondent-defendant SOCIETATEA COMERCIALA PENTRU SERVICII DE MENTENANTA A RETELEI ELECTRICE DE TRANSPORT SMART SA against Civil Judgment no. 741/12.04.2022 rendered by the Bucharest Court - Civil Section VI in case no. 48509/3/2017. Definitive. Delivered in open court today, 31 October 2022. Document: Decision 1675/2022 31.10.2022
45	8993/299/2018	Sector 1 Court	Claimant: Transelectrica Respondent: NAFA - DJAMC		appeal against execution EXECUTION FILE 13328043/61/90/1/2017/267761 - 30.08.2017/267764 - 31.08.2017	Court date: 17.04.2018 Summary judgment: Grant the appellant's request for a stay of proceedings. Pursuant to Article 413 para. (1) para. 1 of the Civil Procedure Code suspends the proceedings until the final resolution of the case no. 1802/2/2018, pending before the Bucharest Court of Appeal, Administrative and Fiscal Litigation Section VIII. With appeal for the entire duration of the

No	File No	Court	Parties to the dispute and quality	Subject of the file	Amount in dispute	Hearings/solution
					SUSPENSION OF ENFORCEMENT 47092295 lei + 44,730,885 lei.	suspension, the appeal request to be filed at the District 1 Court of Bucharest. . Delivered in open court. Document: Closure - Suspension 17.04.2018
46	1802/2/2018	CAB ICCJ	C: Transelectrica I: NAFA - DGAMC and General Directorate for Dispute Resolution		appeal administrative tax act dec.no.f-mc 439/30.06.2017	Upholds in part the requests in dispute, annuls in part Decision No 12213.03.2018, on the resolution of the appeal lodged against Tax Decision No. F-MC 439/30.06.2017, issued by the National Tax Administration Agency - General Directorate for Dispute Resolution, Tax Decision No. F-MC 439/30.06.2017, issued on 12.07.2017, by the National Tax Administration Agency - General Directorate for the Administration of Large Taxpayers, Tax Decision No. F-MC 439/30.06.2017, issued on 12.07.2017, by the National Tax Administration Agency - General Directorate for the Administration of Large Taxpayers, Tax Decision No.F-MC 439/30.06.2017, issued by the National Agency for Tax Administration - General Directorate for the Administration of Large Taxpayers and the Tax Inspection Report no. F-MC 222 dated 30.06.2017, which was the basis for the issuance of the tax decision, in the sense that: - it removes the obligation to pay corporate income tax in the amount of 18.522,280 lei, VAT in the amount of 5,694,636 lei and the related tax accessories in the amount of 48,436,653 lei, tax obligations established for the 349 tax invoices with special regime found missing from the applicant's management; - removes the non-deductible character in the calculation of the taxable profit of the amount of 27.001,727 lei, representing the technological system services invoiced by the energy suppliers, considered non-deductible following the tax inspection and the obligation to pay the principal and accessory tax claims in relation to that amount - remove the non-deductibility of the sum of 343,629.91 lei from the calculation of taxable profit. eliminates the non-deductibility from the calculation of taxable profits of the amount of RON 230 685,491,00 representing expenses on promotional and protocol products and the obligation to pay the main and ancillary tax claims in respect of that amount. - removes the non-deductible nature of VAT in the amount of 46 417.1, relating to the sum of 343 629.91 lei, representing 'weed removal services' and the obligation to pay the principal and ancillary tax claims in respect of that amount. - removes the non-deductible nature of the VAT in the amount of 37,693.88 lei relating to the amount of 230,685.49 lei, representing expenses for promotional and protocol products and the obligation to pay the main and accessory tax claims in relation to this amount - removes the mention relating to the obligation of the Sibiu Transport Branch of TRANSELECTRICA S.A to register the amount of 576.846,80 lei as taxable income, at the latest on 30.06.2010, the date on which the registration of the audited unit as a creditor with this amount was accepted, the mention regarding the character of taxable income for the calculation of profit of the amount of 576.846,80 in accordance with the provisions of art. 19 para. 1 of Law no. 571/2003 on the Fiscal Code with subsequent amendments and additions, in conjunction with point 23 letter d of GD 44/2004 containing the Methodological Norms for the request of Law no. 571/2003, the chapter on income tax, respectively Chapter VII - Function of accounts of Order no. 3055 of 29 October 2009 for the approval of the Accounting Regulations in compliance with the European Directives and the obligation to pay the main and accessory tax claims in relation to this amount - removes from the Minutes the finding made regarding the "determination of the deductible value added tax lower than that

No	File No	Court	Parties to the dispute and quality	Subject of the file	Amount in dispute	Hearings/solution
						<p>recorded by the applicant, resulting in a difference in the amount of 13,141 lei" (Annex no. 15). and the obligation to pay the principal and accessory tax claims in relation to that amount - annul the obligation to pay the penalties for late payment which have a penal legal status, calculated for a period of more than 6 months from the date of the commencement of the tax inspection, in respect of the principal tax liabilities which have been upheld by the court by the present judgment, as established by Tax Decision No.F-MC 439/30.06.2017, issued on 12.07.2017, by the National Tax Administration Agency - General Directorate for the Administration of Large Taxpayers, Tax Decision No. F-MC 439/30.06.2017, issued by the National Tax Administration Agency - General Directorate for the Administration of Large Taxpayers and by Decision No. 122/13.03.2018, on the solution of the appeal lodged against the Tax Decision no.F-MC 439/30.06.2017, issued by the National Agency for Tax Administration - General Directorate for Dispute Resolution. Maintains the other provisions of Decision No 122/13.03.2018, on the solution of the appeal lodged against the Tax Decision no.F-MC 439/30.06.2017, issued by the National Tax Administration Agency - General Directorate for Dispute Resolution, Tax Decision no.F-MC 439/30.06.2017, issued on 12.07.07.2017, by the National Agency for Tax Administration - General Directorate for the Administration of Large Taxpayers, Tax Decision no.F-MC 439/30.06.2017, issued by the National Agency for Tax Administration - General Directorate for the Administration of Large Taxpayers. Dismisses, for the rest, the disputed claims as unfounded. Dismisses as unfounded the request for the award of costs in the form of a judicial stamp duty. Orders the defendants, jointly and severally, to pay the applicant's costs in the sum of 4 000 lei, representing the fees for the expert's report in the field of accounting and taxation, in proportion to the admissibility of the request. With a right of appeal within 15 days from the date of communication, the request for appeal to be lodged with the Bucharest Court of Appeal. Pronounced today, 20.10.2020 , by making the solution available to the parties according to art. 396 paragraph 2 CCP.</p> <p>Document: decision 382/2020 20.10.2020 The parties lodged an appeal in March 2022. Admit the request for rectification of the material error in that the amounts of money by way of principal and accessory tax liabilities in respect of the 349 tax invoices, as set out in the contested tax decision, will be mentioned as correct. Orders that the material error be rectified by removing the incorrect name of the applicant from the contested judgment. With appeal within 15 days of communication. Delivered today, 24.05.2022 in open court. Document: Decision 134/2022 24.05.2022</p> <p>The case is in the filter procedure at the ICCJ</p>

