

**NPG TRANSELECTRICA SA**

**Quarterly Report**  
**January – March 2024**



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

**In accordance with the provisions of article 67 from Law No. 24/ 2017 on the capital market and Regulation 5 / 2018 issued by the Financial Supervisory Authority (ASF)**  
**for the period ended on March 31, 2024**

Date of the report:	May 14, 2024
Name of trading company:	NPG TRANSELECTRICA SA, company managed under two-tier system
Headquarters:	Bucharest, Str. Olteni nr. 2 - 4, sector 3, zip code 030786
Phone/fax number::	021 303 5611/ 021 303 5610
Unique code at ONRC:	13328043
Code with the ONRC:	J40/ 8060/ 2000
LEI code (Legal Entity Identifier)	254900OLXOUQC90M036
Date of Company establishment:	31.07.2000/ Emergency Governmental Ordinance 627
Share capital:	733,031,420 lei, subscribed and paid
Regulated market where the issued securities are transacted:	Bucharest Stock Exchange, Premium category
Main characteristics of the issued securities:	73,303,142 shares of RON 10/share nominal value each, in dematerialised nominative ordinary indivisible freely marketable form as of 29.08.2006, TEL symbol
Market value:	2,067,148,604.40 RON (28.20 RON/share on 29.03.2024)
Accounting standard applied:	International Financial Reporting Standards
Audit:	The quarterly financial statements drafted as of 31.03.2024 have not been audited. The amounts corresponding to December 31, 2023 are audited by the external financial auditor.

## **RESPONSIBLE PERSONS' STATEMENT**

To the best of our knowledge, the simplified separate interim financial statements as of and for the three-month period ended March 31, 2024 have been prepared in accordance with International Accounting Standard 34 - "Interim Financial Reporting" and give a true and fair view of the financial position and the profit and loss account of NPG Transelectrica SA.

This report contains correct and complete information regarding the economic and financial situation and the activity of NPG Transelectrica SA.

**Bucharest, April 30, 2024**

**Ștefăniță  
MUNTEANU**

**Directorate  
Chairman**

**Cătălin-Constantin  
NADOLU**

**Directorate  
Member**

**Bogdan  
TONCESCU**

**Directorate  
Member**

**Florin-Cristian  
TĂTARU**

**Directorate  
Member**



## Key figures Q1 2024 vs Q1 2023

### Key figures

#### FINANCIAL HIGHLIGHTS

RON	<b>1.988</b>	mn	▲	<b>79%</b>	<b>Revenues</b>
				y/y	
RON	<b>212</b>	mn	▲	<b>19%</b>	<b>EBITDA</b>
				y/y	
RON	<b>103</b>	mn	▲	<b>29%</b>	<b>Net profit</b>
				y/y	
TWh	<b>13.23</b>		▲	<b>1,7%</b>	<b>Charged energy volume**</b>
				y/y	

#### OPERATIONAL

<b>2.30%</b>	*	▼	<b>-0.24</b>	pp	<b>Grid losses</b>
			y/y		
<b>11.36</b>		▲	<b>7%</b>		<b>Transported energy***</b>
TWh			y/y		

#### INVESTMENTS

RON	<b>113</b>	mn	▲	<b>67,5%</b>	<b>Acquisition of tangible and intangible assets</b>
				y/y	
RON	<b>224</b>	mn	▲	<b>168</b>	<b>Fixed assets recorded in the accounts (commissioning)</b>
				RON mn	
				y/y	

OTC – One's Own Technological Consumption

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

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

\*\*\* The transmitted quantity is defined by the power amount physically flowed in the transmission grid

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



## Financial data

The summary of financial results as of March 31, 2024 is presented in the tables below. The financial results for Q1 2024 are not audited, and their extended version for the same period is presented in the Appendices to this Report.

Separate account of profit and loss				
[mil RON]	Q1 2024	Q1 2023	Δ	Δ(%)
	1	2	3=1-2	4=1/2
Charged energy volume [TWh]	13.23	13.01	0.22	1.7%
<b>ALLOWED PROFIT ACTIVITIES</b>				
<b>Operating revenues</b>	<b>532</b>	<b>499</b>	<b>33</b>	<b>7%</b>
Transmission and other revenues on the electricity market, of wich:	506	487	19	4%
<i>Regulated tariff</i>	424	368	56	15%
<i>Other revenues on the electricity market*</i>	36	17	19	116%
<i>Interconnection</i>	45	102	(57)	(56%)
Other revenues	26	12	14	115%
<b>Operating expenses</b>	<b>(338)</b>	<b>(312)</b>	<b>(26)</b>	<b>(8%)</b>
System operating expenses	(169)	(171)	3	2%
Repairs and maintenance expenses	(24)	(19)	(5)	(27%)
Personnel expenses	(87)	(75)	(13)	(17%)
Other expenses	(58)	(48)	(10)	(22%)
<b>EBITDA</b>	<b>194</b>	<b>187</b>	<b>7</b>	<b>4%</b>
Depreciation	(85)	(82)	(3)	(3%)
<b>EBIT</b>	<b>109</b>	<b>105</b>	<b>4</b>	<b>4%</b>
<b>ZERO PROFIT ACTIVITIES</b>				
<b>Operating revenues</b>	<b>1,456</b>	<b>609</b>	<b>848</b>	<b>139%</b>
System services revenues	124	101	23	23%
Balancing market revenues	1,332	508	824	162%
<b>Operating expenses</b>	<b>(1,438)</b>	<b>(618)</b>	<b>(820)</b>	<b>(133%)</b>
System services expenses	(105)	(110)	4	4%
Balancing market expenses	(1,332)	(508)	(824)	(162%)
<b>EBIT</b>	<b>18</b>	<b>(9)</b>	<b>27</b>	<b>n/a</b>
<b>ALL ACTIVITIES (WITH PROFIT ALLOWED AND ZERO-PROFIT)</b>				
Operating revenues	1,988	1,108	880	79%
Operating expenses	(1,776)	(930)	(846)	(91%)
<b>EBITDA</b>	<b>212</b>	<b>178</b>	<b>34</b>	<b>19%</b>
Depreciation	(85)	(82)	(3)	(3%)
<b>EBIT</b>	<b>127</b>	<b>96</b>	<b>32</b>	<b>33%</b>
Financial result	(0.1)	1	(1)	n/a
<b>EBT</b>	<b>127</b>	<b>97</b>	<b>30</b>	<b>31%</b>
Tax on profit	(24)	(17)	(7)	(42%)
<b>Net Profit</b>	<b>103</b>	<b>80</b>	<b>23</b>	<b>29%</b>

\*Energy market (ITC, reactive energy, OTC sale, energy exchanges, breakdown assistance)



Separate statement of financial position				
[mil RON]	Q1 2024	2023	Δ	Δ (%)
	1	2	3=1-2	4=1/2
<b>Non-current assets</b>				
Tangible assets	5,427	5,416	11	0%
Assets representing rights of use under a lease - buildings	12	14	(2)	(14%)
Intangible assets	281	282	(2)	(1%)
Financial assets	86	86	0	n/a
<b>Total</b>	<b>5,805</b>	<b>5,798</b>	<b>7</b>	<b>0.1%</b>
<b>Current assets</b>				
Inventories	54	51	2	5%
Trade and other receivables	2,134	2,116	18	1%
Cash and cash equivalents	463	519	(57)	(11%)
<b>Total current assets</b>	<b>2,650</b>	<b>2,686</b>	<b>(36)</b>	<b>(1%)</b>
<b>Total assets</b>	<b>8,455</b>	<b>8,484</b>	<b>(29)</b>	<b>(0.3%)</b>
<b>Shareholders' Equity</b>	<b>5,314</b>	<b>5,190</b>	<b>124</b>	<b>2%</b>
<b>Non-current liabilities</b>				
Long term deferred revenues	507	519	(12)	(2%)
Long term borrowings	26	32	(6)	(19%)
Other loans and assimilated debts - Non-current building lease liabilities	4	6	(2)	(33%)
Other non-current liabilities	363	360	3	1%
<b>Total non-current liabilities</b>	<b>901</b>	<b>918</b>	<b>(17)</b>	<b>(2%)</b>
<b>Current liabilities</b>				
Trade and other liabilities	2,040	2,242	(202)	(9%)
Short-term borrowings	73	25	49	n/a
Other loans and assimilated debts - Current building lease liabilities	9	9	0	n/a
Other current liabilities	97	100	(3)	(3%)
Tax on profit to be paid	21.4	0	21,0	n/a
<b>Total current liabilities</b>	<b>2,240</b>	<b>2,376</b>	<b>(135)</b>	<b>(6%)</b>
<b>Total liabilities</b>	<b>3,141</b>	<b>3,294</b>	<b>(153)</b>	<b>(5%)</b>
<b>Total shareholder's equity and liabilities</b>	<b>8,455</b>	<b>8,484</b>	<b>(29)</b>	<b>(0.3%)</b>

Separate statement of cash flows				
[mil RON]	Q1 2024	Q1 2023	Δ	Δ (%)
Cash flows from operating activities	12	126	(114)	(90%)
Net cash used in investing activities	(109)	(41)	(68)	n/a
Net cash used in financing activities	40	(76)	116	n/a
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(57)</b>	<b>9</b>	<b>(65)</b>	<b>n/a</b>
<b>Cash and cash equivalents as at January 1<sup>st</sup></b>	<b>519</b>	<b>315</b>	<b>204</b>	<b>65%</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>463</b>	<b>324</b>	<b>139</b>	<b>43%</b>

## Operational Results

### I. Charged volume of electricity

In Q1 2024, the total amount of electricity charged for the services provided on the electricity market (13.23 TWh) registered an increase of 1.7% compared to the same period of 2023 (the difference between the two periods being of 0.22 TWh).

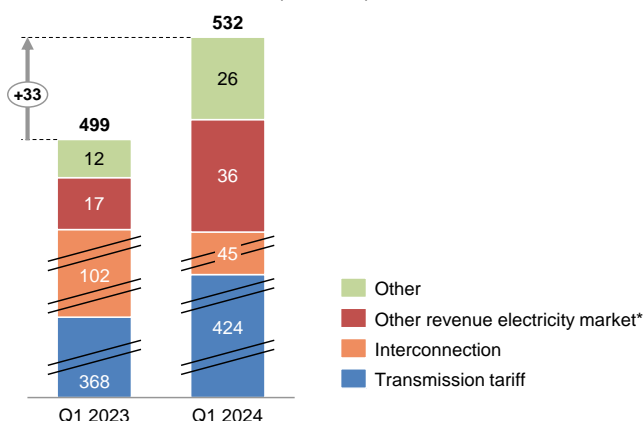
#### Permitted profile segment

#### Operational incomes



The segment of **activities with permitted profit** registered a 7% increase in revenues (532 mil RON in Q1 2024 compared to 499 mil RON in Q1 2023) mainly in the context of the increase of revenues from regulated tariff, as well as revenues from OTC transactions.

Operating revenues from allowed profit activities  
(mil RON)



\* ITC, reactive energy, OTC transactions, energy exchanges

The increase in revenues from transmission and other revenues from the energy market (532 million RON in Q1 2024 compared to 499 million RON in Q1 2023) was mainly influenced by the increase in the average tariff approved by ANRE, which led to an increase in revenues from regulated tariff by 56 million RON (+15%) compared to the same period of the previous year, in the context of the increase in the amount of electricity by 1.7%.

Between January and March 2024, revenues from the allocation of interconnection capacity decreased, from 102 million RON in Q1 2023 to 45 million RON in 2024, motivated by the following:

- The level of use of interconnection capacity availability by electricity market traders,
- The interconnection capacity allocation market is fluctuating, with prices evolving depending on the demand and the need of participants in the electricity market to acquire interconnection capacity,

- Implicit allocations, in which capacity and energy are assigned simultaneously, are strongly influenced by variations in the price of electricity on European exchanges,
- The impact generated by the extension of the coupling of the markets which has the effect of standardizing the price of energy in Europe, this being one of the main objectives of Regulation (EU) 2015/1222 "establishing some guidelines on capacity allocation and congestion management".

The interconnection capacity allocation mechanism consists in the organization of annual, monthly, daily and intraday tenders. The tenders on the Romania-Serbia border, the long-term tenders on the borders with Hungary and Bulgaria and the daily tenders on the border with Moldova are explicit - only transmission capacity is tendered, and the daily (borders with Hungary and Bulgaria) and intraday (borders with Hungary and Bulgaria) are default - they are allocated simultaneously with energy and capacity, through the coupling mechanism.

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

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

#### Revenues from Inter TSO Compensation (ITC)

These revenues were higher (+3.7 million RON) in Q1 2024, respectively 4.2 million RON compared to the same period in 2023 when they were of 0.4 million RON and mostly come from the scheduled electricity exchanges with the countries considered peripheral to the mechanism, namely Ukraine and the Republic of Moldova.

The increase in these revenues is determined by:

- *Changing the tariff for exchanges with peripheral countries*, starting on 15.06.2023, from 1.2 EUR/MWh



to 3 EUR/MWh, which led to an increase in revenues compared to the same period last year.

- Energy exchanges recorded in Q1 2024 with both perimeter countries (Ukraine and the Republic of Moldova), unlike the similar period of 2023, when the exchanges were only with the Republic of Moldova.

**Revenues from energy trading for technological own consumption (OTC)** were obtained mainly from the sale of surplus energy resulting from the difference between the long- and medium-term forecast and the short-term forecast on the Intraday Market administered by OPCOM and respectively from the difference between the forecasted OTC and OTC actually realized on the Balancing Market.

In Q1 2024, the Company recorded higher revenues from energy trading for OTC compared to the similar period of 2023, i.e. +15.7 million RON.

In the structure of these revenues, the transactions on the Intraday Market were lower than those made in the previous year, considering that a large part of the necessary OTC was purchased on the long-term markets through the MACEE mechanism (Mechanism for the centralized purchase of electricity), and the prices on the short-term markets decreased compared to the previous year, and intervals with negative prices were recorded.

The revenues obtained from the transactions on the Balancing Market were significantly higher than those achieved in the similar period of the previous year, considering that the energy system was predominantly in excess during the analyzed period, which led to significant negative prices in the Balancing Market.

Starting with 01.04.2024, the mechanism for the centralized purchase of electricity MACEE was modified by GEO no. 32/2024, in the sense of:

- the reduction of the regulated purchase price to the value of 400 RON/MWh
- eliminating the obligation of producers to participate in the mechanism
- changing the period of application of the mechanism from 31.03.2025 to 31.12.2024
- allowing the participation of other producers, with production capacities lower than 10MW, in the mechanism.

The changes introduced by GEO 32/2024, which amend and complete GEO 27/2022, lead to a gradual exit from the support scheme and a return to competitive market mechanisms.

### Income from disaster aids

In Q1 2024, revenues from emergency aid in the amount of 3 million RON were recorded (March), in the context of the damage to the energy infrastructure in this country following armed conflicts.

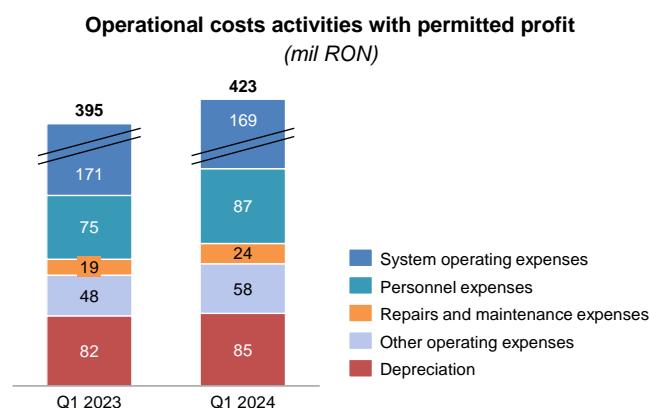
### Revenues from the capitalization of own technological consumption (OTC)

Starting from September 30, 2022, the Company applies the provisions of GEO no. 119/2022, whereby the additional costs of purchasing electricity realized between January 1, 2022 and March 31, 2025, in order to cover the own technological consumption, compared to the costs recognized in the regulated tariffs, are capitalized quarterly.

Thus, the Company recorded in Q1 2024 revenues from OTC capitalization in the amount of 7.4 million RON, representing additional OTC calculated as the difference between the net cost with the purchase of OTC and the OTC cost included in the regulatory tariff.

