



Transelectrica®
Societate Administrată în Sistem Dualist

The National Power Grid Company Transelectrica
Registered Office: 2-4 Olteni Street Bucharest, District 3, 030786, Romania
Trade Register Number J40/8060/2000, Single Registration Code 13328043
Phone +4021 303 56 11, Fax +4021 303 56 10
Share capital subscribed and paid: 733.031.420 Lei www.transelectrica.ro

No. 15369/27.03.2024

NOTE

regarding the approval by the General Meeting of Shareholders of the consolidated financial statements of NPG Transelectrica SA for the financial year ended on 31.12.2023

Pursuant to art. 14, para. (1) letter a) of the Articles of Incorporation of NPG Transelectrica SA updated by the Decision of the A.G.E.A. no. 1/26.01.2023, **we submit to the approval of the General Meeting of Shareholders the consolidated financial statements** of NPG Transelectrica SA for the **financial year 2023**, considering the following aspects:

- ✓ In accordance with the provisions of MFP Order no. 881/2012, starting from the financial year of 2012, the trading companies which securities are admitted to trading on a regulated market (capital market) apply the International Financial Reporting Standards (IFRS) as adopted by the European Union (IFRS -EU) when drawing up the annual financial statements.
- ✓ MFP order no. 2844/2016 for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards provides in Section 4.1., art. 21-"Drafting of consolidated annual financial statements" as follows:
"An entity, consolidating parent company (entity, Romanian legal person, which has one or more subsidiaries and which consolidates the financial statements of the group of which it is a part), must draw up consolidated financial statements and a consolidated report of the administrators under the conditions stipulated by IFRS".

The consolidated financial statements of NPG Transelectrica SA were prepared according to the International Accounting Standard (IAS) 27 "Consolidated financial statements and accounting for investments in subsidiary companies".

A subsidiary is an entity that is controlled by another entity, known as the parent, as defined by IAS 27. In accordance with IAS 27, control is presumed to exist when the parent holds more than half of the voting rights of an entity, except when, in exceptional circumstances, it can be clearly proved that this form of ownership does not ensure control. Control is the authority to direct the financial and operational policies of an entity in order to obtain benefits from its activity.

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

The following were not taken into account when preparing the consolidated financial statements:

- the subsidiary Formenerg SA since according to the applicable accounting legislation, the impact of its activity is considered insignificant for the purpose of consolidation,
- the OPCOM SA subsidiary, since the administration is carried out according to the regulations established by ANRE, and NPG Transelectrica SA does not exercise effective direct control over its decision-making mechanisms.

Intragroup balances and transactions, as well as internal dividends, are eliminated when preparing the consolidated financial statements.

Based on those presented, pursuant to art. 14, para. (1) letter a) from the Articles of Incorporation updated by the Decision of the A.G.E.A. no. 1/26.01.2023, **we submit to the approval of the General Meeting of Shareholders, the consolidated financial statements of NPG Transelectrica SA for the financial year 2023, as follows:**

- financial position statement;
- the profit and loss account and the overall result statement;
- the statement of changes in equity;
- the statement of treasury flows;
- the explanatory notes to the annual financial statements.

DIRECTORATE

President

**Ștefăniță
MUNTEANU**

Member

**Florin-Cristian
TĂTARU**

Member

**Cătălin-Constantin
NADOLU**

Member

**Bogdan
TONCESCU**