No	File No	Court	Parties to the dispute and quality	Subject of the file	Amount in dispute	Hearings/solution
47	30570/3/2017	Bucharest Law Court CAB ICCJ	A: Teau Toni Ion P: Transelectrica		Claims 3,814,768 lei as the net consideration for the variable component of mandate contracts No C356/18.12.2013 and C419/13.11.2014, as well as for the payment of the legal penalty interest	The Court of First Instance's decision in summary: Admit the claim brought by the plaintiff TEAU ION TONI against the defendant COMPANIA NATIONALĂ DE TRANSPORT AL ENERGIEI ELECTRICE TRANSELECTRICA S.A. Order the defendant to pay the plaintiff the amount of 3,814,768 lei as the net value of the variable component of the mandate contracts no. C356/18.12.2013 and C419/13.11.2014, as well as to pay the statutory penalty interest pursuant to Article 3(3) of the Regulation. 2(1) of O.G. 13/2011 relating to the abovementioned amount calculated from the due date of each instalment until the date of actual payment. Orders the defendant to pay the applicant the sum of RON 86 279,25 by way of costs. With a right of appeal within 30 days of notification. The request for appeal shall be lodged with the Bucharest Court - Civil Section VI. Pronounced by making the solution available to the party through the court registry today, 21.06.2018. Document: Decision 1994/2018 21.06.2018 HEARING : 07.11.2019 CAB's decision in short: Dismiss the appeal as unfounded. Orders the defendant-appellant to pay the respondent-appellant the sum of 23,174.25 lei by way of costs of the appeal. With a right of appeal within 30 days of notification. The request for appeal shall be lodged with the Bucharest Court of Appeal - Sixth Civil Division. Delivered today, 21.11.2019, and made available to the parties through the court registry. Document: decision 1958/2019 21.11.2019 We have filed an appeal which is due on 30.03.2022. Final
48	42676/3/2017	Bucharest Law Court CAB ICCJ	A: Diaconu Ciprian P: Transelectrica		Claims 1.137.762 lei + 36.806,38 lei	Summary of the decision: Admit the request. Orders the defendant to pay the applicant the sum of 1,137,762 lei representing the value of the Transelectrica virtual share options due by way of variable remuneration discounted at the rate of inflation until the date of actual payment. Orders the defendant to pay the applicant the sum of 36,806.38 lei by way of statutory penalty interest on the principal debt due, calculated up to 17 September 2019, and thereafter until the date of actual payment. Orders the defendant to pay the applicant the sum of 22,164.62 lei by way of costs. With the right to appeal within 30 days of the communication. Delivered in open court today, 6.12.2018. Document: decision 3657/2018 06.12.2018 We have filed an appeal. There is a request for rectification of a material error by Mr Diaconu with hearing on 07.05.2020 Both parties have appealed. Dismisses the appeals as unfounded. With appeal within 30 days of communication. Document: Decision 1833/2020 09.12.2020 Transelectrica appealed. The appeal brought by the appellant-respondent Compania Națională de Transport al Energiei Electrice Transelectrica S.A. against civil decision no. 1833/A of 9 December 2020, rendered by the Bucharest Court of Appeal - Fifth Civil Division, is dismissed as unfounded. Orders the appellant to pay the respondent-claimant the sum of RON 5,850 by way of costs. The judgment is final.
49	5354/3/2017*	Bucharest Law Court CAB ICCJ	A: Artopolescu		Claims 1.887.648 lei + legal interest	TMB's solution in brief: Admit the request. Orders the defendant to pay the sum of 1,887,648 lei representing the value of the 90,000 OAVT package, as well as the related legal interest, until the date of actual payment. Order the defendant to pay the costs to the claimant in the

No	File No	Court	Parties to the dispute and quality	Subject of the file	Amount in dispute	Hearings/solution
			Petrisor P: Transelectrica			amount of 22,881.48 lei. With right of appeal within 30 days from the communication. The request for appeal shall be submitted to the Bucharest Court, Civil Section VI. Pronounced in public sitting, today 5.12.2017. Document: Decision 4449/2017 05.12.2017 CAB's decision in brief: The appeal is dismissed. With appeal within 30 days of communication. The appeal shall be lodged with the court whose judgment is appealed. Pronounced in open court today 16.05.2018. Document: decision no. 1108/2018 16.05.2018 TEL applied for a stay of execution of the judgment and for an appeal. The request for suspension was rejected by the ICCJ. Details of the decision: the appeal brought by the defendant-appellant COMPANIA NAȚIONALĂ DE TRANSPORT AL ENERGIEI ELECTRICE TRANSELECTRICA S.A. against the civil decision no. 1108 of 16 May 2018 of the Bucharest Court of Appeal - Fifth Civil Section is allowed. Sets aside the contested decision and remits the case for retrial to the same Court of Appeal. Final. Allow the appeal. Partially alters the civil judgment under appeal to the effect that: Orders the defendant to pay the applicant an annual variable component for the year 15.11.2013-15.11.2014 at the level of twice the gross annual fixed remuneration, and to pay the related statutory interest calculated from 15.11.2013 until the date of actual payment. With an appeal within 30 days of notification. Delivered in open court today, 30 June 2021. Document: Decision 1268/2021 30.06.2021. We have filed an appeal, which is in the filter procedure. Hearing 23.05.2023
50	20117/3/2018	Bucharest Law Court	A: Pogonaru Andrei Mihai P: Transelectrica		Claims - OAVT 2.435.333,04 lei, debit and interest	Summary judgment: The request is granted in part, as specified. Orders the defendant to pay to the plaintiff the sum of 1,437,343 lei, representing the gross value of the Transelectrica virtual share options due by way of variable remuneration for the period November 2013-November 2014, the sum of 184,562.29 lei, representing statutory interest calculated up to 13.06.2018, and statutory interest calculated in accordance with Article 3 para. 2 of O.G. no. 13/2011 on the debt in the amount of 1,437,343 lei, from 14.06.2018 until the date of actual payment. Orders the defendant to pay the claimant the amount of RON 91,080.45, representing the gross value of the Transelectrica virtual share options due by way of variable remuneration for the period November 2014-January 2015, the amount of RON 6,543.28, representing the statutory interest calculated up to 13.06.2018, as well as the statutory interest calculated in accordance with Article 3 para. 2 of O.G. no. 13/2011 on the debt in the amount of 91,080.45 lei, from 14.06.2018 until the date of actual payment. Dismisses the remainder of the request as unfounded. Orders the defendant to pay to the applicant the sum of 31,133.43 lei by way of costs, of which the sum of 26,133.43 lei is the legal stamp duty relating to the admitted claims and the sum of 5,000 lei is the reduced lawyer's fee. Dismisses the defendant's request for costs as unfounded. Right of appeal within 30 days of service. The request for leave to appeal is lodged with the Bucharest Court of Appeal - Civil Section VI. Delivered in open court today, 12.12.2018. Document: decision 3743/2018 12.12.2018 Transelectrica has appealed. Hearing for appeal 20.10.2020