### Operating expenses

In the segment of **activities with permitted profit**, expenses (including depreciation) increased by 7% (423 million RON in Q1 2024 compared to 395 million RON in Q1 2023), being mainly influenced by the increase in personnel expenses, maintenance expenses as well as other expenses.



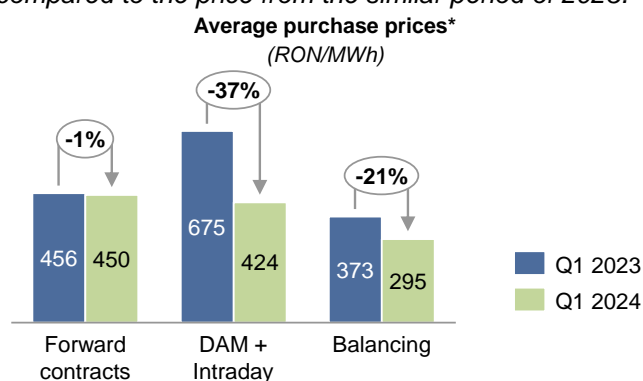
**OTC:** In the interval January-March 2024, the costs of purchasing energy to cover own technological consumption were in the amount of 143 million RON, lower by 3% (-4 million RON) compared to Q1 2023, considering a number of aspects, mainly:

- due to its characteristics, the Own Technological Consumption (OTC) in the Electric Transmission Grid (ETG) is strongly dependent on weather conditions, the structure of electricity production and consumption at the national level, the distribution of electricity flows in the internal transmission grid and on the interconnection lines with the neighboring electric energy systems, its value being very little to

no controllable under the conditions of an interconnected and coupled regional energy market;

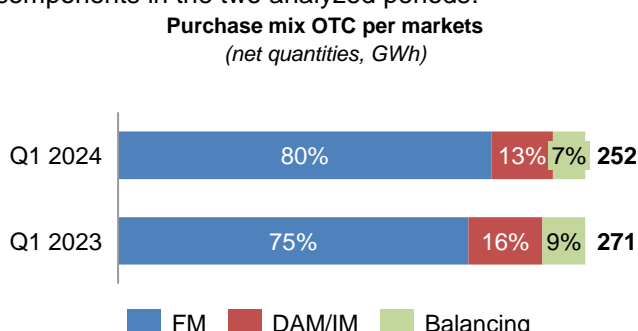
- as a result of the provisions of GEO no. 153/2022, Transelectrica purchased electricity to cover 75% of the quantity related to the OTC forecast validated by the Centralized Electricity Purchase Mechanism (MACEE), at a regulated purchase price;
- the accelerated increase in the power installed at prosumers (from approx. 420 MW at the beginning of 2023, to approx. 1500 MW at the beginning of 2024), together with the increase in the share of wind and solar energy, led to a decrease in consumption, as well as in prices energy on short-term markets. Thus, the average price of energy purchased from PZU in the period January - March 2024 was significantly lower than the price in the similar period of 2023.

*The average net price of energy purchased on all markets in Q1 2024 was lower by approx. 10% compared to the price from the similar period of 2023.*



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

On all markets, lower average prices were recorded compared to those in the first quarter of 2023, and the purchase mix (net quantitative) has the following components in the two analyzed periods:



### Inter TSO Compensation (ITC) costs

In the period January-March 2024, these expenses were lower by 1.6 million RON compared to the same period of the previous year. They are established within the mechanism for compensation/settlement of the effects of the use of the electric transmission grid (ETG) for electricity transits between TSOs that have joined this mechanism within ENTSO-E.

The factors that influence the values of costs/revenues with the ITC mechanism are the exchanges of electricity – import, export, transit on the interconnection lines of the NES, correlated with the electricity flows transited at the level of all countries participating in the mechanism.

**From the Other expenses category (an increase of 11.3 million RON in the analyzed periods) those that had influence in the analyzed period are:**

- Expenses regarding the consumption of electricity in ETG stations in the amount of 14 million RON registered a percentage increase of 29% (+3.2 million RON) compared to Q1 2023 when they were in the amount of 11 million RON.

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

- reduction of some elements of expenses, mainly expenses related to taxes and fees (-2.5 million RON) and other non-tax deductible operating expenses (-7.2 million RON).
- increase in some expenditure elements, mainly: Expenditure on consumables (+2.8 million RON), expenditure on civil protection and security (+1.8 million RON), expenditure on the implementation of pan-European codes (+1.3 million RON), expenses with provisions and depreciation adjustments.

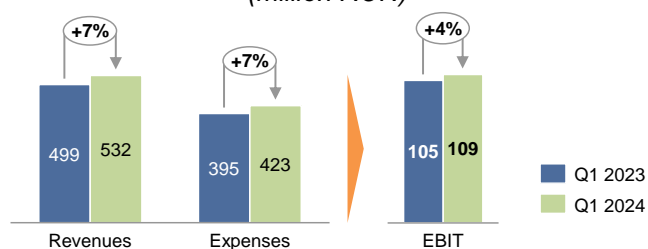
**The depreciation expenses** show an increase of 3 million RON, mainly influenced by the recording of expenses with the depreciation of tangible and intangible fixed assets (+2.2 million RON), calculated at the re-evaluated value of the assets on December 31, 2023, correlated with the commissioning of the works investments and with the receipt of assets.

At the same time, in Q1 2024 the expenses with the depreciation of intangible assets - additional OTC in the amount of 17.6 million RON and show an increase compared to Q1 2023 (+0.7 million). The additional costs with the purchase of electricity realized between January 1, 2022 and March 31, 2025, in order to cover the own technological consumption, compared to the costs included in the regulated tariffs, are capitalized quarterly, and the assets resulting from the capitalization are amortized over a period of 5 years from the capitalization date.

## Operating result-allowed profit

**The activities with permitted profit** recorded a positive result in the amount of 109 million RON in Q1 2024, only a slight increase compared to the result in the amount of 105 million RON achieved in Q1 2023, in the conditions where operational revenues increased by 33 million RON, correlated with an increase in expenses (including depreciation) by 29 million RON..

EBIT structure activities with permitted profit  
(million RON)



## Zero profit segment

**Revenues from zero-profit activities** registered a significant increase (+848 million RON) from 609 million RON in Q1 2023 to 1,456 million RON in Q1 2024, mainly determined by the increase in revenues on the balancing market (+824 million RON), as well as the slight appreciation of revenues from technological system services (+23 million RON), determined by the increase in the tariff approved by ANRE, in the context of the 1.7% increase in quantity.

The segment of **zero-profit activities** also recorded an increase in costs (+820 million RON) determined by the increased value of expenses on the balancing market.

**Balancing market revenues/Balancing market expenses** were 2.6 times higher in Q1 2024 compared to Q1 2023.

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

- the accelerated increase in the power installed at prosumers, from approximately 420 MW at the beginning of 2023 to approximately 1500 MW at the beginning of 2024, which, from the point of view of the impact on the system, corresponds to a reduction in consumption;
- lack of control/monitoring at the level of suppliers for the production of the prosumers they have in their portfolio and little concern for estimating/adjusting the production forecasts of the prosumers in relation to the contractual position;
- the reduced degree of adjustment of the production of renewable energy producers with the net contractual position (we also mention here producers who are beneficiaries of green certificates, based on the provisions of Law

220/2008);

- the accentuated increase in supply prices in the balancing market (positive to increase, respectively negative to decrease), with an impact on the marginal prices recorded especially in the case of energies activated for secondary regulation, respectively in the case of energies activated on the tertiary rapidly decreasing in the situations with strong surplus production;
- under the conditions of a predominantly surplus system, at the level of the balancing market there is a large volume of power reduction selections, i.e. significant negative prices in the Balancing Market which determine, on the one hand, important revenues for the producers who offered negative prices at power reduction, i.e. considerable costs for PRE that recorded positive imbalances;
- the evolution of contractual imbalances registered at the level of electricity suppliers on the balancing market;
- the evolution of hydraulics.

*For the next period of 2024 we estimate that:*

- *changes to the regulatory framework regarding the operation of the balancing market (the provisions of ANRE Order No. 127/2021 coming into force on 01.06.2024),*
- *the way of contracting on the markets prior to the balancing market;*
- *the behavior of market participants;*
- *the evolution of electricity production and consumption at the national level and the European context of the evolution of the electricity market,*

*will have a significant impact on the evolution of the balancing market.*

Thus, starting on June 1, 2024, the ANRE Order regarding the approval of clauses and conditions in the matter of balancing, ANRE President's Order no. 127/08.12.2021 for the approval of the Regulation on the terms and conditions for balancing service providers and for frequency stabilization backup providers and the Regulation on the terms and conditions for the parties responsible for balancing and for the amendment and repeal of some orders of the President of the National Authority of Energy Regulation published in the Official Gazette no. 1196 of December 17, 2021, with a significant impact on the evolution of the balancing market for the year 2024.

**The system services** are purchased by the Company from the producers in order to ensure the maintenance of the safety level in the operation of the NES and the

quality of the electricity transported to the parameters required by the technical norms in force.

The contracting of these services is carried out:

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

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

In Q1 2024, the contracting of regulated system services was carried out only for reactive energy, according to ANRE Decision no. 1078/2020, being provided by Societatea de Producere a Energiei Electrice în Hidrocentrale „Hidroelectrica” SA.

**Revenues from system services** registered a 23% increase compared to the same period last year (124 million RON in Q1 2024 compared to 101 million RON in Q1 2023), determined by the increase in the tariff approved by ANRE for these services and the amount of electricity delivered to consumers (+1.7%).

The value of **system services expenses** in Q1 2024 registered a small decrease (-4%) compared to the same period in 2023.

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

- the purchase prices of system services on the competitive market remained around the following values:
  - ✓ the average purchase price of the secondary regulation reserve at the value of 78.37 RON/MWh;
  - ✓ the average purchase price of the rapid tertiary adjustment reserve, power increase to the value of 37.63 RON/MWh;
  - ✓ the average purchase price of the rapid tertiary regulation reserve, power reduction to the value of 9.82 RON/MWh.
- the manifestation during Q1 2024 of a high level of concentration of the system services market for secondary reserve (RS) system services.

*We specify the fact that, in accordance with the trend observed on the balancing market, there is a steep increase in the purchase price of the rapid tertiary Reserve - power reduction, starting from April 2024. Thus, there were increases in the purchase price of the reserve from 9.82 RON/hMW at values up to 250*

*RON/hMW (purchase price for the Fast Tertiary Reserve - power reduction recorded on 20.04.2024). The same trend is also noticed in the Secondary Reserve, where on 20.04.2024 prices of 100 RON/hMW were recorded.*

*Starting from June 1, 2024, the ANRE Order regarding the approval of clauses and conditions in the matter of balancing, ANRE President's Order no. 127/08.12.2021 for the approval of the Regulation on the terms and conditions for balancing service providers and for frequency stabilization backup providers and the Regulation on the terms and conditions for the parties responsible for balancing and for the amendment and repeal of some orders of the President of the National Authority of Energy Regulation published in the Official Gazette no. 1196 of December 17, 2021, with subsequent amendments and additions, which defines the new types of reserves that will be purchased by Transelectrica, in accordance with the requirements of the European codes. These are the Frequency Stabilization Reserve (symmetrical band), the Frequency Restoration Reserve with automatic and manual activation, respectively the Replacement Reserve. These reserves will be qualified as standard reserves, based on ANRE Order no. 89/2021 regarding the technical qualification approval for the provision of system services.*

### **Operating result - zero profit**

The **EBIT** generated by the **zero-profit activities** recorded a positive result in Q1 2024 in the amount of 18 million RON, an increase of +27 million RON compared to the negative result achieved in Q1 2023.

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

The income surplus/deficit compared to the costs resulting from the performance of this activity is calculated on tariff programming periods.

### **II. Financial Result**

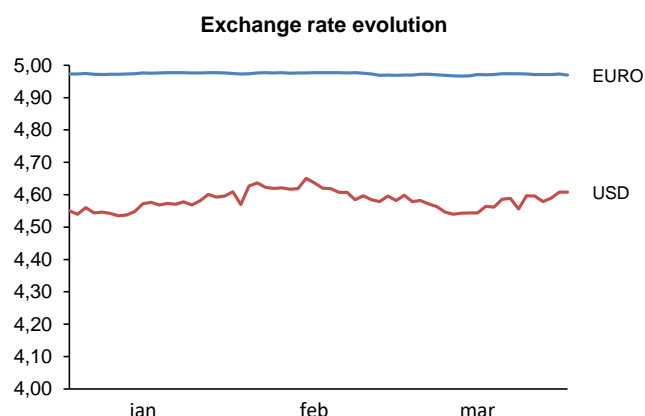
The negative net financial result recorded in Q1 2024 in the amount of 0.08 million RON, compared to the profit of 1.4 million RON from the same period last year, was mainly influenced by the evolution of the exchange rate, in the context of the increase in revenues from interests in the analyzed period.

The share in the total financial income/expenses of income/expenses with exchange rate differences is high and is significantly influenced by the large volume



of transactions related to the market coupling activity segment.

The evolution of the RON/EUR and RON/USD exchange rate in 2023 is shown in the following graph:



## II. Company gross result (EBT)

### Total operating revenues

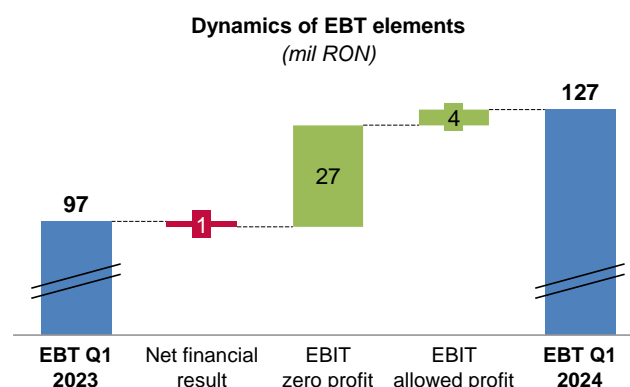
The total operating revenues achieved in Q1 2024 registered a percentage appreciation of 79% compared to the same period of the previous year (1,988 million RON in Q1 2024 compared to 1,108 million RON in Q1 2023), in the context of the significant impact of revenues from zero- advantage.

### Total operating expenses

The total operating expenses (including depreciation) realized in Q1 2024 increased by 84% compared to the similar period of the previous year, 1,861 million RON in Q1 2024 compared to 1,012 million RON in Q1 2023.

The gross result recorded a higher value in the analyzed period, from 96 million RON in Q1 2023 to 127 million RON in Q1 2024, mainly in the context of the increase in the tariffed volume of energy at the rates approved by ANRE, of revenues from OTC transactions, of revenues from OTC capitalization (non-monetary), correlated with the increase in total operating expenses.

The dynamics between the result recorded in Q1 2024 compared to Q1 2023, broken down by the constituent components of the result, is presented in the following graph:



## III. Net result

The gross result impacted by the profit tax in the amount of 24 million RON led to a net result at the end of Q1 2024 in the amount of 103 million RON, an increase compared to Q1 2023 when it was 80 million RON, influenced mainly due to the activities zero-profit (system services).

## FINANCIAL POSITION

### I. Fixed assets

Fixed assets recorded a slight increase in the first quarter of 2024 compared to December 2023, in the amount of 7 million ron, mainly determined by the increase in the value of tangible fixed assets.

### Fixed assets related to the rights of use of leased assets – buildings

Fixed assets related to the rights to use the assets leased - buildings represent the right to use the premises leased by the Company in the Platinum office building, according to the provisions of IFRS 16 - Leasing contracts. Starting from 01.10.2020, the rental contract valid for a period of 5 years entered into force.

As of March 31, 2024, the accounting value of the right to use the premises leased by the Company in the Platinum office building amounts to 11.9 million ron.

### Intangible assets

Intangible assets under construction on March 31, 2024 record a balance of 18.8 million ron represented by ongoing projects, the most significant of which are:

- Metering and data management system for electricity measurement on the wholesale market – 8.6 million RON;
- Replacement of hardware components, updating and development of specific applications of the Balancing Market Platform - II DAMAS, Acquisition Component of migration services and upgrading applications specific to the Balancing Market - 7.6 million RON;
- Development of the MARI platform – 2 million RON

In Q1 2024, revenues from the additional OTC capitalization were recorded in the amount of 7.4 million RON, representing additional costs with the purchase of electricity in order to cover the own technological

consumption compared to the cost recognized in the tariff.