No	File No	Court	Parties to the dispute and quality	Subject of the file	Amount in dispute	Hearings/solution
						Dismisses the defendant's appeal as unfounded. Allow the applicant's appeal. Partially alters the civil judgment under appeal, in so far as: Orders the defendant to pay the sum of 1,437,343 lei, net countervalue of the variable component for the period November 2013-November 2014 and the sum of 91,080.45 lei, c/net value of the variable component for the period November 2014-January 2015. Orders the defendant to pay the lawyer's fees in the amount of 10,683.34 lei, on the merits. Upholds the other provisions of the judgment. Orders the defendant-appellant to pay the costs of the appeal, consisting of: EUR 10 520.48 in judicial stamp duty and EUR 8 619.05 in lawyer's fees. With appeal within 30 days from communication. the appeal is filed at the Bucharest Court of Appeal, Civil Section VI. delivered in public sitting, today, 17.11.2020. Document: decision 1576/2020 17.11.2020 We appeal. ICCJ filter procedure. Hearing 08.02.2023.
51	7539/3/2017	Bucharest Law Court	D: KDF Energy C: Transelectrica		Insolvency procedure Request for registration in the creditor's account with the amount lei 1040138,18 lei	The debt registered in the TP is in the amount of 1036124 40 lei, and the amount of 4013 has been collected. Summary: On the basis of the provisions of Article 59 para. 3 of the Law no. 85/2014, analyzing the stage of the continuation of the proceedings of the debtor KDF Energy SRL, which is in the period of reorganization plan, orders: Puts the receiver in charge of the following measures, subject to the request of the provisions of art. 60, para. 2 of Law no. 85/2014: Based on the provisions of art. 59 para. 3 of Law no. 85/2014, having analysed the state of the debtor's insolvency proceedings, orders: - to draw up and submit monthly reports containing a description of the manner in which he has performed his duties, the justification of the expenses incurred in the administration of the proceedings or other expenses incurred from the funds in the debtor's assets, and, if applicable, the status of the inventory; the report shall include information on compliance with tax obligations, on obtaining or the need to update authorisations/authorisations to carry out the activity, on the control acts concluded by control bodies and the fee received by the judicial liquidator, specifying the method of its calculation (pursuant to Art. to submit proof of publication in the Insolvency Proceedings Bulletin of the extract from the activity report (pursuant to Art. to draw up and submit for approval to the creditors' committee quarterly reports on the financial situation of the debtor's assets and expenses; to register the reports in the file (pursuant to Art. 144 of Law no. 85/2014); - to submit to the creditors' committee quarterly reports on the financial situation of the debtor's assets and expenses; to register the reports in the file (pursuant to Art. 144 of Law no. 85/2014). 85/2014); to expressly state whether the debtor has fulfilled all payment obligations assumed by the confirmed reorganization plan; to state whether the debtor is carrying on business; - to supervise the debtor's business and monitor the implementation of the reorganization plan and to draw up and submit the report on the financial situation of the debtor's assets (to expressly state whether the related instalments have been duly paid); to submit evidence to this effect (pursuant to Art. Art. 141 and Art. 144 of Law no. 85/2014); Grant an administrative control hearing of 09.05.2023. Document: Resolution 17.01.2023 Hearing for continuation of procedure: 09.05.2023
52	34248/3/2018*	Bucharest Law Court	A: Radu Cernov		OAVT claims 2.185.278,91 lei, principal debit + interest	Hearing : 24.04.2019 Type of solution: reject the request Summary judgment: Dismiss the request as unfounded. With a right of appeal within 30 days

No	File No	Court	Parties to the dispute and quality	Subject of the file	Amount in dispute	Hearings/solution
		CAB ICCJ CAB	P: Transelectrica			<p>of service. The request for appeal shall be lodged with the Bucharest Court - Civil Section VI. Delivered in public sitting, today, 06.05.2019. Document: decision 1164/2019 06.05.2019 The plaintiff Cernov appealed. The short answer: allow the appeal. Reverses the judgment under appeal in its entirety to the effect that: Allow the request. Orders the defendant to pay the applicant the sum of 2,185,278.91 lei representing the net value of the variable component of the remuneration (OAVT value) due under mandate contract C418/13.11.2014, to which will be added the related statutory interest, calculated from the due date of each instalment until the date of actual payment. Orders the defendant to pay the applicant's costs in the amount of 46,448.68 lei as the stamp duty relating to the resolution of the merits and the appeal. With appeal within 30 days from the date of communication. Delivered in open court today, 25.05.2020. Document: decision 345/2020 25.05.2020 Transelectrica filed an appeal which was admitted, and the case will be sent to the CAB for a new trial. Allow the appeal. Changes the judgment under appeal to the effect that: Admit the request in part. Orders the defendant to pay to the applicant: - the sum of 1,097,260.61 lei representing the net value of the variable component of the remuneration (OAVT value relating to certificates No 39540/13.11.2014 and No 39743/17.11.2014) due under mandate contract C418/13.11.11.2014; - the statutory penalty interest on the principal debt due, calculated from 16.11.2016 in respect of the amount of RON 737,668.61 and from 16.11.2017 in respect of the amount of RON 359,592, until the actual payment of the debt. Orders the defendant to pay the applicant's costs in the amount of 26,654.88 lei in respect of stamp duty for the resolution of the merits and the appeal. Orders the applicant to pay the defendant's costs in the amount of 7 242 lei in respect of the appeal. Orders the defendant to pay part of the costs and the applicant the sum of EUR 19 412.88. With an appeal within 30 days of service. The request for leave to appeal is lodged with the Bucharest Court of Appeal - 6th Civil Division. Delivered in public sitting today, 12.01.2023.</p>
53	38852/3/2018	Bucharest Law Court CAB ICCJ	A: Pirvulescu Cristian Daniel P: Transelectrica		OAVT claims 2.122.360,28 lei	Dismisses as out of time the plea that the applicant forfeits his right to claim the updating of the debt by the rate of inflation. The request is granted. Orders the defendant to pay to the applicant, with withholding tax due, the sum of 343,897.008 lei, representing the value of the OAVT, discounted at the rate of inflation, together with the statutory penalty interest thereon, calculated from 14 December 2015 until the date of full payment of the sum of 343,897.008 lei. Orders the defendant to pay to the applicant, with withholding tax due, the sum of RON 284,495.304, representing the value of the OAVT, discounted at the rate of inflation, as well as the statutory penalty interest thereon, calculated from 15.12.2016 until the date of full payment of the sum of RON 284,495.304. Orders the defendant to pay to the applicant, with withholding tax due, the sum of 1,493,967 lei, representing the value of the OAVT, discounted at the rate of inflation, as well as statutory penalty interest thereon, calculated from 14.12.2017 until the date of full payment of the sum of 1,493,967 lei. Orders the defendant to pay to the applicant the sum of RON 34203 by way of costs. With appeal within 30 days from the communication. The appeal shall be lodged with the Bucharest Court, Civil

No	File No	Court	Parties to the dispute and quality	Subject of the file	Amount in dispute	Hearings/solution
						Division VI. Delivered in public sitting, today 28.11.2019. Document: decision 3539/2019 28.11.2019 Transelectrica has filed an appeal. Hearing for judgment: 03.03.2021 CAB decision: dismiss the appeal as unfounded, I have filed an appeal, which is in the filter procedure at the ICCJ. Annuls the appeal filed by the appellant-respondent COMPANIA NAȚIONALĂ DE TRANSPORT AL ENERGIEI ELECTRICE TRANSELECTRICA S.A. against civil decision no. 375/A of 3 March 2021 rendered by the Bucharest Court of Appeal - Fifth Civil Section. 02.11.2022
54	30324/299/2018	Judecatoria Sect. 1 Bucharest Law Court CAB ICCJ	A: Artopolescu Petrisor Q: Transelectica		OAVT claims 65937 lei	03.04.2019 Solution type: Defer resolution of the case Summary: Admit the plea of lack of subject-matter jurisdiction raised by the defendant. Declares that the Court of Bucharest - Commercial Section has jurisdiction to hear the case. No appeal. Pronounced by making the solution available to the parties through the court registry, today, 03.04.2019. Document: decision 1809/2019 03.04.2019 HEARING: 15.10.2019 The short answer: Admit the action. Orders the defendant to pay the applicant the sum of 65,937 lei representing the consideration for the tranche of 30,000 Transelectrica Virtual Share Options from the package granted to the applicant on 15 November 2014 by way of performance bonus, with statutory penalty interest calculated from 15 November 2015 until the date of actual payment of the debt. Orders the defendant to pay the costs in the amount of 5,917.26 lei. With appeal within 30 days from the communication. The decision is made available to the parties through the court registry. Document: decision 3304/2019 12.11.2019 TEL appealed. Hearing for appeal : 04.03.2021 CAB decision : Dismiss the appeal as unfounded. We have filed an appeal, which is in the filter procedure
55	3153/115/2018 3153/115/2018**	Caras Severin Court CA Timisoara ICCJ	A: Transelectrica Q: Ciudanovita Commune		Claims 527.336,7 lei + legal interest	The plea of illegality raised by the appellant National Power Transmission Company "Transelectrica" SA is upheld. Declares that Article 1(1)(a) is unlawful 12 of GD no. 841 of 07.10.2015 in so far as it makes the surrender of the land conditional upon "payment of the countervalue of the loss of growth caused by the exploitation of the wood mass before the age of technical exploitability and of the expenses for the reinstallation of the forest vegetation and its maintenance until the achievement of the mass state". Admit the appeal lodged by the appellant-claimant Compania Națională de Transport a Energiei Electrice "Transelectrica" SA, in its own name and on behalf of the Timișoara Transmission Branch in contradiction with the respondent-defendant Comuna Ciudanovița through the Mayor against the civil judgment no. 998/26.06.2019, pronounced by the Court of Caraș-Severin in case no. 3153/115/2018**. Changes the appealed judgment in its entirety, in the sense that: Admit the action brought by the plaintiff Compania Națională de Transport al Energiei Electrice "Transelectrica" SA, on its own behalf and on behalf of the Timisoara Transmission Branch, against the defendant Municipality of Ciudanovița through the Mayor. Orders the defendant to repay the sum of 527,336.7 lei to the applicant and to pay the statutory interest on that sum from the date of payment by the applicant until the date of repayment by the defendant. Orders the defendant to pay the appellant-claimant the sum of EUR 20 615.85 by way of

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						with regard to the condition that the surrender of the land is subject to "payment of the countervalue of the loss of growth caused by the exploitation of the wood mass before the age of technical exploitability and of the costs of reinstallation of the forest vegetation and its maintenance until the achievement of the state of mass". Admit the appeal filed by the plaintiff Compania Națională de Transport al Energiei Electrice Transelectrica "Transelectrica" SA, in contradiction with the defendant UAT Comuna Ezeriș, against the civil judgment no. 102/2019 of 18 March 2019 delivered by the Court of Caraș- Severin in case no. 3157/115/2018*, concerning claims. Changes the appealed judgment, in the sense that it admits the action for claims brought by the plaintiff National Electricity Transport Company "Transelectrica" SA and orders the defendant UAT Comuna Ezeriș to pay it, by way of reimbursement of undue payment, the following amounts of money: - 1,160.508.99 lei, representing the countervalue of the loss of growth for 2015, shown in invoice no. 10/02.11.2015 and paid with PO no. 607/10.11.2015; - 36,612.92 lei, representing expenses for the reinstallation of the forestry fund for 2015, shown in invoice no. 11/18.11.2015 and paid with PO no. 625/20.11.2015; - 331,692.47 lei, representing rent for 2016, shown in invoice no. 21/331,692.47 lei, representing the rent for 2017, shown in invoice no. 25/21.12.2016 and paid with PO no. 33/30.01.2017). Orders the defendant UAT Comuna Ezeriș to pay to the claimant Compania Națională de Transport a Energiei Electrice "Transelectrica" SA and the legal interest related to the amounts to be refunded, due from the date of their payment until the date of their refund. Orders the defendant UAT Comuna Ezeriș to pay to the applicant Compania Națională de Transport al Energiei Electrice 'Transelectrica' SA the sum of 41,103.20 lei as costs incurred at all stages of the proceedings. With a right of appeal within 30 days of notification. The appeal is lodged with the Court of Appeal of Timișoara. Delivered on 22.02.2022, with the decision being made available to the parties by the court registry. Document: Decision 104/2022 22.02.2022 In the filter procedure at the ICCJ
58	3154/115/2018*	Caras Severin Court Timisoara Court of Appeal ICCJ	A: Transelectrica P: Municipality of Resita		Claims 4.705.341,91 lei + legal interest	The plea of illegality raised by the appellant National Power Transmission Company "Transelectrica" SA is upheld. Declares that Article 1(1)(a) of the Directive is unlawful 12 of GD no. 841 of 07.10.2015 in so far as it makes the surrender of the land conditional upon "payment of the countervalue of the loss of growth caused by the exploitation of the wood mass before the age of technical exploitability and of the expenses for the reinstallation of the forest vegetation and its maintenance until the achievement of the mass state". Admit the appeal lodged by the appellant-claimant Compania Națională de Transport a Energiei Electrice "Transelectrica" SA, in its own name and on behalf of the Timișoara Transmission Branch against the respondent-defendant Municipality of Reșița through the Mayor against civil judgment no. 101/18.03.2019, delivered by the Court of Caraș-Severin in case no. 3154/115/2018*. Changes the appealed judgment in its entirety, in the sense that: Admit the action brought by the plaintiff National Power Transmission Company "Transelectrica" SA, on its own behalf and on behalf of the Timisoara Transmission Branch, against the defendant Municipality of Reșița through its Mayor. Orders the defendant to repay the sum of 4 705 341,91 lei to the applicant and to pay the statutory interest on that sum from the date of payment by the applicant until the date of repayment by the defendant. Orders the defendant