On March 31, 2024, the net accounting value of the intangible asset resulting from the capitalization of the additional OTC amounts to 260 million RON.

*Starting from September 30, 2022, the Company applies the provisions of GEO no. 119/2022, whereby the additional costs of the purchase of electricity made in order to cover the own technological consumption compared to the costs recognized in the regulated tariffs, are capitalized quarterly.*

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

## II. Current assets

The current assets on March 31, 2024 (2,650 million RON) recorded a percentage decrease of 1% compared to the value recorded on December 31, 2023 (2,686 million RON), mainly due to the reduction of the cash and equivalents position.

**Trade receivables** increased by 18 million RON (2,134 million RON on March 31, 2024 compared to 2,116 million RON on December 31, 2023). The most important developments were:

- customers from the operational activity that, due to the decrease in energy consumption, generated a lower balance of receivables from the operational activity (942 million RON on March 31, 2024 compared to 1,005 million RON on December 31, 2023).

The main customers in the balance on the electricity market are represented by: IBEX, MAVIR, Ciga Energy SA, Electrica Furnizare SA Cinta Energy SA, OPCOM, Hidroelectrica, JAO, Engie Romania, PPC Energie SA. Their share is 82.5% in total trade receivables.

- customers – the balancing market which, due to the increase in the volume of transactions in the balancing market in the first quarter of 2024, compared to the fourth quarter of 2023, also determined the increase in the customer balance from the contracts concluded for this type of activity (704 million RON on 31 March 2024 compared to 594 million RON on December 31, 2023).

- customers - the support scheme, which registered a percentage appreciation of 22% (+32 million RON) mainly determined by the increase in the invoiced value for the collection of the monthly contribution.

On March 31, 2024, the Company records receivables from the bonus support scheme for the promotion of high-efficiency cogeneration in a proportion of approximately 10% compared to 8% on December 31,

2023, 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 contribution for cogeneration and the monthly payment of bonuses".

On March 31, 2024, the Company records receivables in the amount of 176 million RON, represented by the invoices issued related to the bonus support scheme for the promotion of high-efficiency cogeneration, of which mainly:

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

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

- overcompensation for 2023 in the amount of 5.5 million RON, respectively from BEPCO – 2.9 million RON, Termoficare Oradea – 2.6 million RON (due in the second quarter of 2024);

- contribution for cogeneration not collected from the suppliers of electricity consumers in the amount of 20.7 million RON, respectively from: Transenergo Com – 5.9 million RON, Petprod – 4.4 million RON, Romenergy Industry – 2.7 million RON, RAAN – 2.4 million RON, UGM Energy – 1.5 million RON, CET Govora – 0.9 million RON, KDF Energy – 0.7 million RON, etc.

Until the date of this report, the Company has fully collected the receivables related to the overcompensation of the activity regarding the support scheme for the year 2023 (amount of 5.5 million RON), from Bepco (2.9 million RON) and Termoficare Oradea (2.6 million RON), as well as the amount of 14.2 million RON from the undue bonus established by ANRE Decisions for the year 2023.

**Other receivables** as of March 31, 2024, in the amount of 178 million RON, mainly include:

- various debtors (116.2 million RON), of which:
  - late payment penalties calculated for non-paying customers, in the amount of 95 million RON (of which the amount of 35.15 million RON represents penalties related to the support scheme).

The largest late payment penalties were registered by the clients: Romelectro (40.4 million RON), RAAN (16.9 million RON), CET Govora (9.6 million RON), Electrocentrale București (9.4 million RON), OPCOM (3.6 million RON), Total Electric Oltenia (3.3 million RON), Multiservice G&G (2.2 million RON), Electrogrup



SA (2 million RON), Petprod (1.9 million RON), ISPE Proiectare si Consultanță SA (1 million RON).

- compensation owed by suppliers for non-delivery of electricity: Arelco Power (0.99 million RON), Enol Grup (2.54 million RON) and Next Energy Partners (8.39 million RON).
- 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 RON.
- amounts received as subsidies (50.7 million RON), related to the ETG connection contracts;
- expenses registered in advance in the amount of 12 million lei represented mainly by domestic and international contributions (5.7 million RON), taxes and duties (2.8 million RON), ANRE contribution (1.8 million RON), rent and office building maintenance (0.7 million RON), insurance policies (0.6 million RON), various services and others;
- other social receivables in the amount of 1.9 million RON representing medical leaves paid by the employer to employees, amounts to be recovered from the National Health Insurance House, according to the legislation in force.

**Advances to suppliers** paid on March 31, 2024 represented by debtor suppliers for services in the amount of 74 million RON decreased significantly compared to December 2023 when they were in the amount of 152 million RON.

The balance mainly represents amounts from transactions related to the price coupling mechanism (for SIDC the value of 18.7 million RON, and for ICP - Interim Coupling Project and SDAC - Single Day-ahead Coupling the value of 53.9 million RON).

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

*The launch of flow-based energy market coupling in the Core region, on June 8, 2022, represented the transition from the coupling mechanism ICP – Interim Coupling Project to FBMC – Flow Based Market Coupling, optimizing the European electricity market for 13 countries : Austria, Belgium, Croatia, Czech Republic, France, Germany, Hungary, Luxembourg, Netherlands, Poland, Romania, Slovakia and Slovenia.*

*Within the FBMC project, Transelectrica has the role of both Shipper (Transfer Agent) and CCP – Central*

*Counterparty. As a CCP, the Company has the task of transferring the financial flows generated by the electricity flows, following the coupling process.*

**VAT to be recovered** in the amount of 267 million RON related to the statements for the period December 2023 - March 2024 and October 2020, of which up to the date of this report, the amount of 66 million RON has been collected.

The largest existing depreciation adjustments in the balance on March 31, 2024, calculated for trade receivables and related penalties, are for Romelectro SA (40.4 million RON), JAO (30 million RON), CET Govora (24.6 million RON), Arelco Power (14.8 million RON), Total Electric Oltenia SA (14.2 million RON), Romenergy Industry (13.5 million RON), Elsaco Energy (9.3 million RON), RAAN (8.5 million RON), Next Energy Partners (8.4 million RON), OPCOM (8.1 million RON).

## Liabilities

**Long-term liabilities** in the amount of 901 million RON on March 31, 2024 registered a percentage decrease of 2% compared to the value recorded on December 31, 2023, which was in the amount of 918 million RON.

### Interest-bearing debts

On March 31, 2024, the amount of long-term loans decreased compared to December 31, 2023 mainly due to repayments made under existing loan agreements. At the same time, the value of short-term loans increased from the balance of 25 million RON in December 2023 to 73 million RON on March 31, 2024. On March 31, 2024, withdrawals were made from the credit line to finance the working capital of the company, in the amount of 48.7 million RON.

At the same time, **short-term debts** registered a decrease in percentage of 6%, from 2,376 million RON on December 31, 2023 to 2,240 million RON on March 31, 2024, mainly due to the reduction of commercial debts and other debts.

The following had an impact on the evolution of commercial debts:

- **suppliers on the energy market** that decreased by 101 million RON and register a balance in the amount of 1,240 million RON on March 31, 2024 compared to 1,341 million RON in December 2023.

This evolution was mainly influenced by:

- the reduction of the *balance of debts related to the operational activity* by 159 million RON, which was mainly determined by the payment at maturity, in the year 2024, of the payment obligations in the balance on

December 31, 2023, resulting, mainly, from the coupling of the electric energy markets.

The suppliers on the electricity market are mainly represented by: OPCOM, MAVIR, Hidroelectrica SA, IBEX, Electrocentrale București, CIGA Energy SA, S Complexul energetic Oltenia SA, Joint Allocation Office, Electrica Furnizare SA, CINTA Energy SA. On March 31, 2024, their share in total energy suppliers is around 89.6%.

- *the increase in the balance of "debts related to the balancing market"* by 81.5 million RON was mainly determined by the increase in the volume of transactions registered on the balancing market in the first quarter of 2024, compared to the fourth quarter of 2023.

- *the decrease in debts related to the support scheme to suppliers (producers)* by 23.5 million RON was determined by the decrease in the value of the monthly bonus for high-efficiency cogeneration from March 2024, compared to December 2023.

- **suppliers of fixed assets** decreased by 35.4 million RON due to the payment of overdue payments,
- **suppliers of other activities** also decreased by 7 million RON, being mainly represented by the category of debts related to services provided by third parties not yet due.
- **"other debts"** decreased by 61.4 million RON, from the balance of 636.7 million RON on December 31, 2023 to 575.4 million RON on March 31, 2024, based on the evolution of various creditors.

The structure of "other debts" is as follows:

- *various creditors* in the amount of 223 million RON (they decreased by 89 million RON compared to December 31, 2023) are mainly represented by the net position of the support scheme regarding high-efficiency cogeneration, debt position (200 million RON), contracts of solution studies for the connection to the ETG (12 million RON), the amount collected by Transelectrica (6.8 million RON) to be paid to the distribution operators based on ANRE decisions, representing the OTC caused by the additional energy transits in the grids of the distribution operators distribution concessionaires at the voltage level of 110 kV, for the quota assigned to producers who own plants with an installed capacity of more than 5 MW connected to the respective distribution grids, according to the ANRE President's Order no. 82/02.08.2023, royalty I quarter 2024 (2 million RON),

- *creditor customers* on March 31, 2024 in the amount of 267.5 million RON (increased by 21 million RON compared to December 31, 2023) and represent amounts collected in advance in transactions related to price coupling mechanisms in the amount of 267,1 million RON, (ICP (Interim Coupling Project), SIDC (Single Intraday Coupling), SDAC (Single Day-ahead Coupling), FBMC (Flow Based Market Coupling), but also from MAVIR (76 million RON), OPCOM (9 million RON), IBEX (182.3 million RON),
- *the debt for fixed assets related to the rights of use of assets leased - buildings, according to the provisions of IFRS 16 – Leasing contracts*, amounts to 8.7 million RON (short-term debt),
- *other debts* in the amount of 71.7 million RON are represented, mainly, by the guarantees of good payment of contracts on the electricity market concluded by Transelectrica in the amount of 45.2 million RON and VAT not due during the reporting period in the amount of 26.2 million RON.

**Provisions** recorded a decrease of 2 million RON on March 31, 2024 (63 million RON) compared to December 31, 2023 (65 million lei).

### III. Equity capital

The equity registered an increase determined mainly by the recording in the retained earnings of the net profit in the amount of 103 million RON, achieved on March 31, 2024. Thus, the equity on March 31, 2024 amounts to 5,314 million RON compared to 5,190 million RON on December 31, 2023.

## EVOLUTION OF SHARES

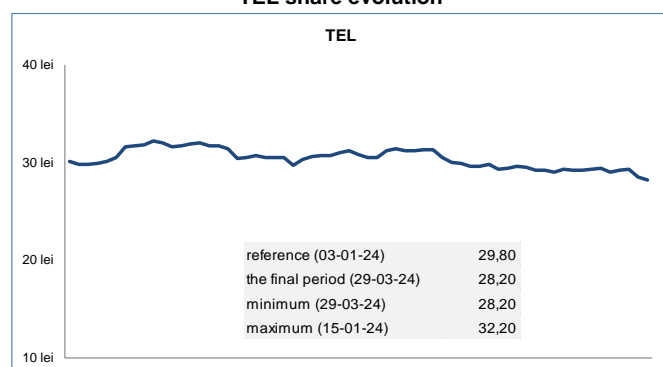
Symbol	TEL
ISIN:	ROTSELACNOR9
Segment	Main
Category:	Premium
Type:	Shares
Status:	Tradeable

The year 2024 started with a trading price of 29.80 RON/share, opening the way to the maximum price of the period of 32.20 RON /share recorded on 15.01.2024.

The final price of the period brought TEL shares a market capitalization of 2,067 million RON.

The trading of TEL shares during the first quarter of 2024 on the capital market in Romania recorded 6,686 transactions with an average number of 62 transactions/day and 721,648 traded shares, with a total value of 56,449 thousand RON.

TEL share evolution



Transelectrica shares are part of the structure of the following stock indices: BET, BET-NG, BET-TR, BET-XT, BET-XT-TR, BET-BK, BETplus, BET-TRN, BET-

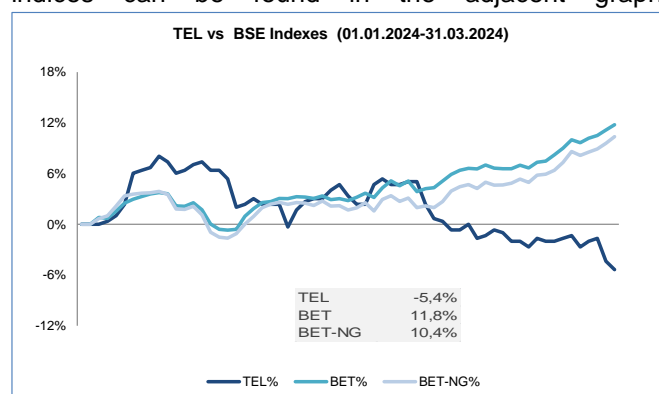
XT-TRN, ROTX. Among them, the most representative for the Company are:

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

According to the last periodic adjustment date recorded on 08.03.2024, TEL shares have a weight of 1.29% in the BET index and 2.42% in the BET-NG index.

Internationally, TEL shares are part of the composition of the MSCI Frontier and MSCI Romania indices.

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



## MAIN RISKS AND UNCERTAINTIES

The analysis of decision-making problems under conditions of risk involves an evaluation of decision alternatives, of their consequences, considering that the effects of decisions are not known with certainty. In these cases, the optimal course is the one that maximizes the anticipation, respectively reveals the probable or anticipated value of the result.

The in-depth knowledge of the threats allows their prioritization depending on the possibility of their materialization, the extent of the impact on the objectives and the costs involved in the measures aimed at reducing the probability of occurrence or limiting the unwanted effects.

At the level of the Company, the risks related to the performance of its own activities are periodically and systematically analyzed, the Register of identified risks,

risk tracking sheets, risk alert forms (for newly emerging risks) and the implementation plan of control measures are drawn up annually, in the direction limiting the possible consequences of these risks, in accordance with the legal provisions.

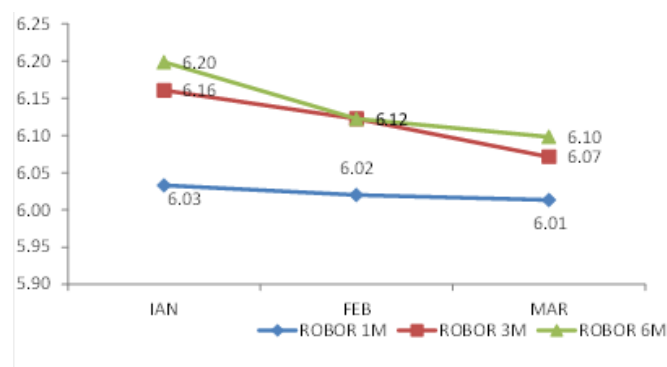
Among the elements that can affect the Company's liquidity are:

- **interest rate fluctuation**

In order to limit the impact of interest rate fluctuations on the Company's liquidity, long-term loans with a fixed interest rate were contracted, and the most advantageous interest rates were negotiated for short-term loans.

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 according to the ROBOR 1M reference, to which a 0% margin is added, respectively a line of credit for financing the current activity, with an interest calculated according to the reference rate ROBOR 1M, to which a margin of 0.05% is added.

The interest rates on the national monetary market experienced a downward trend in the last 3 months, in the context of the excess liquidity in the banking system, combined with the lower demand for loans and the more restrictive conditions associated with the offer of credits.



#### ➤ **exchange rate variation**

Currency risk expresses a probability of recording losses from international commercial contracts or other economic relationships, due to changes in the exchange rate of the currency in the period between the conclusion of the contract and its maturity.

Another method by which such effects can be avoided is represented by the inclusion in the contract of a currency clause or a price revision clause. The application of various extra-contractual measures can save the Company from the presence of negative effects.

To limit the impact of exchange rate fluctuations, the Company negotiates the best exchange rates through the specialized department.

To honor foreign currency obligations, the Company has opened foreign currency accounts at commercial banks within the Romanian banking system.