No	File No	Court	Parties to the dispute and quality	Subject of the file	Amount in dispute	Hearings/solution
		Timisoara Court of Appeal ICCJ				<p>Admit the appeal filed by the applicant "Transelectrica " SA against the civil judgment no.119/01.04.2019 pronounced in case no. 3158/115/2018 * of the Caras-Severin Law Court. Changes the appealed judgment and rejudges : Admit the plaintiff's action and order the defendant Comuna Dognecea to pay the sum of 940,888.27 lei to the plaintiff , plus statutory interest from the date of payment until the actual repayment of the debt. Orders the defendant to pay the appellant's costs in the amount of 19 520,82 lei, the appeal and the costs on appeal. With appeal within 30 days of notification. Delivered in open court on 28.10.2019.</p> <p>Document: decision 818/2019 28.10.2019</p> <p>Solution of the Full Court: rejects the plea of untimeliness of the appeal and the plea of invalidity, raised by the respondent-claimant COMPANIA NAȚIONALĂ DE TRANSPORT AL ENERGIEI ELECTRICE TRANSELECTRICA S.A. in its statement of defence. Admit in principle the appeal filed by the appellant-respondent COMUNA DOGNECEA against civil decision no. 818/A of 28 October 2019, rendered by the Court of Appeal Timișoara - Civil Section II. Sets a trial date of 29 September 2021, at 9 a.m., with summons to the parties.</p> <p>Dismisses the plea of illegality raised by the respondent-claimant COMPANIA NAȚIONALĂ DE TRANSPORT AL ENERGIEI ELECTRICE TRANSELECTRICA S.A. Admit the appeal filed by the appellant-defendant COMUNA DOGNECEA against the civil decision no. 818/A of 28 October 2019, rendered by the Court of Appeal Timișoara - Civil Section II. Sets aside the contested decision and remits the case to the same court for retrial. Final.</p> <p>Dismisses the appeal filed by the appellant-appellant Compania Națională de Transport al Energiei Electrice Transelectrica SA, against the civil judgment no. 119/01.04.2019, delivered by the Court of Caras-Severin in case no. 3158/115/2018*, against the respondent defendant Comuna Dognecea. With the right to appeal within 30 days of communication, to be filed with the Court of Appeal Timisoara. Delivered in public sitting on 13.04.2022.</p> <p>Document: Decision 251/2022 13.04.2022</p> <p>TEL has filed an appeal, which is in the filtering process.</p>
61	2494/115/2018*	Caras Severin Court Bucharest Law Court	A: Municipality of Resita P: Transelectrica		Claims 10.648.829,20 lei, representing the rents for the years 2015, 2016, 2018, 2019 and 2020, plus the legal penalty interest	Suspends the proceedings in the action brought by the plaintiff Municipality of Reșița, through the Mayor, against the defendant National Power Transmission Company "Transelectrica" SA, concerning claims under Article 413(1)(1) of the Civil Procedure Code. With an appeal to the superior court while the proceedings are suspended. Delivered in open court today, 22 March 2021. Document: Order - Stay of proceedings 22.03.2021
62	2434/115/2018	Bucharest Law Court CAB	A: Romsilva Caras Severin P: Transelectrica ST Timisoara		Claims 2.433.608,52 lei, annual rent for temporary occupation of land from the national forest fund + late payment penalties from the rent due date 31.01.2018. 304298,47 lei, cost of definitive	Dismisses the action against the defendant Sucursala de Transport Timișoara as being brought against a person without locus standi. Dismisses the plea that the substantive right of action is time-barred. Dismisses the action as unfounded. Decision 211/2022 18.02.2022 Romsilva appealed Hearing for appeal: 08.11.2022

No	File No	Court	Parties to the dispute and quality	Subject of the file	Amount in dispute	Hearings/solution
	2434/115/2018*				removal from the national forestry fund of land area, cost of loss of timber harvesting growth + late payment penalties calculated from 10.05.2015	
63	35885/3/2018	Bucharest Law Court	A: BUGICA RADU P: Transelectrica		OAVT claims	<p>Admit the request. Orders the defendant to pay to the applicant the sum of 1,787,623 lei (representing: 90,000 OAVT 2014, 60,000 OAVT 2015 and 30,000 OAVT 2016) and the statutory interest thereon calculated in accordance with Article 3(3)(a) of Regulation (EC) No 44/2001. 21 of OG no. 13/2011, as well as the amount of RON 215,587 (representing the difference between the net amount that should have been paid when due and the amount that would be paid now). Orders the defendant to pay the applicant's costs in the amount of 42,515.06 lei. With a right of appeal within 30 days of notification. The request for appeal shall be submitted to the Bucharest Court - Civil Section VI, under penalty of nullity. Pronounced by making the decision available to the parties by the court registry, today, 18.06.2021.</p> <p>Document: Decision 1693/2021 18.06.2021TEL has lodged an appeal, which will be heard on 07.02.2022.</p> <p>Dismisses, as unfounded, the appeal brought by the defendant-appellant COMPANIA NATIONALA DE TRANSPORT AL ENERGIEI ELECTRICE TRANSELECTRICA SA in contradiction with the respondent-claimant BUGICA RADU against the civil judgment no. 1693/18.06.2021 delivered by the Bucharest Court - Civil Section VI in case no. 35885/3/2018. Dismisses the request of the defendant-appellant for the award of costs. With appeal within 30 days of communication. The request for appeal shall be submitted to the Bucharest Court of Appeal - Fifth Civil Division. Delivered in open court today, 7 February 2022.</p> <p>Document: Decision 205/2022 07.02.2022</p> <p>Dismisses as unfounded the appeal brought by the appellant-respondent Compania Națională de Transport al Energiei Electrice TRANSELECTRICA S.A. against civil decision No 205/A/07.02.2022, rendered by the Bucharest Court of Appeal - Fifth Civil Division, against the respondent-claimant Bugica Radu. Orders the appellant-respondent to pay the respondent-claimant the sum of 8,823 lei by way of costs. Final. 26.01.2023</p>
64	22567/3/2019	Bucharest Law Court	R Transelectrica Q: OPCOM		Claims - common law action - contribution made by Transelectrica SA to the share capital of OPCOM SA, issued on the basis of Loan Agreement no. 7181RO/2003, commitment for financing the investment project "Electricity Market Project". 4,517,460 lei +1,293,778.27 lei	<p>The action is dismissed as time-barred. With right of appeal within 30 days from the communication, to be filed at the Bucharest Court, Civil Section VI. Pronounced by making the solution available to the parties through the court registry, today, 03.12.2021.Document: Decision 3021/2021 03.12.20212021.</p> <p>TEL appealed,</p> <p>Dismisses the appeal as unfounded. Orders the appellant to pay the respondent the sum of 11,325.21 lei by way of costs. With appeal within 30 days of communication. Delivered today, 12 October 2022, by making the judgment available to the parties through the court registry.</p> <p>Document: Decision 1532/2022 12.10.2022</p> <p>Transelectrica filed an appeal on 13.12.2022.</p>

No	File No	Court	Parties to the dispute and quality	Subject of the file	Amount in dispute	Hearings/solution
65	35346/3/2019	Bucharest Law Court	A: CET Govora P: Transelectrica		Claims 3.368.965,82 lei, cval. Pre-overcompensation regularization and cogeneration bonus February - March 2016	The short answer: Dismiss the action as unfounded. Appeal within 30 days of notification. The request for appeal shall be lodged with the Bucharest Court - Civil Section VI. Delivered in public sitting today, 22.07.2020. Document: decision 1247/2020 22.07.2020 Declares that there has been a compensation of right with part of the amount registered in the creditor's account
66	3083/3/2020	Bucharest Law Court/CAB/ICCJ	A:Nuclearelectrica P: Transelectrica		Claims 1.290.533,156 lei cval negative imbalance + 182.251,94 lei, legal interest rate	Summary judgment: The request is granted. Orders the defendant to pay to the applicant the sum of 1,290,533.156 lei by way of compensatory damages, to update this sum with the inflation rate from 27.09.2018 until the date of actual payment, to pay the sum of 182.251,94 lei as statutory penalty interest calculated from 27.09.2018 until 31.01.2020, as well as the payment of further statutory penalty interest calculated from 01.02.2020 until the date of actual payment. Orders the defendant to pay to the applicant the sum of 23,441.66 lei by way of legal costs, consisting of a court stamp duty. Dismisses the defendant's request for payment of costs as unfounded. With a right of appeal within 30 days of service. The request for leave to appeal shall be lodged with the Bucharest Court of First Instance, Civil Division VI. Pronounced today, 22.12.2020, by making the decision available to the parties by the court registry. Document: decision 2698/2020 22.12.2020 TEL appealed, which was allowed. Allow the appeal. Partially alters the civil judgment under appeal, in so far as: Dismisses the request as unfounded. Upholds the order of the first instance dismissing as unfounded the defendant's claim for costs. Orders the respondent-respondent to pay the appellant-respondent the sum of EUR 20 591.66 by way of costs on appeal. With an appeal within 30 days from the date of communication, the request for appeal to be filed with the Bucharest Court of Appeal - Civil Section VI. Pronounced by making the decision available to the parties by the court registry, today, 25.11.2021. Document: Judgment 1927/2021 25.11.2021 Nuclearelectrica has appealed, which has been stayed pending resolution of the action to annul the order.
67	640/121/2020	Galati Law Court	C:Transelectrica D: Menarom PEC SA Galati		Statement of claim 1.195.792,13 lei	The claim has been registered with the creditor. Hearing: 24.06.2022 Solution in a nutshell: According to Art. 59 para. 3 of Law 85/2014, the Court finds that the insolvency administrator has submitted to the case file: - activity report no. 51/21.06.2022; - final updated table of claims no. 50/21.06.2022. With a view to continuing the proceedings, sets a hearing for the administrator to submit the documents relating to the activity carried out - 24.10.2022 and an administrative hearing for inspection of 10.04.2023 .
68	22036/3/2020	Bucharest Law Court CAB	A: Vaduva Constantin P: Transelectrica		OAVT claims 87403 lei, cval OAVT, 16243 Legal interest rate and 442820 inflation adjustment	The defendant's plea that the substantive right of action is time-barred is upheld. upholds, in part, the request Orders the defendant to pay to the plaintiff the sum of 87403 lei as the debt due, updated with the payment index on the date of actual payment and the statutory interest to be calculated on the debt due from 15.11.2018 until the date of actual payment. Orders the defendant to pay to the applicant the sum of 73113 lei as the amount due by way of discounting with the inflation index of the sums awarded to the applicant. Dismisses the remainder of the request as time-barred. Orders the defendant to pay the applicant the sum of EUR 6694,87 in respect of the countervalue of the legal stamp duty and the sum of EUR

No	File No	Court	Parties to the dispute and quality	Subject of the file	Amount in dispute	Hearings/solution
						6957,39 in respect of the countervalue of the lawyer's fees by way of costs. With a right of appeal within 30 days of notification, the appeal shall be lodged with the Bucharest Law Court - Civil Section VI. Pronounced by making the solution available to the parties by the court registry, today, 05.11.2021. Document: Decision 2703/2021 05.11.2021 Hearing for appeal: 16.11.2022 Summary decision: The appeal lodged by the appellant Văduva Constantin is allowed. Partially alters the judgment under appeal in that the defendant is ordered to pay the statutory penalty interest on the debt of 87,403 lei calculated in accordance with Article 3(3) of the Civil Code. 2 [^] 1 of GC no. 13/2011. Upholds the remainder of the judgment. Dismisses the appeal brought by the defendant Transelectrica SA as unfounded. Orders the respondent Transelectrica SA to pay the appellant the sum of 2861.64 lei by way of costs of the appeal. Dismisses the appellant Transelectrica SA's request for costs. With an request for appeal within 30 days of communication, to be lodged with the CAB - Section VI a. Delivered in open court today, 07.12.2022. Document: Judgment 1858/2022 07.12.2022
69	20780/3/2020	Bucharest Law Court	A: Energomontaj Cluj P: Transelectrica		Claims-contract value update 401,765.78 euros, 1.045.660,61 euro, additional costs related to the increase of the minimum wage in the construction sector, Obligation to conclude an addendum to contract C54/2018	Administration of the accounting expertise sample. Hearing: 23.02.2022
70	25896/3/2020	Bucharest Law Court	A: Electromontaj Bucharest P: Transelectrica		Claims - OUG 114/2018 10.000.000 lei	Hearing: 07.02.2023 for submission of expert report
71	27001/3/2021	Bucharest Law Court	A: Romelectro P: Transelectrica		Claims - OUG 114/2018 3.523.709,93 lei	Summary: Dismiss the request for suspension under Article 242 of the Code of Civil Procedure as unfounded. Grant a stay of proceedings on 03.03.2023 .
72	22368/3/2021	Bucharest Law Court	A: Romelectro P: Transelectrica		Claims - OUG 114/2018 2.275.653,22 lei	Judgement hearing: 10.06.2022 . Summary judgment: Dismiss the request as unfounded. With appeal within 10 days of communication. The request for appeal shall be submitted to the Bucharest Court - Civil Section VI. Pronounced by making the decision available to the parties through the court registry, today, 24.06.2022. Document: Decision 1555/2022 24.06.2022
73	30801/3/2021	Bucharest Law Court	A: Romelectro P: Transelectrica		Claims - OUG 114/2018 2.271.075,23 lei	Hearing: 29.04.2022 Summary judgment: For the purposes of taking evidence as requested, adjourn the case and set a date of 7 April 2023 .
74	17976/3/2021	Bucharest Law Court	A: Grand Voltage P: Transelectrica		Order the defendant Transelectrica to compensate the damage caused to the undersigned in the amount of	Dismisses the action as unfounded. With a right of appeal within 10 days of notification. The request for appeal shall be lodged with the Bucharest Court - Section VI, under penalty of nullity. Document: Decision 1812/2022 25.07.2022