The exposure to exchange rate risk (mainly due to the EUR currency) is not significant, thus the Company does not use risk hedging instruments.

At the same time, the national currency experienced a period of appreciation between January and March, as a result of developments on the international financial markets.

However, the inflation differences between Romania and the Eurozone, the large current account and budget deficits in the country, the weak growth of the local economy, the recently adopted fiscal consolidation measures, lead to the depreciation of the national currency.

#### ➤ **the provisions of the financing agreements**

Within the financing contracts, there are clauses regarding the observance of certain financial indicators (covenants), changes in control over the Company, "pari passu" type clauses, the violation of these clauses may entail, on the basis of a prior notification and a reasonable time, the early payment of the financing facilities.

Until the date of this report, there were no situations of non-compliance with the provisions of the Company's financing agreements.

#### ➤ **the risk of non-fulfillment of legal conditions**

The Company's liquidity could be affected by penalties caused by non-conformities reported during periodic control activities by the competent bodies (ANAF, CCR, MFP, etc.). This risk did not materialize during the analyzed period.

#### ➤ **Operational level**

In order to observe the principles of decision-making transparency, established by the provisions of Law no. 52/2003 on decision-making transparency in the public administration, republished, ANRE submits to the public consultation process a draft order on establishing the regulated rate of return on invested capital applied to the approval of tariffs for electricity and natural gas transmission and distribution services, for the fifth regulatory period. The project was published on March 12, 2024, with a deadline for submitting observations and proposals from Transelectrica, 30 days from the date of publication.

The ANRE order proposed for approval includes measures to update the calculation elements of the weighted average cost of capital for the fifth regulatory period, for electricity and natural gas transmission and distribution activities, in accordance with the provisions of the Methodologies for setting tariffs for operators of the electricity and natural gas networks.

The regulated rate of return on invested capital, expressed in real terms, before taxation, applied to the establishment of tariffs for electricity and natural gas transmission and distribution services, for the fifth regulatory period is 6.75%, compared to the previous one 6.39%.

The proposed value is higher than the one in force, a fact that will positively influence the level of investments in the electricity and natural gas networks, by ensuring an appropriate level of return on invested capital.

In the first 3 months of 2024, this risk did not materialize;

- **cash-flow risk** – this represents the risk that Transelectrica will not be able to honor its payment obligations when due. A prudent cash-flow risk management policy involves maintaining a sufficient level of cash, cash equivalents and financial availability through appropriately contracted credit facilities. The Company monitors the level of forecasted cash inflows from the collection of trade receivables, as well as the level of forecasted cash outflows for the payment of trade and other payables.

The company pays increased attention to the efficient management of the treasury, through the effective management of cash flows and the optimization of surplus liquidity in order to be able to honor financial obligations as they come due, as well as the availability, in case of need, to call for financing through adequate credit facilities.

For situations requiring working capital financing, the Company uses short-term loans, in the form of revolving credit lines.

As of the date of this report, thanks to the solutions found and the measures taken in time, the Company has observed its financial obligations.

Other risks that can influence the Company's financial performance can be:

- **the risk of deterioration of the credit rating** as a result of the worsening of financial indicators, the macroeconomic and political climate or/and the worsening of the Company's financial performance.

This risk reflects a complex of factors, with a potential effect on the increase in financing costs on the credit market, which can significantly affect the Company considering the substantial amount of capital needed to be attracted to finance the investment plan for the coming years.

Currently, the rating granted by Moody's to the Company is at the Baa3 level, stable perspective.

- **the investment risk** arising as a result of financial difficulties at the level of the subsidiaries caused both by historical debts, the competitive environment and their own management.

The company gives due importance to the analysis of the risk environment and the early identification of possible risks that may appear in the future, as well as the use of early warning systems, not limiting itself to dealing with the consequences of certain events that would occur, but adopting a style of reactive management, implementing preventive measures, taken in advance, aimed at mitigating the manifestation of risks.

At the same time, the periodic review of the risks, as provided in the standards, involves providing the necessary and sufficient financial resources, with the aim of controlling, eliminating, mitigating or transforming the action of the risks so as to reach an optimization of the resources which the Company has.



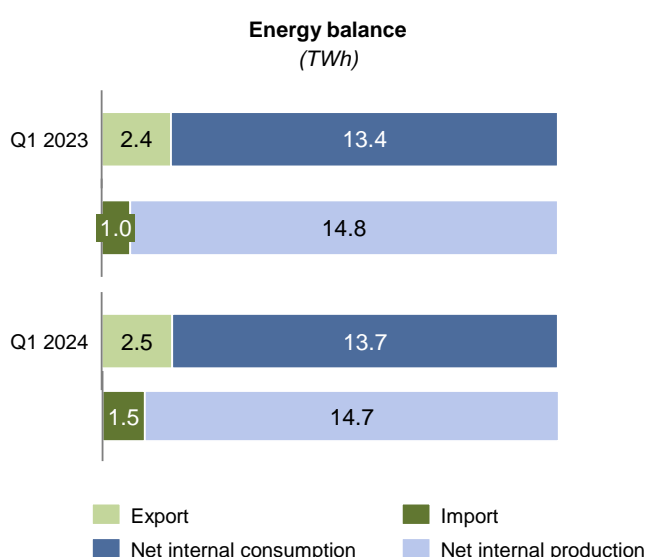


## Operational data

### ENERGY BALANCE NES

Analysing the evolution of the components of the energy balance, in the period January - March 2024 compared to the same period in 2023, there is a 2% increase in net domestic consumption<sup>1</sup> and a 1% decrease in net energy production.

Cross-border physical export trade in Q1 2024 grew by 4% compared to the same period in 2023, while import trade grew by 52%.



In January 2024, electricity consumption at NES level increased by about 5%, while the other two months saw decreases, February (approx 0.38%) and March (approx 1.55%).

The consumption increase in January 2024 was largely influenced by the monthly average temperature, which was -0.19°C compared to January 2023, when it was +3.2°C.

February and March saw higher temperatures than the previous year, leading to a reduction in consumption.

The consumption trend in January was also affected by the decrease in the number of hours of solar radiation, which led to a decrease in the production generated by prosumers.

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

Note that on January 31, 2024, the installed capacity of prosumers was 1,502 MW.

Another element that led to the reduction of national electricity consumption is the entry into force of Regulation (EU) 2022/1854 of October 6, 2022 on emergency action to tackle high energy prices.

Article 3 para.1 provides that Member States shall endeavour to implement measures for the reduction of their total gross monthly electricity consumption by 10% compared to the average gross monthly electricity consumption in the corresponding months of the reference period<sup>2</sup>.

### PRODUCTION MIX

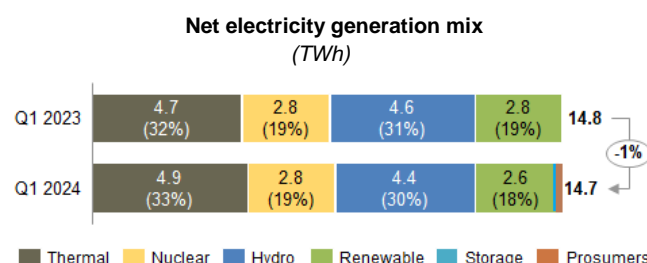
In terms of the production mix, in the period January - March 2024 compared to the same period in 2023, there was an increase of 4% in the thermal component, while the nuclear, hydro and renewable components decreased by 0.1%, 4% and 6% respectively.

Starting in the third quarter of 2023, battery generation was introduced into the generation mix, which by the end of March 2024 totalled 1.3 GWh.

As of January 2024, the generation mix structure includes energy injected into the grid by prosumers (27 GWh), but without their internal consumption.

As for the net energy produced for February, this does not include the value for consumers.

Also, for March the values for renewables and hydro are provisional and the value for prosumers is not included.



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



Analysing the weights of the components of the net production mix for the period January - March 2024, it can be seen that the largest share, 33%, is represented by the Thermo component, followed by the Hydro

component 30%, and energy produced from renewable and nuclear sources have a share of 18% and 19% respectively.

## NATIONAL PRODUCTION PARK

In Q1 2024, installed capacity in thermal power plants decreased by about 11%, from 6,185 MW installed on 31 December 2023 to 5,447 MW installed on March 31, 2024.

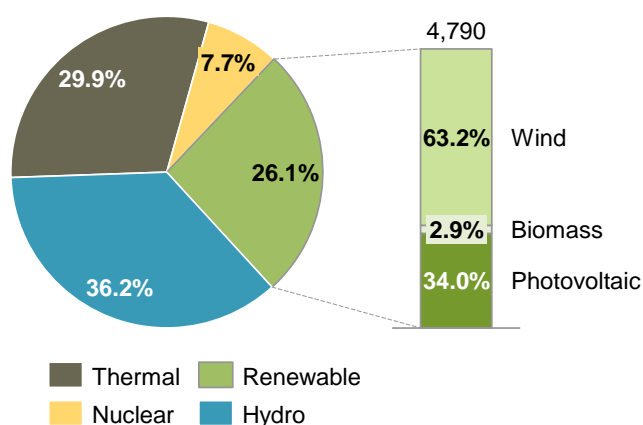
On April 1st 2024, the gross installed capacity in the NES totalled 18,319 MW, with the following structure by primary energy sources: coal - 2,762 MW (1,909 MW net), hydrocarbons - 2,715 MW (2,275 MW net), nuclear - 1,413 MW (1,300 MW net), hydro - 6,639 MW (6,312 MW net), wind - 3,027 MW (2,966 MW net), photovoltaic - 1,626 MW (1,527 MW net), biomass - 137 MW (125 MW net).

The data presented reflects production capacities that have a commercial operating licence. Production units on probation are not included in this report.

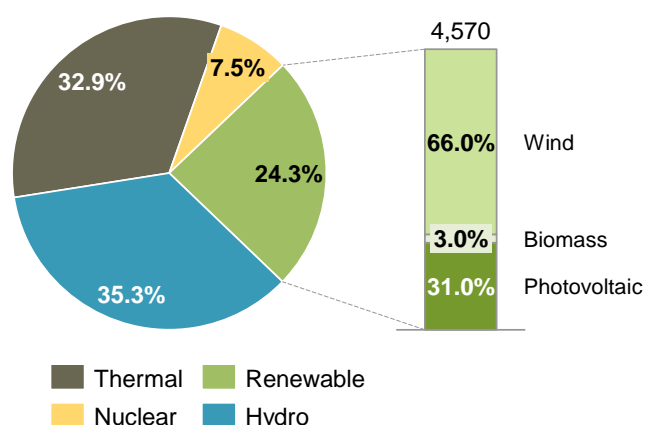
As regards the installed capacity in storage facilities, on 01.04.2024 this totalled 16.2 MW, of which 7 MW qualified for the provision of system services, the difference of 9.2 MW being in facilities (batteries) connected mainly in wind power plants, not qualifying for participation in the Balancing Market.

The installed capacity for the period January-March 2024 compared to January-March 2023 is shown in the graphs below:

Installed capacity Q1 2024 (18,319 MW. gross value)



Installed capacity Q1 2023 (18,809 MW. gross value)



## CROSS-BORDER FLOWS

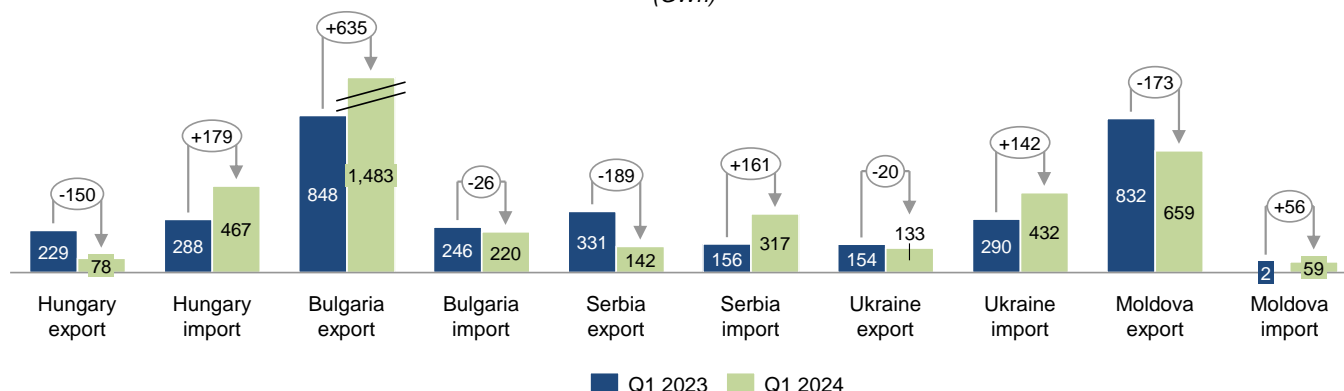
The distribution of **physical import/export flows** on interconnection lines in the period January - March 2024 compared to January - March 2023 is as follows:

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

Specifically, compared to January - March 2023, physical export flows increased on the border with Bulgaria (+75% +635GWh), and decreased on the border with Serbia (-57% -189GWh), Hungary (-66% -150GWh) Ukraine (-13% -20GWh) and Moldova (-21% -173GWh). Physical import flows decreased on the border with Bulgaria (-26GWh) and increased on the interconnection lines with Serbia (+161GWh), Hungary (+179GWh), Ukraine (+142GWh), and Moldova (+56GWh).

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

Physical flows  
(GWh)



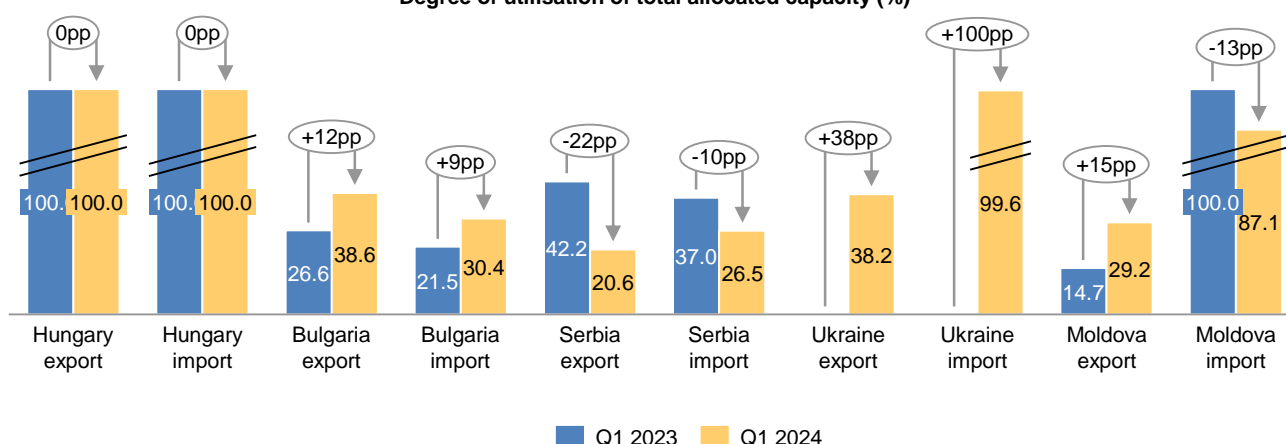
Compared to the same period in 2023, there was an increase of about 34% in import trade and 18% in energy in transit, against the background of lower hydroelectricity compared to last year at this time of the year and domestic electricity consumption which, with the exception of January, did not vary much compared to the same period in 2023.

On the border with Hungary, the utilisation rate is 100%, both import and export, as short-term auctions are default auctions (capacity and energy are allocated simultaneously), and since January 2023, there has

been a complete switch in long-term auctions from the Physical Capacity Rights allocation mechanism to the Financial Capacity Rights allocation mechanism (capacity allocated in annual and monthly auctions is no longer a physical right that can be used by the participant, but only a financial right).

Trade includes the amount of electricity imported and exported as a result of Transelectrica S.A.'s participation as an operational member in the European Imbalance Netting Platform (IGCC), as of December 17, 2021.

Degree of utilisation of total allocated capacity (%)



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.

## OWN TECHNOLOGICAL CONSUMPTION

For the whole of the first quarter of 2024, OTC in the ETG decreased by 7% compared to the same period in 2023, mainly as a result of more favourable physical flows on the interconnection lines on the borders with Ukraine, Hungary and Bulgaria and favourable weather conditions in the first two months, characterised by lower rainfall amounts, which reduced corona losses.