No	File No	Court	Parties to the dispute and quality	Subject of the file	Amount in dispute	Hearings/solution
					8,331,444.60 lei as a result of the culpable non-performance of the obligations related to the Works Contract No. C 111/23.05.2018 on "Connection of 100kV Isaccea - Varna and 400 kV Isaccea-Dobrujda LEAs to the 400 kV Medgidia South Stage II - 400kV LEA d.c. Medgidia South Station Connections".	
75	Request for arbitration ARB-5680	Vienna Court of Arbitration	A: Oleg Buralcu P: Transelectrica		<u>Order</u> Transelectrica SA to pay the total amount of 792,132 lei, the amount being made up as follows: - 186.384 lei (37.664,7 euro), which would represent the non-compete compensation, according to art.5.2.3 of the Mandate Contract no.C233/30.09.2020, - 605,748 lei (122,410.4 euro), which would represent the compensation related to the gross fixed monthly allowances remaining until the end of the mandate, according to art.9.2 letter A of the Mandate Contract no.C233/30.09.2020	The Arbitration Centre in Vienna ruled on 30.12.2022 in an arbitral award according to which it admitted the claim brought by the claimant and ordered the company to pay the amount of 792,132 lei (principal) as compensation under the mandate contract concluded in request of the Decision of the General Meeting of Shareholders no. 9/28.09.2020, gross amount plus accessories and legal costs. The arbitral award is final and binding", the Company was obliged to pay the arbitration fee/fee in the amount of 50000
76	37332/3/2021	TMB	A: Romelectro P: Transelectrica		Claims - OUG 114/2018 Confirmation of extension of execution duration Oblige TEL to enter into an Addendum to C112.2019. 4,433,591.02 lei + Late payment penalties	The solution in a nutshell: Admit the plea of untimeliness. Annuls the request as untimely. With appeal within 10 days of communication. The request for appeal shall be lodged with the Bucharest Court - Civil Section VI. Delivered today, 22.06.2022, with the decision being made available to the parties by the court registry. Document: Decision 1502/2022 22.06.2022
77	527/1285/2021	T.Cluj CA Cluj	A: ELM Electromontaj Cluj		Claims OUG 114/2018 402.273,61 lei + late payment penalties	Trib. Cluj: Admit the request brought by the plaintiff ELM ELECTROMONTAJ CLUJ S.A., in contradiction with the defendant C.N.T.E.E. "TRANSELECTRICA" S.A. Obliges the defendant to conclude with the plaintiff an additional deed to the Works Contract no. C4/6882/21.01.2019, having as object the modification of the contract price as a result of the increase of the minimum gross basic salary per country guaranteed in payment for the construction sector, by art. 71 of O.U.G. no. 114/2018, according to the statements of works settled starting from May 2020 and until the completion of the works related to the contract.

No	File No	Court	Parties to the dispute and quality	Subject of the file	Amount in dispute	Hearings/solution
						Orders the defendant to pay to the applicant the sum of 402,273.61 lei (excluding VAT), representing the difference between the costs of the workmanship offered and the costs of the workmanship executed and accepted under Works Contract No. C4/6882/21.01.2019, relating to the statements of works drawn up for the period May 2020 - 31 May 2021, and further, in the same way, to pay the differences between the costs of the workmanship offered and the costs of the workmanship executed and accepted until acceptance on completion of the works. Orders the defendant to pay to the applicant the sum of 13,666.70 lei as late payment penalties of 0.02%/day, calculated on the principal debt from the due date and until 31 May 2021, and to pay the late payment penalties calculated thereafter until full payment of the principal debt. Orders the defendant to pay to the applicant the sum of 8 436,06 lei in respect of the costs of the proceedings and the legal stamp duty. With a right of appeal within 10 days from the date of notification, the request for appeal to be lodged with the Cuj Specialised Court. Pronounced by placing the decision at the disposal of the parties through the court registry today, 22 October 2021. Document: Decision 2039/2021 22.10.2021 Dismisses the appeal brought by the appellant C.N.T.C.E.E. T. SA against civil judgment no. 2039 delivered on 22.10.2021 in case no. 527/1285/2021 of the Cluj Specialised Court, which it upholds in its entirety. Orders the appellant to pay the respondent E.E.C. SA the sum of 332.74 lei by way of costs on appeal. The decision is final and enforceable. Delivered on 10.10.2022, with the decision being made available to the parties by the court registry. Document: Decision 509/2022 10.10.2022
78	8193/3/2022	Bucharest Law Court	A: Serv times P: Transelectrica		Claims - GEO no. 114/2018 2.437.253,31 lei cval labour cost	Hearing for judgement: 10.03.2023 Administration of expert evidence
79	5493/3/2022	Bucharest Law Court	C: Elcomex IEA P: Transelectria		Payment Order Claims 2.171.151,53 lei, invoice value, guarantees + legal interest	Summary judgment: Dismiss the plea of prescription as unfounded. The request for an order for payment is granted in part. Orders the defendant to pay the applicant the sum of 1 505 723,76 lei, representing the principal debt, together with statutory interest from 30 September 2021, within 30 days of the communication of the order. Orders the defendant to pay the applicant the sum of 2 700 lei in respect of costs. With the right to bring an action for annulment within 10 days from the date of notification, the request to be lodged with the Bucharest Court, Civil Section VI. Pronounced today, 15 July 2022, by making the decision available to the parties through the court registry. Document: Decision 1756/2022 15.07.2022
80	Request ARB-5697	Vienna Court of Arbitration	A: Ciprian Constantin Dumitru P: Transelectrica		Dumitru Ciprian Constantin requested that Transelectrica SA be ordered to pay the following amounts: - 652,344 lei (131,943.43 euro) , which would represent the compensation related to the gross fixed monthly allowances remaining until the end of the mandate, according to art.9.1 letter a) of	No hearing

No	File No	Court	Parties to the dispute and quality	Subject of the file	Amount in dispute	Hearings/solution
					<p>the Mandate Contract no.C238/30.09.2020.</p> <p>- RON 45,996 (EUR 9,297.14), which would represent the variable component of the remuneration for the year 2020, according to Annex 2 to the Additional Act No. 1 to the Mandate Contract No. C238/30.09.2020</p> <p>-183 ,984 lei (37,212.83 euro), which would represent the non-competition compensation, according to art.5.2.3 of the Mandate Contract no.C238/30.09.2020,</p> <p>At the same time, Mr Dumitru Ciprian Constantin requested that Transelectrica SA be ordered to pay the legal interest applied to the above-mentioned amounts from the date of revocation until the date of actual payment.</p>	
81	8440/3/2022	Bucharest Law Court	A: Serv times P: Transelectrica		<p>Execution of administrative contract - 1. In the first point, the applicant requests "to order Transelectrica to pay the amount of 2,437,253.31 lei excluding VAT representing the difference in labour costs paid following the entry into force of GEO 114/2021, in accordance with the reasons which we will set out in detail herein and in the attached centralizer".</p> <p>2. In the second point, the plaintiff requests "Transelectrica to be obliged, by the court, by way of substitution of the defendant's consent, to conclude an additional deed, obliging the defendant to</p>	<p>Hearing 08.11.2022 Solution in short: Based on Art. 242 para. 1 Code of Civil Procedure, suspends the proceedings. With the right to file a motion to reopen and appeal for the duration of the stay. The request for appeal shall be lodged with the Bucharest Court - Civil Section VI, under penalty of nullity. Delivered in open court today, 08.11.2022.</p> <p>Document: Judgment - Suspension 08.11.2022</p>