Relative to the energy entering the ETG contour losses decreased from 2.54% to 2.30%.

Due to its characteristics, the Own Technological Consumption (OTC) in the Electricity Transmission grid (ETG) 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 grid and on the interconnection lines with neighbouring power systems, and its value is very little if at all controllable in an interconnected and coupled regional power market.

Factors that significantly influenced the OTC in the period January - March 2024, such as rainfall and the distribution of physical cross-border flows, are not under Transelectrica's control.

## FACTORS EVOLUTION OTC

**In January 2024** OTC decreased compared to January 2023 by 10.1% as a result of favourable generation dispatch and more favourable physical import/export flows on interconnection lines on the borders with Ukraine, Hungary and Bulgaria leading to reduced transmission of energy away from sources, as well as weather conditions characterised by lower rainfall amounts, which led to lower corona losses.

The percentage of losses relative to energy entering the ETG decreased from 2.62% in 2023 to 2.25% in 2024.

Energy entering the grid increased by 4.6% in January 2024 (180.7 GWh) compared to the same period in 2023, as a result of a 3.35% (107.7 GWh) increase in energy received from generators connected to the ETG and a 76.6% (226 GWh) increase in energy received from imports, while energy received from the RED decreased by 39.5% (153 GWh).

**In February 2024** OTC decreased compared to February 2023 by 6.5% as a result of more favourable physical import/export flows on the interconnection lines on the borders with Ukraine, Hungary and Bulgaria which led to a reduction in the transmission of energy away from sources, but also favourable weather

conditions with lower rainfall amounts which led to lower corona losses.

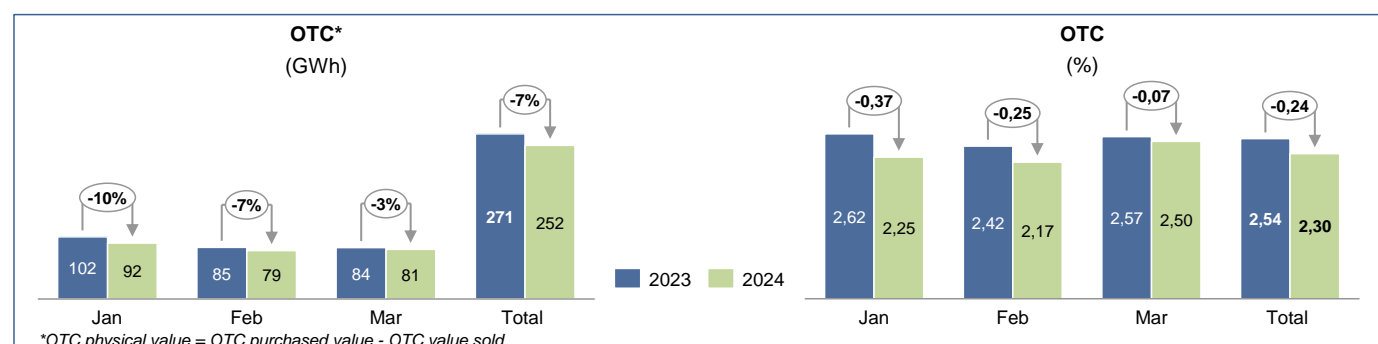
The percentage of losses relative to energy entering the ETG decreased from 2.42% in 2023 to 2.17% in 2024.

Energy entering the grid increased by 4.4% (154.5 GWh) in February 2024 compared to the same period in 2023, as a result of a 2.36% (67.4 GWh) increase in energy received from generators connected to the ETG and a 39.8% (126.2 GWh) increase in energy received from imports, as energy received from the RED decreased by 12.2% (39.1 GWh).

**In March 2024** OTC increased compared to March 2023 by 3.4%, mainly due to increased energy entering the ETG contour, but also due to unfavourable weather conditions with higher rainfall amounts, which increased corona losses.

The percentage of losses relative to energy entering the ETG decreased from 2.57% in 2023 to 2.50% in 2024.

The energy entering the grid increased by 11.2% (367.1 GWh) in March 2024 compared to the same period in 2023, as a result of a 9% (235.4 GWh) increase in energy received from generators connected to the ETG and a 43.6% (161.2 GWh) increase in energy received from imports, while a 10.1% (29.5 GWh) decrease in energy received from the RED.





## ETN Development

### FIXED ASSETS RECORDED IN THE ACCOUNTS

The total value of tangible assets at March 31, 2024 compared to December 31, 2023 was driven by the increase in the value of tangible assets in progress, concurrent with the recording of depreciation of tangible assets.

The value of tangible fixed assets recorded in the accounts in January-March 2024 is 223.9 million lei (55.8 million lei in the same period of 2023), an increase of 168 million lei.

The largest transfers from tangible assets in progress to tangible assets are mainly represented by the commissioning of investment objectives, the most significant of which are listed below:

- Switching to 400 kV voltage of the Porțile de Fier - Reșița - Timișoara - Săcălaz - Arad axis - Phase I - 400 kV OHL s.c. Porțile de Fier - (Anina) - Reșița - 160.4 mil lei;

- Modernization of 220/110/20 kV Arefu Station - 31 million lei;
- Relocation of 220 Kv and 400kV networks for the construction of the Braila-Galati express road - 10.1 million lei;
- Deviation of 220 kV OHL in Ampoi Alba Iulia area - 7.7 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 - 6.1 mil lei;
- Installation of an embedded fibre optic protection conductor on the 400kV Roșiori - Mukacevo OHL - 5.2 million lei;
- Relocation/protection of high voltage 220 networks - OHL 220 kV d.c. Reșița - Timișoara, OHL 220 kV Timișoara - Arad/Timișoara - Săcălaz and OHL 220 kV d.c. Mintia - Timișoara at the intersection with the Timișoara South Bypass - 2.5 mil lei.

### TANGIBLE AND INTANGIBLE ASSETS

Purchases of tangible and intangible assets in the first quarter of 2024 amounted to 112.8 million lei, an increase compared to the same period of 2023 when purchases amounted to 67.3 million lei.

At the same time, the balance of tangible assets in progress according to the financial position as of March 31, 2024, in the amount of 850 million lei, is represented by projects in progress, the most significant being listed below:

- 400 kV d.c. Gutinaș - Smârdan - 219.3 million lei;
- Switching to 400 kV voltage of the Porțile de Fier - Reșița - Timișoara - Săcălaz - Arad axis - Phase I - 400 kV OHL s.c. Porțile de Fier - (Anina) - Reșița - 88.3 mil lei;
- Connection of 400 kV Isaccea - Varna and 400 kV Isaccea - Dobrudja OHL to 400 kV Medgidia South station Phase II - 400 kV OHL d.c. Connections at Medgidia South station - 72.8 mil lei;
- Refurbishment of 220/110/20kV Baru Mare Station - 68.7mil lei;
- Connection to the ETG of CEE 300 MW Ivești, CEE 88 MW Fălcui 1 and CEE 18 MW Fălcui 2 through the new (400)/220/110 kV Banca Station - 46.,9 mil lei;

- Refurbishment of 220/110 kV Filești station - 44.7 million lei;
- Increasing the transmission capacity of the 220kV Stejaru - Gheorgheni - Fântânele OHL - 32.6 million lei;
- Refurbishment of 400/110/20 kV Smârdan station - 32.1 million lei;
- Refurbishment of the 400/110 kV Pelicanu transformer station - 31.6 million lei;
- Metering and data management system for electricity metering on the wholesale market - 21.3 mil lei;
- Upgrading of 400 kV Isaccea station - Phase II - 14.6 million lei;
- Refurbishment of the 110 kV Medgidia South station - 13.8 million lei;
- Relocation of 220 kV and 400 kV networks - Urechești - Domnești, Țânțăreni - Bradu, Bradu - Brașov, Bradu - Stupărei and Bradu - Târgoviște for the Craiova - Pitești Express Dr., section 4 - 13.3 million lei;
- Extension of the 400 kV Gura Ialomiței station with two cells: OHL 400 kV Cernavodă 2 and 3 - 12.5 mil lei;

- Purchase and installation of 21 monitoring systems for transformer units in NPG CO. Transelectrica SA stations - 10.8 million lei;

- 400 kV Stâlpu station - 9.4 million lei;
- 110 kV, 220 kV and 400 kV mobile switchgear - 9.3 million lei;

## ANNUAL INVESTMENT PROGRAMME

The breakdown of investment expenditure as at 31 March 2024 by main chapters of the annual investment programme is as follows:

No.	Categories of expenditure	IPA 2024 Programme*	Earnings (mil lei)	
		(mil lei)	Q1 2024	Q1 2023
	<b>Grand total (A+B)</b>	<b>538.14</b>	<b>88.42</b>	<b>59.30</b>
<b>A</b>	<b>Company's own expenses</b>	<b>513.02</b>	<b>78.66</b>	<b>59.30</b>
<b>B</b>	<b>Investments financed from the feed-in tariff</b>	<b>25.13</b>	<b>9.75</b>	<b>0</b>

\*PAI 2024 revision A2

Thus, the annual investment programme achievement as at March 31, 2024 is 16.4% over Programme and 67.4% over budget Quarter 1.

Compared to the Annual Investment Programme, the own expenditure execution rate is 15.3% and compared to the budgeted Q1 66.1%.

The amount of investments made in the following years is 75.39 million lei and represents 96% of the Company's own investment expenditure in 2024.

The realised value of the investments financed from the connection tariff is 9.75 million lei, corresponding to requests for the execution of network relocation works or grid connection of some producers.

The investment programme for 2024 has been revised twice due to requests to introduce/remove investment objectives, increase/decrease some expenditure amounts due to the pace of execution of investment projects.

## EUROPEAN FUNDS

### *Collaboration between Transelectrica and Politehnica University of Bucharest*

Investing in the training of young people is a core objective for the Company.

Transelectrica participates in the selection process initiated by the Politehnica University of Bucharest for the establishment and operationalization of a Consortium for the creation of a complete professional route for technical education, where, together with UPB, a funding application was submitted for the

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

As regards ETG's capacity to integrate new renewable generation units, the wind and solar potential of the Dobrogea (south-east of the country) and Banat (south-west of the country) regions should be mentioned.

These already congested regions no longer allow for new capacity additions, but taking into account investments currently underway as well as those planned for these two regions alone, by 2027 there will be around 5,000 MW of additional capacity available.

## CONTRACTUAL ISSUES

The most important investment contracts signed in Q1 2024 are:

- 400 kv Stâlpu power station and modernization of 110 kv and medium voltage cells in Stâlpu power station - equipment – 32.12 mil lei
- Dedicated software development, necessary to determine the quantities of reserves using the probabilistic method - 6 mil lei
- Off-line program for individual network modelling, steady-state calculation, cross-border capacity calculation, including CGMES conversion module, for programming and planning purposes. NES on various time horizons – 1.97 mil lei.

implementation of the project **"Campus Dual Politehnica București"**.

After the submission in March 2023 of the funding application for the project "Campus Dual POLITEHNICA Bucharest", within the framework of the Call PNRR/2022/ C15 / MEDU /I6/Pilot programme for the development of regional consortia for dual education, on 11.05.2023 following the eligibility assessment, the project was declared admitted.





On 07.07.2023 the final list of the results of the qualitative evaluation was published and the project remained in first position. We mention that in early October the grant contract was signed and therefore the implementation of the project started.

The project runs for a period of 3 years (maximum implementation deadline: June 30, 2026).

Starting from November 2023, Transelectrica is organizing internships for 5 students enrolled in dual education at the Technical College of Post and Telecommunications "Gheorghe Airinei".

On 19.03.2024, the first working meeting of the project took place at the headquarters of the National University of Science and Technology POLITEHNICA Bucharest with all the partners involved and representatives of the Ministry of Education.

### Modernisation Fund

As regards the implementation of the 9 projects related to the Modernisation Fund amounting to 424,404,843 euro, *reimbursement requests* have been submitted over time with a total reimbursed amount of 15,774,173 lei according to the submission schedules for the following projects:

- Phase II "Banat Axis", Construction of a new 400 kV overhead power line Reșița - Timișoara/Săcălaz, Refurbishment of the 110 /220 kV Timișoara station and switch to 400 kV - total amount reimbursed - 7.042.511 lei;
- Pilot project - Refurbishment of the 220/110/20 kV Alba Iulia Station in the concept of a digital station - total amount reimbursed - 2.605.443 lei;
- Installation of two modern means of reactive power compensation in 400/220/110/20 kV Sibiu Sud and 400/220/110/20 kV Bradu stations - total amount reimbursed - 769.574 lei;

- Digitalization of ETG by installing 2 online systems for metering and management of electricity metering data on the wholesale market, and for monitoring of electricity quality - total amount reimbursed - 6.126.218,96 lei.

### Project "400 kV d.c. Gutinaș Smârdan OHL"

As regards the project " 400 kV d.c. Gutinaș Smârdan OHL", financed by 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 up energy produced from renewable resources*, **in Q1 2024 2 (five) Reimbursement Requests were submitted, with a total reimbursed amount of 27.590.123,87 lei by the Managing Authority - POIM.**

### REPowerEU Plan

The REPowerEU plan sets out a series of measures aimed at rapidly reducing Russia's dependence on fossil fuels and accelerating the green transition, while increasing the resilience of the EU's energy system.

The objective of the REPowerEU-funded investment is to increase flexibility and address bottlenecks in the electricity grid to accelerate the integration of additional renewable energy capacity and increase grid resilience, while strengthening cyber security through better responsiveness to cyber attacks.

After the signing of the Financing Contract between the General Secretariat of the Government (Reform and/or Investment Coordinator) and NPG CO. Transelectrica S.A. (Beneficiary) on 09.04.2024, the related activities for the implementation of Investment 5. Digitalization, efficiency and modernization of the national electricity transmission grid (allocation 56.237.200 euro), financed by the National Recovery and Resilience Plan, related to Component 16, were carried out. REPowerEU , which includes the following sub-investments:

- Sub-investment 5a. - Installation of photovoltaic power plants (PPS) and electricity storage facilities to supply internal services installed in NPG CO. Transelectrica S.A. stations (allocation 29.557.000 euro);
- Sub-investment 5b. - Upgrading of SMART SA - NPG CO. Transelectrica S.A. subsidiary (allocation 18.240.000 euro);
- Sub-investment 5c. - Optimisation of the communication network and creation of a data centre -Teletrans SA, subsidiary of NPG CO. Transelectrica S.A. (allocation 8.440.200 euro).





### Horizon Programme

Company representatives participate in Consortia formed for the development **of TwinEU and SmartTwin projects** funded by the European Union's Horizon Research and Innovation Programme.

**The TwinEU** (Digital Twin for Europe) **project**, funded by the Horizon Europe programme, started on 01.01.2024 and will run for 36 months.

- The company is part of the consortium formed to develop this project, - which brings together 71 partners from across Europe, including transmission and system operators, technology companies, universities and research institutes, European associations, solution developers.
- The objective of the project is to increase the efficiency and penetration of smart technologies in electricity grids leading to a truly smart grid. The project results are expected to contribute to the development of new smart grid architectures and their integration into the European digital infrastructure.
- In the first quarter of 2024, the Company received pre-financing in the amount of EUR 65,625, representing 75% of the estimated budget at reimbursement.

**The ELECTRON** (rEsilient and seLf-healed EleCTRical pOwer Nanogrid) **project**, funded by the European Union's Horizon 2020 programme, continued its work during the first quarter of 2024.

- The budget allocated to the Company is EUR 245,000 and the amount received so far for its involvement in the project is EUR 145,775. The ELECTRON project will be completed on 30.09.2024.

**The CyberSEAS** (Cyber Securing Energy data Services) **project**, funded by the European Union's Horizon 2020 programme, continued its work during the first quarter of 2024.

- The project is carried out within a consortium of 26 partners, the budget allocated to Transelectrica is 217,235 euros.
- The amount received so far by the Company for its involvement in the project is EUR 129,254. The CyberSEAS project will end on 30.09.2024.

### Project sheets for funding from the Modernisation Fund

Project sheets have been submitted to the Ministry of Energy for funding through the Modernisation Fund, namely:

- DigiTEL Green pilot project - Retrofitting of the 220/110/20 kV Mostistea station in the concept of a digital station with reduced environmental impact;
- DigiTEL Power Lines of the Future Pilot Project - Optimising OHLs by installing innovative, low environmental impact poles;

In Q1 2024 the contract for DigiTEL Green Pilot Project - Upgrade of 220/110/20 kV Mostistea station was signed

- On 14.12.2023 the decision approving the non-reimbursable financing from the Modernisation Fund - C(2023) 9054 - for the "DigiTEL Green Pilot Project - Refurbishment of the 220/110/20 kV Mostistea station in the concept of a digital station with reduced environmental impact" was published (allocation 48.340.733,89 euro). The financing contract between the Ministry of Energy and NPG CO. Transelectrica SA was signed on 20.02.2024 (C101/20.02.2024).

In Q1 2024 the DigiTEL Power Lines of the Future Pilot Project - OHL Optimisation (allocation 64.068.257,62 euro) was confirmed as a priority investment from the European Investment Bank:

- In February 2024, the project sheet was submitted to the Ministry of Energy for funding from the Modernisation Fund for the above-mentioned project.
- In the first quarter of 2024, the European Investment Bank confirmed that this project is a priority investment and in the second quarter of 2024, the Decision approving the non-reimbursable financing from the Modernization Fund will be published, and the Financing Contract between the Ministry of Energy and NPG CO. Transelectrica S.A. will be signed.

### Events

With regard to the **elements, events or uncertainty factors that influenced the activity during Q1 2024**, the following can be mentioned:

- Volatility in the construction and energy materials markets, as well as the current geopolitical context, have led to a dramatic increase in prices,
- Long delays in the approval by the competent institutions of the draft normative acts regulating the transfer of the right of administration, on behalf of the Romanian State, of some land located in the corridor of the overhead power lines that Transelectrica is building.
- Develop collaborative partnerships with EU LTOs by initiating innovative transnational projects in the company's areas of activity, aimed at strengthening human resources through the exchange of experience and best practices.
- **Implementation of related activities (milestones/targets)** after the signing of the Financing Contract **for the implementation of Investment 5.Digitalization, efficiency and modernization of the national electricity transmission grid**, related to REPowerEU.
- The company has resumed the process of obtaining funding through the **European Interconnection Mechanism (CEF) for the CARMEN Project of Common Interest**. To this end, a joint funding application will be submitted by the partners involved in the project (Delgaz Grid S.A., NPG CO. Transelectrica SA and Elektroenergien Sistemen Operator EAD) under the call for projects that will open on 30.04.2024.

## Perspectives 2024

As **perspectives for the next period of 2024** are considered as initiatives:

- The approach to grant funding opportunities is twofold
  - *the monitoring process of grant funding opportunities launched by funding authorities at national and European level, which is ongoing,*
  - *identification of funding opportunities that are linked to the company's development priorities and the identified needs to support their implementation.*

## THE COMPANY'S FINANCIAL INVESTMENTS

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

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

- TSCNET
- JAO

### **TSCNET (TSCNET Services GmbH)**

It has been set up to serve Transmission System Operators (TSOs) 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 EUR 259,325 and 50 shares were allocated to it.



## Significant events

### JANUARY - MARCH 2024

- **Contract concluded with the subsidiary OPCOM S.A.**

Taking into account the information included in the Current Report, having as subject "Contract concluded with the subsidiary OPCOM S.A.", disseminated on 21 December 2022 through capital market institutions, pursuant to Article 108 of Law no. 24/2017 in conjunction with Article 2091 of Regulation no. 5/20181, the Company submitted on January 4, 2024 updated information for the year 2024 on the contract that "Transelectrica" S.A. concluded with OPCOM S.A. for the purchase of electricity to cover its own technological consumption requirements (OTC) for the year 2024, through the Centralised Electricity Purchase Mechanism (MACEE) provided for in the Annex to GEO no. 153/2022.

Details of this contract can be found on the Company's website under Investor Relations/Current Reports.

- **OGMS Transelectrica 29 January 2024**

On January 29, 2024, the Company informed that the Ordinary General Meeting of Shareholders had been held by meeting the quorum required, i.e. 72.424% of the Company's share capital, to hold the meeting, during which the information on the purchase of products, services and works, commitments involving significant obligations of the Company with a value exceeding EUR 5,000,000, as well as loans and guarantees for loans with a value below EUR 50,000,000 was noted.

- **Participation in the Romania-Italy Economic Forum**

On February 15, 2024, the company participated, together with 29 other Romanian companies, both public energy companies, including Transgaz, Romgaz, Nuclearelectrica and Electrica, and private companies, in the Romania - Italy Economic Forum, organized in Rome by the Romanian Embassy in Italy, on the occasion of the joint meeting of the Governments of the two countries, an event representative for bilateral relations.

Company representatives present at the forum sessions attended by over 120 Italian companies explored opportunities for collaboration and exchange

of experience with the Italian business environment. Investment, maintenance and system operation were the main areas of interest in the topics discussed with the Italian business environment by the Company's management and technical experts responsible for the three areas.

In this regard, the Company's management had a meeting with representatives of Terna - the Italian Transmission System Operator, where the topics of discussion were related to the strengthening of cooperation between the two ENTSO-E member transmission system operators, with a focus on the exchange of experience in the development of energy infrastructure, interconnections and integration of renewable energy.

- **Modernisation Fund grant contract**

In application of Directive 2003/87/EC of the European Parliament and of the Council, on 20 February 2024, the Company signed with the Ministry of Energy the tenth financing contract from the Modernisation Fund, namely for the implementation of the "DigiTEL Green Pilot Project - Refurbishment of 220/110/20kV Mostistea Station" with a non-reimbursable value of 48 million euros.

The DigiTEL Green pilot project represents an investment effort in line with European energy policies and directives, undertaken by Transelectrica to develop and modernise the energy infrastructure by adopting state-of-the-art technological solutions and equipment that contribute to reducing the environmental footprint.

Included in the ETG Development Plan for the period 2022-2031, the investment in Transelectrica's project portfolio will contribute to the reduction of environmental impact and the transition to a sustainable and efficient energy infrastructure.

- **Resolution No. 1 of the Ordinary General Meeting of Shareholders of February 28, 2024**

The Ordinary General Meeting of Shareholders of the Company held on 28 February 2024 approved the appointment as provisional members of the Supervisory Board of :

- PĂUN Costin-Mihai,
- ATANASIU Teodor,
- VASILESCU Alexandru-Cristian,
- ZEZEANU Luminița,

- DASCĂL Cătălin-Andrei, .
- ORLANDEA Dumitru Virgil,
- RUSU Rareș Stelian,

with a term of office of 4 (four) years from March 1, 2024 until 29.02.2028. It also approved the determination of the remuneration of the members of the Supervisory Board of the Company and the form of the mandate contract to be concluded.

- **Resolution No. 2 of the Ordinary General Meeting of Shareholders of February 28, 2024**

The Ordinary General Meeting of Shareholders of the Company held on 28 February 2024 approved:

- ✓ Establishment of the Investment Programme for the financial year 2024 and estimates for the years 2025 and 2026,
- ✓ The Company's revenue and expenditure budget for 2024 and estimates for 2025 and 2026.

- **400 kV overhead power line - Porțile de Fier - (Anina) - Resita**

The construction project of the 400 kV Porțile de Fier - (Anina) - Reșița Overhead Power Line has been completed and the line will successfully pass the energization test on February 29, 2024.

The total value of the investment project is 150 million lei, the works being carried out by Electromontaj S.A. Bucharest - Romelectro S.A., with subcontractors Emfor Montaj SA, SC Electromontaj SA Sibiu and SC Electromontaj SA Cluj, the line design being carried out by the Institute of Energy Studies and Design Bucharest.

The Porțile de Fier - (Anina) - Reșița 400 kV Overhead Power Line is the most technically complex and difficult line project in Romania in the last 30 years, as its route crosses mostly mountainous, rugged and inaccessible terrain.

The technical complexity and the challenges that the project teams, both of the builders and the Company, encountered in the process of executing the works reflect the extraordinary effort of the specialists who contributed to the completion of this line.

The 400 kV Porțile de Fier - (Anina) - Resita overhead power line will be operationally commissioned upon completion of the construction of the 400 kV Resita station, which is expected in the second half of this year.

At the same time, the new 400 kV Reșița station will allow the operation of the 400 kV Reșița - Pancevo overhead interconnection power line.

The new overhead 400 kV Porțile de Fier - (Anina) - Resita overhead power line has a total length of 117 kilometres and consists of two sections: a new construction of 259 poles (Porțile de Fier - Anina section), with a length of 81.1 kilometres, and the modernisation of an existing line of 142 poles (Anina - Resita section), with a length of 36 kilometres.

- **Acceptance of mandates for SB members**

The Company informed the interested public that the members of the Supervisory Board appointed by the Resolution of the Ordinary General Meeting of Shareholders No. 1 dated 28 February 2024 have signed before the notary public the declaration of acceptance of their mandates, their appointment becoming effective as of 1 March 2024.

- **Appointment of the Chairman and Advisory Committees of the Supervisory Board**

In accordance with its statutory and legal powers, the Supervisory Board decided at its meeting of 4 March 2024 to elect Mr Cătălin-Andrei DASCĂL as Chairman of the Supervisory Board and to appoint the members of the advisory committees of the Supervisory Board as follows:

Nomination and Remuneration Committee:

- VASILESCU Alexandru-Cristian - Chairman
- DASCĂL Cătălin-Andrei
- RUSU Rareș Stelian
- ORLANDEA Dumitru Virgil
- ZEZEANU Luminița.

Audit Committee:

- ZEZEANU Luminița- Chairman
- ATANASIU Teodor
- RUSU Rareș Stelian
- PĂUN Costin-Mihai
- VASILESCU Alexandru-Cristian.

Investment and Energy Security Committee:

- PĂUN Costin-Mihai - Chairman
- DASCĂL Cătălin Andrei
- ZEZEANU Luminița
- ATANASIU Teodor
- ORLANDEA Dumitru Virgil.

Risk Management Committee:

- ATANASIU Teodor - Chairman
- VASILESCU Alexandru-Cristian
- DASCĂL Cătălin-Andrei
- RUSU Rareș Stelian
- ORLANDEA Dumitru Virgil.



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

In accordance with its statutory and legal powers, the Supervisory Board decided at its meeting of 21 March 2024, with reference to the expiry on 24 March 2024 of the terms of office of the provisional members of the Directorate, as follows:

Pursuant to Article III of Law no.187/2023 on the amendment and completion of Government Emergency Ordinance no.109/2011 on corporate governance, the extension for a period of 2 months from 25 March 2024 until 24 May 2024, but not later than the completion of the selection procedure according to the provisions of GEO no.109/2011 if the procedure is completed within this period, of the mandates of provisional members of the Directorate for Mr Ștefăniță MUNTEANU, Mr Cătălin Constantin NADOLU, Mr Florin Cristian TĂTARU and Mr Bogdan TONCESCU. On the same date, in accordance with the provisions of Article 23 para. (1) of the Company's Articles of Association, Mr. Ștefăniță MUNTEANU was elected as Chairman of the Directorate, alternatively called Chief Executive Officer of the National Electricity Transmission Company "Transelectrica" SA.

- **Annual GMS to be held on April 29(30), 2024**

In accordance with the provisions of the Companies Law no. 31/1990, republished, as amended and supplemented, of the Law no. 24/2017 on issuers of financial instruments and market operations, republished, as amended and supplemented, of the A.S.F. Regulation no. 5/2018 on issuers of financial instruments and market operations, as amended and supplemented, and the Company's Articles of Association in force, the Company's Directorate has convened the Ordinary General Meeting of Shareholders on April 29, 2024, for all shareholders registered in the Company's Register of Shareholders at the end of April 19, 2024 (reference date), with the following agenda:

- Presentation of the Annual Report on the economic and financial activity of the Company, in accordance with the provisions of Law no. 24/2017 on issuers of financial instruments and market operations, republished, with subsequent amendments and additions, and ASF Regulation no. 5/2018, with subsequent amendments and additions, for the financial year ending on 31.12.2023;
- Presentation of the Report of the Supervisory Board of NPG CO. "Transelectrica"-S.A. on the management activity for the year 2023;
- Presentation of the Independent Auditor's Reports on the Stand-alone Annual Financial Statements and on

the Consolidated Annual Financial Statements for the financial year 2023;

- Approval of the stand-alone financial statements of NPG CO. "Transelectrica"-S.A. for the financial year 2023;
- Approval of the Consolidated Financial Statements of NPG CO. "Transelectrica"-S.A. for the financial year 2023;
- Approval of the distribution of the accounting profit remaining after deduction of income tax as of 31.12.2023 in the amount of 213,611,306 lei;
- Approval of the gross dividend per share from the retained earnings existing in the balance as at 31.12.2023, in the amount of 0.28 lei;
- Approval of the creation of reserves related to the income from the allocation of transmission capacity on interconnection lines by distribution from the retained earnings representing the surplus from non-taxable revaluation reserves at the change of destination in the amount of 124,558,966 lei;
- Discharge of the members of the Directorate and the members of the Supervisory Board for the financial year 2023;
- Approval of the Remuneration Report for the financial year 2023;
- Presentation of the Report of the Audit Committee and the Risk Management Committee of the Supervisory Board of "Transelectrica"-SA for the year 2023 on the Company's internal control and significant risk management systems;
- Approval of the "Remuneration Policy for Executive and Non-Executive Management of the Company revised to March 2024";
- Information on purchases of products, services and works, commitments involving significant obligations of the Company with a value greater than 5,000,000 euro, as well as loans and guarantees for loans with a value less than 50,000,000 euro;
- Setting June 6, 2024 as the "ex date", the calendar date from which the Company's shares subject to the resolution of the Ordinary General Meeting of Shareholders shall be traded without the rights deriving from that resolution;
- Setting the date of June 7, 2024 as the date of registration of the shareholders on whom the effects of the Resolution of the Ordinary General Meeting of Shareholders will be passed;
- Setting June 27, 2024 as the "payment date" for dividends distributed from retained earnings in the balance as at 31.12.2023.

## **SUBSEQUENT EVENTS**

- **Completion of essential investment for the consolidation and security of the national energy infrastructure in the Dobrogea region**



April 5, 2024 marked the successful completion of an investment of approximately 92 million lei to strengthen energy security in the Dobrogea region, the development of the electricity transmission grid and the national energy system, through the construction of two new 400 kV double circuit connections, with a total length of 55 kilometers, in the 400 kV Medgidia South Electricity Transformer Station, which thus becomes the third major energy node for the evacuation of energy in Dobrogea.

This work made it possible to commission four 400 kV overhead power lines respectively:

- 400 kV Medgidia South - Varna (Bulgaria) interconnection OHL,
- 400 kV Medgidia South - Dobrudja (Bulgaria) interconnection OHL,
- 400 kV Medgidia Sud - Stupina OHL and
- 400 kV Medgidia Sud - Rahman OHL, thus transforming Medgidia Sud Station into an interconnection with the Bulgarian power system.

These four lines resulted from the severing of the former interconnection lines with Bulgaria: 400 kV Stupina - Varna OHL and 400 kV Rahman - Dobrudja OHL respectively.

The execution works were carried out by Electromontaj SA (joint venture leader), ELM Electromontaj Cluj SA and EMFOR Montaj SA as subcontractor, and the implementation of the project in the IT systems was

carried out with the support of Teletrans SA specialists, a subsidiary of Transelectrica, which ensured the modelling and integration of the new lines in the EMS - SCADA system, as well as the communications and data exchanges with the Transmission and System Operator in Bulgaria.

The realisation of this investment project has a significant impact for the Dobrogea area and a particular importance for the Cernavodă Nuclear Power Plant (CNE Cernavodă), making the 400 kV Medgidia South station a particularly important energy hub in this region.

As a result of the implementation of this investment, the distribution of power flows on the lines in the Dobrogea area and on the connections with the rest of the system, including Bulgaria, Moldova and Serbia, will be made more efficient.

Thus, a significant benefit of this work is the reduction of active power losses on 400 kV overhead power lines by about 10 MW under high electricity generation in wind power plants. At the same time, it will increase cross-border capacity on the border with Bulgaria for export by 200 MW to 300 MW and for import by about 100 MW.