No	File No	Court	Parties to the dispute and quality	Subject of the file	Amount in dispute	Hearings/solution
					conclude with the undersigned an additional deed to Works Contract No. C 80/2018, following the increase in the gross minimum wage per country guaranteed in payment in the construction sector, for the additional costs related to the increase in the gross minimum wage per country guaranteed in payment in the construction sector and until the completion of the contract". 3. In point three, the applicant requests "that Transelectrica be ordered to pay the sum of 276,401.58 lei by way of late payment penalties, until the principal debt has been paid and extinguished	
82	8442/3/2022	Bucharest Law Court	A: Serv times P: Transelectrica		execution of administrative contract - the claimant requests 1.429.832,43 lei, without VAT, representing additional costs	Hearing 16.09.2022 Admit the relatedness exception. Refers the case back to the panel first seised with the case No 8193/3/2022, i.e. the 12th formation of the Court, for the case No 8442/3/2022 to be joined to case No 8193/3/2022. Appeal together with the merits. Delivered today, 16.09.2022, with the decision being made available to the parties by the Court Registry. Document: Final judgment (disinvestment) 16.09.2022
83	16905/3/2022	Bucharest Law Court	A: Transelectrica Q: NAFA		appeal administrative tax act DEC. 563/26.02.2021	Hearing: 28.11.2022
84	23887/3/2022 23887/3/2022/a 2	TMB	A: Transelectrica Q: Grand Voltage and Omniasig	Claims	25.107.776,95 lei, damages + 4.150.451,31 lei, guarantee of good execution	In the regularization procedure...specify accessory amounts, stamp duties Summary judgment: adjourns the hearing on the request for review of the public legal aid until 8 February 2023.
85	Arbitration case ARB-5697	Vienna Court of International Arbitration	A: Dumitru Ciprina C-tin P: TRANSELECTRICA	Claims	- 652,344 lei (131,943.43 euro), which would represent the compensation related to the remaining gross monthly fixed allowances until the end of the mandate, according to art.9.1 letter a) of the Mandate Contract no.C238/30.09.2020. - RON 45,996 (EUR 9,297.14), which would represent the variable component of the	No hearing

No	File No	Court	Parties to the dispute and quality	Subject of the file	Amount in dispute	Hearings/solution
					remuneration for the year 2020, according to Annex 2 to the Additional Act No.1 to the Mandate Contract No.C238/30.09.2020 - 183.984 lei (37.212,83 euro), which would represent the non-competition compensation, according to art.5.2.3 of the Mandate Contract no.C238/30.09.2020,	
86	Arbitration Case ARB-5706	Vienna Court of International Arbitration	A: Nitu Catalin P:TRANSELEC TRICA	Claims	-559.164 lei (113.092,65 euro), which would represent the non-competition compensation, according to art.5.2.3 and 9.1 of the Mandate Contract no.C444/23.11.2020 Also, Mr. Nitu Catalin requested that Transelectrica SA be ordered to pay the legal interest applied to the aforementioned amount, from 25.06.2021 until the date of actual payment.	No hearing
87	15561/3/2022	Bucharest Law Court	A: SMART SA P: Transelectrica	Execution of administrative contract - claims Claims	the amount of 4,467,108 lei , representing the amount of tax liabilities related to increased income as a result of the increase in the tax base resulting from the adjustment of income for the years 2014, 2015 and 2016 + legal expenses.	Hearing: 23.03.2023

Annex 7 - Glossary of terms

"ANRE"	National Electricity Regulatory Authority
"BAR"	Regulated asset base
"BVB"	Bucharest Stock Exchange, the operator of the regulated market on which the Shares are traded
"CCM"	The collective labour agreement concluded at the level of the Company
"EEC"	European Economic Community
"EEC"	Wind Power Plant
"CEF"	Photovoltaic Power Plant
"CET"	Electric Power Station
"CHEAP"	Pumped storage hydroelectric power plant
"CNE"	Nuclear power plant
"Company", "CNTEE"	National Power Transmission Company "Transelectrica"- SA
"CPT"	Own Technological Consumption
"CS"	Supervisory Board
"CSR"	Corporate responsibility
"d. c."	Double circuit
"DEN"	National Energy Dispatcher
"EBIT"	Operating profit before interest and income tax
"EBITDA"	Operating profit before interest, income tax, depreciation and amortisation
"EBT"	Operating profit before income tax
"EMS-SCADA"	Main infrastructure for dispatching (Energy Management System - Supervisory Collection And Data Acquisition)
"ENTSO-E"	European Network of Transmission System Operators for Electricity
"ENS"	Energy not delivered to consumers
"Euribor", "Libor", "Robor"	Interbank interest rates
"Formenerg"	The company FORMENERG SA
"Group"	The company and its subsidiaries
"HG 627/ 2000"	Government Decision No 627/2000 on the reorganisation of the National Electricity Company - S.A., published in the Official Gazette No 357 of 31 July 2000
"HG"	Government Decision
"Icemenerg Service"	Company Subsidiary "ICEMENERG-SERVICE" Bucharest,
"IFRS"	International Financial Reporting Standards
"ISO"	Independent System Operator
"ITO"	Independent Transport Operator
"KPI"	Key Performance Indicator
"LEA"	Overhead power lines
"Leu" or "Lei" or "RON"	Official currency of Romania
"MO"	Official Gazette of Romania
"OG"	Government Ordinance
"ONRC"	National Trade Registry Office
"OPCOM"	Operator of the Romanian Electricity Market OPCOM SA

"OTS"	Transmission system operator
"OUG"	Government Emergency Ordinance
"pa"	Per anum
"PCCB"	Centralised Bilateral Contracts Market
"PCR"	Price Coupling of Regions agreed for the future model of the Single European Electricity Market
"PE"	Balancing Market
"PCI"	Projects of Common Interest
"PZU"	Market for the Next Day
"RET"	Electricity Transmission Network, electricity network of national and strategic interest with nominal line voltage higher than 110 kV
"SEN"	National Electricity System
"Smart."	Society for the Maintenance Services of the Electric Transmission Network SMART SA
"SSF"	Functional system service
"SST"	Technology System Service
"TEL"	Stock market indicator for Transelectrica
"Teletrans"	Society for Telecommunications and Information Technology Services in Electric Transmission Networks TELETRANS SA
"TSR"	Total shareholder return
"EU"	European Union
"u.m."	Unit of measurement
"USD" or "US dollars"	US dollar, the official currency of the United States of America
"WACC"	Weighted Average Cost of Capital



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