- **Contract financed by the NRRP worth EUR 56.2 million**

Further to the information disseminated in the current report sent through the capital market institutions on 11 December 2023, the Company informed the investing public that on April 9, 2024 it signed with the General Secretariat of the Government, as reform and/or investment coordinator for the National Recovery and Resilience Plan (NRRP), the financing contract for the implementation of the investment "Efficiency, modernisation and digitalisation of the national electricity transmission grid", financed by the REPowerEU component of the NRRP in the amount of EUR 56.2 million.

This contract will finance three key investment projects to improve the efficiency and modernization of the electricity transmission grid, two of which are for the subsidiaries SMART SA and Teletrans SA.

The investment aims to install photovoltaic power plants and storage facilities in 29 power stations, to upgrade the SMART SA subsidiary and to optimise the communications network managed by the Teletrans subsidiary and create a data centre.

We remind that the implementation of these projects will significantly contribute to the consolidation of Romania's electricity transmission grid.

The objective of the REPowerEU-funded investment is to increase flexibility and address blockages in the



electricity grid to accelerate the integration of additional renewable energy capacity and increase grid resilience, while strengthening cyber security through better responsiveness to cyber attacks.

- **Completion of the OGMS notice of April 29 (30), 2024**

The Directorate of the Company, in view of the request of the shareholder Romanian State represented by the General Secretariat of the Government, completes on April 12, the agenda of the Ordinary General Meeting of Shareholders to be held on April 29, 2024 with the following items:

- Ratification by the General Meeting of Shareholders of the Decisions of the Supervisory Board for the appointment of provisional members to the Directorate No. 26/25.06.2021, No. 49/22.12.2021, No. 50/22.12.2021, No. 51/22.12.2021, No. 52/22.12.2021, No. 53/22.12.2021, No. 13/23.03.2022, No. 18/21.06.2022, No. 43/14.10.2022, No. 53/19.12.2022, No. 15/19.04.2023, No. 24/20.06.2023, No. 39/24.10.2023 and No. 11/21.03.2024;

- Setting the general limits of the remuneration and other benefits to be granted by Transelectrica to the provisional members of the Directorate, including the fixed indemnity and other benefits granted to them.

- **Inauguration of the overhead 400kv Porțile de Fier-Anina-Reșița power line**



On April 16, 2024, in the presence of government and local officials, the Company inaugurated the 400 kV Porțile de Fier - (Anina) - Reșița Overhead Power Line in a ceremony at the Porțile de Fier Transformer Station.

In conjunction with the construction of the new 400 kV Reșița station, the 400 kV Porțile de Fier - (Anina) - Reșița OHL will contribute to the consolidation of the energy sector in the Banat region and will facilitate the increase of the interconnection capacity with the

ENTSO-E grid by 600 MW, to the benefit of the users connected to the grid.

- **OGMS Resolution No 3 of April 29, 2024**

The Ordinary General Meeting of Shareholders of the Company held on April 29, 2024 approved:

- The Company's stand-alone financial statements for the fiscal year 2023,
- Consolidated financial statements of the Company for the financial year 2023
- Allocation of the accounting profit remaining after deduction of income tax as of 31.12.2023 in the amount of 213,611,306 lei,
- Distribution of gross dividend per share from the retained earnings in the balance as at 31.12.2023, in the amount of 0.28 lei,
- Creation of reserves related to the income from the allocation of transmission capacity on interconnection lines by distribution from the retained earnings representing the surplus realized from non-taxable revaluation reserves at the change of destination in the amount of 124,558,966 lei,
- Discharge of the members of the Directorate and the members of the Supervisory Board for the financial year 2023,
- Remuneration report for the financial year 2023,
- Remuneration policy for executive and non-executive directors of the Company revised to March 2024,
- Ratification of Supervisory Board Decisions for the appointment of provisional members to the Directorate no. 26/25.06.2021, no. 49/22.12.2021, no.50/22.12.2021,no.52/22.12.2021,No.53/22.12.2021, No.13/23.03.2022, No.18/21.06.2022, No.43/14.10.2022, No.53/19.12.2022, No.15/19.04.2023, No.24/20.06.2023, No. 39/24.10.2023 and No. 11/21.03.2024,
- setting the general limits of the remuneration and other benefits to be granted by Transelectrica S.A. to the provisional members of the Directorate, including the fixed indemnity and other benefits granted to them,
- setting June 6, 2024 as the "ex date", the calendar date from which the Company's shares subject to the resolution of the Ordinary General Meeting of Shareholders shall be traded without the rights deriving from that resolution,
- setting the date of June 7, 2024 as the date of registration of the shareholders on whom the effects of the Resolution of the Ordinary General Meeting of Shareholders will be passed,
- setting June 2024 27, as the "payment date" for dividends distributed from retained earnings existing in the balance at 31.12.2023.



## Other aspects

### OWNERSHIP STRUCTURE

The Company's shareholding structure as of 31.03.2024 is as follows:

Shareholder name	No. Of shares	Weight in total
The Romanian State through the SGG	43,020,309	58.7%
PAVĂL Holding	4,753,567	6.5%
NN Private Managed Pension Fund	4,007,688	5.5%
Other shareholders - legal entities	16,324,012	22.3%
Other shareholders - individuals	5,197,566	7.9%
<b>Total</b>	<b>73.303.142</b>	<b>100%</b>

### COMPOSITION OF THE DIRECTORATE

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

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

### TARIFFS

In accordance with the provisions of *the Methodology for setting tariffs for the electricity transmission service*, approved by the Order of the President of ANRE no.171/2019, as amended and supplemented, the *Government Emergency Ordinance no.27/2022 on the measures applicable to end customers in the electricity and natural gas market for the period from 1 April 2022*

to 31 March 2023, the *Methodology for setting the tariff for the purchase of system services*, approved by Order of the President of ANRE No.116/2022 and for amending and supplementing certain regulatory acts in the field of energy, the transmission tariff and the tariff for the purchase of system services applied in 2024 from 1 January were set.

#### Transmission tariff applied in the first quarter of 2024

By Order of the President of ANRE no.109/2023, the average tariff for the transmission service, the transmission tariff components for feeding electricity into the grid (T<sub>Gp</sub>) and for withdrawing electricity from the grid (T<sub>L</sub>), the tariff for

system service and the regulated price for reactive electricity, charged by NPG CO. Transelectrica S.A., valid from 1 January 2024, as shown in the table below:

Electricity transmission	u.m.	Tariff in force from 1 January 2024	Main component - in force from 1 January 2024	Additional cost component of OTC - effective from 01 January 2024	Tariff applied from 1 April to 31 December 2023	Main component - from 1 April to 31 December 2023	Additional cost component of OTC - from 1 April to 31 December 2023	Difference (%)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)=(3)/(6)
Average tariff	Lei/MWh	31.67	30.41	1.26	31.20	28.61	2.59	1.51%
TGp (main network injection subcomponent)	Lei/MWh	3.82	3.35	0.47	4.04	3.35	0.69	-5.45%
TL (network extraction component)	Lei/MWh	27.72	26.94	0.78	27.44	25.50	1.94	1.02%

The main elements leading to the increase of the tariff applied from January 1, 2024 are:

- The downward trend in consumption and the effect of inflation.

### TGT sub-component on OTC related to additional electricity transits from 110 kV electricity networks

By Order of the President of ANRE no.109/2023, the TGT sub-component on the OTC related to the additional electricity transits from 110 kV electricity networks, corresponding to the quota allocated to electricity producers owning power plants with

installed capacity greater than 5 MW and introducing electricity into the grid area of the concessionary distribution operator, valid from January 1, 2024, was approved, as shown in the table below:

Economic operator	Activity <sup>1)</sup>	Tariff from January 1, 2024 (lei/MWh), of which:
National Power Transmission Company "Transelectrica" - S.A.	TGT sub-component on OTC related to additional electricity transits from 110 kV electricity networks, corresponding to the quota allocated to electricity producers owning power plants with an installed capacity of more than 5 MW and introducing electricity into the grid area of the concessionary distribution operator Distribuție Energie Oltenia S.A.	2,53
	TGT sub-component concerning the OTC related to additional electricity transits from 110 kV electricity networks, corresponding to the quota allocated to electricity producers owning power plants with an installed capacity of more than 5 MW and introducing electricity into the network area of the concessionary distribution operator Retele Electrice Dobrogea S.A. (former name E - Distribuție Dobrogea S.A.)	3,95

(i) Under the applicable regulatory framework, the costs of OTC caused by additional transits of energy in the networks of the distribution system operators under concession at the voltage level of 110 kV shall be recovered by the distribution system operators under concession from the transmission system operator and from the power generators through the transmission system operator in shares established in proportion to the quantities of electricity injected into the distribution system by the transmission system operator and by the power generators owning and operating plants connected to the respective distribution systems.

The transmission system operator pays to the distribution system operators both its own share (considered as transmission cost) and the producers' share (for which the transmission system operator mediates the cash flow between the producers and the distribution system operators). The transmission system operator recovers the amounts paid to the distribution system operators corresponding to the producers' share from producers owning plants with an installed capacity of more than 5 MW connected to the respective distribution networks by applying the newly introduced sub-component of the transmission injection tariff structure, i.e. the TGT.

### II) Tariff for the purchase of system services applied in the first quarter of 2024

By Order of the President of ANRE no.116/2023, the tariff for the purchase of system services charged by

NPG CO. Transelectrica SA was approved, valid as of January 1, 2024, according to the table below:

System service	u.m.	Tariff in force from January 1, 2024	Tariff applied from 1 June to 31 December 2023	Difference (%)
(1)	(2)	(3)	(4)	(5)=(3)/(4)
Average tariff	Lei/MWh	9.17	6.64	38 1%

The main elements leading to the increase of the tariff applied from January 1, 2024 are:

- Increased cost of purchasing system services;
- Decrease in negative correction;
- Decrease in tariffable quantity.

## DISPUTES

The most important litigations impacting the Company are presented below:

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

### • RAAN

The subject matter of the file No **9089/101/2013/a140** is an action for claims/contestation against the supplementary schedule 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 table in the category of claims resulting from the continuation of the debtor's activity, and the amount of 78,096,208.76 lei has been rejected, an objection to the supplementary table of claims has been filed within the legal term.

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

Decision Judgment 163/20.06.2019: Admit the plea of revocation. Partly upholds the main action and the related appeal. Orders the defendant to pay the claimant the amount 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 solution of the Court of First Instance: the objection of lateness of the application for review is upheld. The next hearing set is 06.10.2022.

At the hearing of 06.10.2022, a term was granted for the continuation of the proceedings, i.e. for the valuation of the assets, the collection of the claims and the performance of the other liquidation operations and the following hearings were set for 09.02.2023, 15.06.2023, 05.10.2023, 18.01.2024, 08.02.2024 rescheduled for **06.06.2024**.

There are also other cases between RAAN and Transelectrica at various stages of the proceedings.

RAAN's actions against NPG CO. 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 settlement of Cases No 26024/3/2015 and No 28458/3/2017. Decision of 09.05.2022: Rejects the application to resume the case as unfounded. With appeal for the duration of the stay. Trial date set for **03.06.2024**.*

*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. Definitive. Decision of the CAB: Appeal admitted. Reverses the judgment under appeal in its entirety in the sense that: admits the writ of summons as formulated. Orders the defendant to pay the claimant the sum of 10,048,628.86 lei. With a right of appeal within 30 days of notification. Judgment 1933/12.12.2022*

*File 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 defendant-appellant Transelectrica against civil decision no. 825/12.05.2021 delivered by the Bucharest Court of Appeal, in contradiction with the appellee-claimant RAAN. Final.*

*File No **28460/3/2017** - Re: order the defendant to pay a total of RON 12,346,063. Decision CAB 27.09.2021: suspends the appeal proceedings until the final settlement of cases no.28458/3/2017, no.26024/3/2015. Decision of 23.05.2022: Rejects as unfounded the request to reopen the case. The appeal is stayed. Trial date set for **20.05.2024**.*

### • CET Govora

Case no. 2428/2/2014 - in the appeal which is the subject of the writ of summons, the claimant CET Govora requested the annulment of the Decision of the President of ANRE no. 738/28.03.2014, and in the statement 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 CO. Transelectrica SA, in the execution of the overcompensation decision, for the recovery of the sum of 53,742,755 lei, be ordered to be refunded.

By the Notes of the hearing registered in the file on 13.10.2021 and 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 CO. Transelectrica SA is 40,507,668.67 lei.

Transelectrica was brought into the case, as a forced intervener, by the Court Order 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 application as amended as unfounded. Dismisses the application for ancillary relief in favour of the claimant as unfounded..

#### • MUNICIPALITY OF REȘIȚA

Case no. **2494/115/2018\*\***, registered on the docket of the Court of Caras Severin.

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

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

The case has been adjourned until the final resolution of case no. 3154/115/2018\* of the Court of Caras Severin.

At the hearing on 02.03.2023, the proceedings were suspended on the application brought by the plaintiff Municipality of Reșița against the defendant Transelectrica, concerning claims. With a right of appeal for the duration of the stay of proceedings.

At the hearing of 22.02.2024, the court adjourns the case to 14.03.2024 and subsequently, to **06.06.2024**, in order to return the file no. 2494/115/2018\*\*, submitted for appeal to the Court of Appeal Timisoara, for when the parties have a term of notice under Article 229 of the Code of Civil Procedure, in the presence of their representatives.

#### • ANAF

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

Summary judgment: Grant the appellant's writ of summons 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 **casefile no. 1802/2/2018**, pending before the Bucharest Court of Appeal, Administrative and Fiscal Disputes Section VIII. With appeal for the entire duration of the suspension, the appeal to be filed at the District 1 Court of Bucharest. Delivered in open court. Document: Decision - Suspension 17.04.2018.

**File 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 against Tax Decision No F-MC 439/30.06.2017 issued by ANAF - General Directorate for the Settlement of Appeals and on 12.07.2017 by ANAF - General Directorate for the Administration of Large Taxpayers, as well as the Tax Inspection Report No F-MC 222 concluded on 30.06.2017, which was the basis for the issuance of the tax decision, to the effect that:

- ✓ cancels the obligation to pay 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 CO. 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 with regard to the "determination of deductible value added tax lower than that recorded by the applicant, 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 relation to this amount.
- ✓ abolishes the obligation to pay penalties for late payment which have a penal legal status, calculated for a period of more than 6 months from the date of commencement of the tax inspection, in respect of the principal tax liabilities which have been upheld by the court by the present judgment, as determined by Tax Decision No.F-MC 439/30.06.2017, issued on 12.07.2017, by ANAF - DGAMC, Tax Decision No. F-MC 439/30.06.2017, issued by ANAF - DGAMC and by Decision No. 122/13.03.2018, on the settlement of the appeal lodged against Tax Decision No. F-MC 439/30.06.2017, issued by ANAF - Directorate General for Dispute Resolution.

The other provisions of Decision No 122/13.03.2018 on the settlement of the appeal against Tax Decision No F-

MC 439/30.06.2017 are maintained. The remainder of the claims are rejected as unfounded.

Dismisses as unfounded the application for an order that the costs of the proceedings be paid 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 ANAF 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 application 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 applicant from the contested judgment.

The parties appealed. ICCJ hearing: **13.12.2023.**

On 13.12.2023, the ICCJ stayed its ruling, on 20.12.2023 the court admitted the appeals filed by the plaintiff Transelectrica, the defendant General Directorate for the Administration of Large Taxpayers and the defendant National Agency for Tax Administration against the civil judgment no.382 of 20 October 2020, delivered by the Bucharest Court of Appeal - Administrative and Tax Litigation Section VIII. Partially set aside the judgment under appeal and, on appeal: dismissed the application for annulment of the decision on the resolution of appeal No 122/13.03.2018 and of the Tax Decision No. F-MC 439/30.06.2017 with regard to: - the non-deductibility of expenses in the amount of 343,629.91 lei, representing "weed removal services" and related VAT; - the non-deductibility of expenses in the amount of 230.685, representing the value of goods of a promotional and protocol nature and the related VAT; - the obligation to pay penalties for late payment which have a penalty legal regime, calculated for a period of more than 6 months from the date of commencement of the tax inspection. Fixed the amount of the costs to which the defendants were jointly and severally liable at the sum of 6,000 lei, representing the fee for the expert's report in the field of accounting and taxation. Upheld the other provisions of civil judgment no. 382 of 20 October 2020. Upheld the appeals filed by the plaintiff Transelectrica and the defendant General Directorate for the Administration of Large Taxpayers against civil judgment no. 134 of 24 May 2022, delivered by the Bucharest Court of Appeal - Administrative and Tax Litigation Section VIII. Partially quashed civil judgment No 134 of 24 May 2022 and, on

remittal: granted in part the application for clarification and supplement to the operative part of civil judgment No 382 of 20 October 2020, brought by the applicant Transelectrica. It ordered to supplement the operative part of the civil judgment no.382 of 20 October 2020 with the following: - annulled also the Tax Inspection Report no. . F-MC 222/30.06.2017 insofar as the Tax Decision no. F-MC 439/30.06.2017 was annulled; - annulled the main tax obligations established for 2005 and the related accessory obligations, as the right of the tax body to establish such obligations was time-barred; - annulled the tax administrative acts regarding the non-deductibility of the expenses with the benefit share of SMART. Removed the references to the amounts of corporation tax and ancillary charges annulled in respect of the 349 tax invoices from both the judgment correcting the material error and the main judgment. Upheld the other provisions of civil judgment No 134 of 24 May 2022. ordered the appellants - defendants to pay to the appellant - plaintiff Transelectrica the sum of 200 lei in respect of the costs of the appeal. Final. Judgment 6169/20.12.2023.

- **CONAID COMPANY SRL**

The subject matter of the file no. 36755/3/2018 is the finding of unjustified refusal to conclude an Addenda to the 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.

At the hearing of **03.01.2024** TMB admits the exception of the statute of limitation, invoked by the statement of defence. Dismisses the claim as time-barred. With appeal within 30 days from the communication. Decision 4/2024

- **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 CO. Transelectrica SA to the share capital of OPCOM SA, issued on the basis of the Loan Agreement no. 7181RO/2003, commitment for the financing of 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 non-payment on time of the invoice series TEL 16 AAA no. 19533/29.07.2016.

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

The TMB's decision Admits 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.1532/12.10.2022: Dismiss 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 from the communication. Transelectrica has appealed against Civil Decision No 1532/12.10.2022 of the CAB. . On 19.09.2023 at the ICCJ the appeal was admitted, the decision 1532/12.10.2022 was annulled and the case was sent for a new trial to the same court. Final. Decision 1640/19.09.2023.

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

On **07.11.2023** TMB solution in brief: the objection of inadmissibility was qualified as a substantive defence. The claim was dismissed as unfounded. With a right to appeal within 30 days of communication to the parties, Decision 2600/07.11.2023.

- **GRAND VOLTAGE**

File **no.17976/3/2021**, registered before the Bucharest Court of First Instance, concerning an application for a writ of summons, by which the claimant Grand Voltage seeks an order that the defendant NPG CO. 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 OHL and the 400 kV Isaccea-Dobrujda OHL to the 400 kV Medgidia Sud Stage II-OHL 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. The judgment is not redacted.

## • COURT OF ACCOUNTS

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

At the hearing of 13.06.2018, the action of the claimant-Transelectrica SA is partially admitted. Annuls in part the decision no. 7/20.02.2014, the decision no. 37/9.12.2013 and the inspection report no. 35521/6.11.2012 issued by the defendant with regard 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 applicant's action as unfounded. Approves the electro-energetic technical expertise report drawn up by expert Toaxen Vasile.

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

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

### ➤ Appeal against Decision CCR No 8/27.06.2017

Following an audit carried out in 2017, the Court of Auditors ordered certain measures to be implemented by the Company as a result of some deficiencies found during this audit. The Company filed several 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 have been filed with the Bucharest Court of Appeal, among which **the file no.6581/2/2017** concerning the annulment of the findings in point 6 as well as the measure ordered in point II.9, at the trial date of 31.03.2023: According to the minutes of 29.03.2023, the case no. 6581/2/2017 was versioned in the 12th Administrative and Fiscal Litigation Division of the VIII Administrative and Fiscal Litigation Division under no. **6581/2/2017\*** Summary

solution: In order to give the parties the opportunity to submit written conclusions and to deliberate, postpone the judgment to the following dates 31.03.2023, 13.04.2023, 28.04.2023, 12.05.2023.

At the hearing on 26.05.2023, the writ of summons was admitted. Annulled in part Decision No 77/03.08.2017, in so far as it rejected point 6 of Appeal No 26140/17.07.2017, Decision No 8/27.06.2017 in so far as it rejected the findings in point 6 and the measure ordered in point 11.9, and Inspection Report No. 19211/26.05.2017 in respect of the findings in point 3.2. Orders the defendant to pay the claimant's costs in the total amount of 10,450 lei, representing the court stamp duty and the court expert's fee. With an appeal within 15 days of service. Judgment 920/2023 26.05.2023

The remaining cases have been definitively settled, with the Bucharest Court of Appeal dismissing the request for annulment and the High Court of Cassation and Justice dismissing the appeals (**case no.6574/2/2017** concerning the annulment of the findings in point 5.2 and the measure ordered in point II.8, **file no.6576/2/2017** on the annulment of the findings in points 7.1, 7.2 and 8 as well as the measure ordered in point II.10, which became new file no. **2985/1/2021**, in which on 24.11.2022 the ICCJ declared null and void the appeal filed by the Company, final, **file no.6577/2/2017** on the annulment of the findings in point 13 and the measure ordered in point II.13, now **file no.1614/1/2020**, **file no.6578/2/2017**, on the annulment of the findings in point 9 and the measure ordered in point II.11, **file 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 subject matter 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 JRC in January-July 2020, which ordered 10 measures to be implemented by the Company contained in Decision No 15/2020.

At the hearing on 10.12.2021, the CAB rejects the Company's application for a writ of summons. Transelectrica filed an appeal rejected as unfounded on 07.03.2024. Final decision no.1319/2024.

## - OTHERS

The company is involved in significant litigation, in particular for debt recovery (e.g.: Total Electric Oltenia SA, Regie Autonome for Nuclear Activities, Romenergy Industry SRL, Energy Holding SRL, UGM Energy

Trading SRL, CET Iași, CET Bacău, CET Brașov, Elsaco Energy SRL, Arelco Power SRL, Opcom, Menarom PEC SA Galați, Romelectro SA, Transenergo Com SA, ENNET GRUP SRL and others).

The Company recorded adjustments for impairment losses for customers and other receivables in dispute and for customers in bankruptcy.

At the same time, the Company is also involved in disputes with former members of the Directorate and Supervisory Boards regarding the mandate contracts concluded between the Company and such members. For these disputes, the Company has set up a provision.



## Annexes



## ANNEX 1: Stand-alone statement of financial position

[mil RON]	Q1 2024	2023	Δ	Δ (%)
	1	2	3=1-2	4=1/2
<b>ASSETS</b>				
<b>Fixed assets</b>				
Tangible assets	5,427	5,416	11	-
Fixed assets related to rights of use of leased assets - buildings	12	14	(2)	(14%)
Intangible assets	281	282	(2)	(1%)
Financial assets	86	86	-	n/a
<b>Total assets</b>	<b>5,805</b>	<b>5,798</b>	<b>7</b>	<b>n/a</b>
<b>Current assets</b>				
Inventories	54	51	2	5%
Trade and other receivables	2,134	2,116	18	1%
Cash and cash equivalents	463	519	(57)	(11%)
<b>Total current assets</b>	<b>2,650</b>	<b>2,686</b>	<b>(36)</b>	<b>(1%)</b>
<b>Total assets</b>	<b>8,455</b>	<b>8,484</b>	<b>(29)</b>	<b>n/a</b>
<b>SHAREHOLDER'S EQUITY AND LIABILITIES</b>				
<b>Shareholder's Equity</b>				
Share capital, of which	733	733	-	-
<i>Subscribed share capital</i>	733	733	-	-
Share premium	50	50	-	-
Legal reserves	147	147	-	-
Revaluation reserves	1,603	1,635	(32)	(2%)
Other reserves	216	196	20	10%
Retained earnings	2,566	2,430	135	6%
<b>Total Shareholder's Equity</b>	<b>5,314</b>	<b>5,190</b>	<b>124</b>	<b>2%</b>
<b>Non-current liabilities</b>				
Long term deferred revenues	507	519	(12)	(2%)
Long term borrowings	26	32	(6)	(19%)
Other loans and assimilated debts - Non-current building lease liabilities	4	6	(2)	(33%)
Deferred tax liability	288	285	3	1%
Employee benefits liabilities	75	75	-	n/a
<b>Total Non-current liabilities</b>	<b>901</b>	<b>918</b>	<b>(17)</b>	<b>(2%)</b>
<b>Current liabilities</b>				
Trade and other liabilities	2,040	2,242	(202)	(9%)
Other loans and assimilated debts - Current building lease liabilities	9	9	-	n/a
Other tax and social security liabilities	14	19	(5)	(25%)
Short-term borrowings	73	25	49	n/a
Provisions	63	65	(2)	(3%)
Short-term deferred revenues	20	16	4	23%
Tax on profit to be paid	21.4	-	21	n/a
<b>Total current liabilities</b>	<b>2,240</b>	<b>2,376</b>	<b>(135)</b>	<b>(6%)</b>
<b>Total liabilities</b>	<b>3,141</b>	<b>3,294</b>	<b>(153)</b>	<b>(5%)</b>
<b>Total Shareholder's Equity and Liabilities</b>	<b>8,455</b>	<b>8,484</b>	<b>(29)</b>	<b>n/a</b>

## ANNEX 2: Stand-alone profit and loss account

[mil RON]									
Indicator	2022	Q1 2023	2023	Q1 2024	Budgeted Q1 2024	Achieved 2024 vs 2023	Achieved 2024 vs 2023 (%)	Achieved vs Budgeted 2024	Achieved vs Budgeted 2024 (%)
0	1	2	3	4	5	6=4-2	7=4/2	8=4-5	9=4/5
Operating revenues									
Transmission revenues	1,885	487	1,956	503	518	16	3%	(15)	(3%)
System services revenues	534	101	391	127	119	26	26%	8	6%
Balancing market revenues	3,479	508	2,269	1,332	683	824	162%	649	95%
Other revenues	389	12	102	26	20	14	115%	6	30%
<b>Total operating revenues</b>	<b>6,286</b>	<b>1,108</b>	<b>4,718</b>	<b>1,988</b>	<b>1,341</b>	<b>880</b>	<b>79%</b>	<b>648</b>	<b>48%</b>
Operating expenses									
System operating expenses	(902)	(171)	(640)	(169)	(184)	3	2%	16	8%
Balancing market expenses	(3,480)	(508)	(2,269)	(1,332)	(706)	(824)	(162%)	(627)	(89%)
System services expenses	(467)	(110)	(499)	(105)	(138)	4	4%	33	24%
Depreciation and Amortisation	(272)	(82)	(334)	(85)	(87)	(3)	(3%)	2	2%
Personnel expenses	(306)	(75)	(348)	(87)	(85)	(13)	(17%)	(3)	(3%)
Repairs and maintenance expenses	(108)	(19)	(115)	(24)	(29)	(5)	(27%)	6	19%
Materials and consumables	(13)	(2)	(8)	(2)	(3)	0	15%	1	42%
Other operating expenses	(145)	(46)	(270)	(57)	(67)	(11)	(23%)	10	15%
<b>Total operating expenses</b>	<b>(5,692)</b>	<b>(1,012)</b>	<b>(4,484)</b>	<b>(1,861)</b>	<b>(1,298)</b>	<b>(849)</b>	<b>(84%)</b>	<b>(563)</b>	<b>(43%)</b>
<b>Operating profit</b>	<b>594</b>	<b>96</b>	<b>234</b>	<b>127</b>	<b>42</b>	<b>32</b>	<b>33%</b>	<b>85</b>	<b>201%</b>
Financial revenues	65	17	36	2	9	(15)	(87%)	(7)	(76%)
Financial expenses	(72)	(16)	(36)	(2)	(9)	13	85%	6	74%
<b>Net financial result</b>	<b>(7)</b>	<b>1</b>	<b>0.3</b>	<b>(0.1)</b>	<b>1</b>	<b>(1)</b>	<b>(106%)</b>	<b>(1)</b>	<b>(115%)</b>
<b>Profit before income tax</b>	<b>587</b>	<b>97</b>	<b>234</b>	<b>127</b>	<b>43</b>	<b>30</b>	<b>31%</b>	<b>84</b>	<b>197%</b>
Income tax	(73)	(17)	(21)	(24)	(3)	(7)	(42%)	(20)	n/a
<b>Net profit</b>	<b>515</b>	<b>80</b>	<b>214</b>	<b>103</b>	<b>39</b>	<b>23</b>	<b>29%</b>	<b>64</b>	<b>163%</b>

### ANNEX 3: Stand-alone cash flow statement

[Mil RON]	Q1 2024	Q1 2023	Δ
<b>Cash flows from operating activities</b>			
Profit of the period	103.38	80,26	23,1
Income tax expense	23.80	16,77	7,0
Amortisement expense (including additional OTC)	85.03	82,18	2,8
Grid losses anticipatory tariff income	(7.37)	-	(7,4)
Expenses with adjustments for trade receivables impairment	(0.03)	0,52	(0,5)
Revenues from reversal of adjustments for trade receivables impairment	(2.00)	(0,43)	(1,6)
Losses from various debtors	2.66	-	2,66
Net expenses/income with adjustments for various debtors impairment	1.92	0,00	1,9
Net expenditures with adjustments for inventories impairment	(0.10)	(0,12)	0,0
Net profit/ loss on sale of tangible assets	3.17	(0.31)	3.5
Net expenditures on adjustments of value regarding tangible assets	-	(1.63)	1.6
Net Expenses/Income regarding provisions for risks and expenses	(2.10)	(0.84)	(1.3)
Interest expense, interest revenue and unrealised exchange rate gains	(0.37)	0.46	(0.8)
<b>Cash flows before changes in working capital</b>	<b>207.98</b>	<b>176.88</b>	<b>31.1</b>
<b>Changes in:</b>			
Clients and assimilated accounts - energy and other activities	121.00	1.225.30	(1.104.3)
Clients – balancing	(109.61)	369.28	(478.9)
Clients – cogeneration	(32.09)	(9.44)	(22.7)
Inventories	(2.38)	(3.18)	0.8
Trade and other liabilities - energy and other activities	(234.86)	(1.229.56)	994.7
Liabilities - balancing	81.49	(420.71)	502.2
Liabilities - cogeneration	(23.53)	(6.40)	(17.1)
Other taxes and social insurance liabilities	(4.62)	(0.77)	(3.9)
Deferred revenues	9.48	25.97	(16.5)
<b>Cash flows from operating activities</b>	<b>12.87</b>	<b>127.38</b>	<b>(114.5)</b>
Interest paid	(0.63)	(1.03)	0.4
Income tax paid	-	(0.02)	0.0
<b>Net cash generated from operating activities</b>	<b>12.24</b>	<b>126.33</b>	<b>(114.1)</b>
<b>Cash flows from investing activities</b>			
Acquisition of tangible and intangible assets	112.75)	(67.32)	(45.4)
Participation titles held in SELENE CC Societe Anonyme	-	0.24	(0.2)
Proceeds from EC non-reimbursable financing	2.71	23.91	(21.2)
Proceeds from sale of tangible assets	-	0.93	(0.9)
Received Interests	1.15	0.85	0.3
<b>Net cash used in investment activity</b>	<b>(108.90)</b>	<b>(41.38)</b>	<b>(67.5)</b>
<b>Cash flows used in financing activity</b>			
Repayments of non-current borrowings	(5.98)	(5.92)	(0.06)
Use of working capital credit line	48.73	-	48.7
Building lease payments	(2.66)	2.63)	(0.0)
Repayments of short-term borrowings	-	(67.62)	67.6
Dividends paid	(0.01)	(0.01)	(0.0)
<b>Net cash used in financing activity</b>	<b>40.07</b>	<b>(76.17)</b>	<b>116.2</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(56.58)</b>	<b>8.77</b>	<b>(65.4)</b>
<b>Cash and cash equivalents at 1 January</b>	<b>519.36</b>	<b>315.15</b>	<b>204.2</b>
<b>Cash and cash equivalents at end of the time interval</b>	<b>462.78</b>	<b>323.92</b>	<b>138.9</b>

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

Indicators	Calculation formula	Q1 2024	2023
<b>Current liquidity ratio (x)</b>	$\frac{\text{Current assets}}{\text{Current liabilities}}$	1.18	1.13
<b>Indebtness indicators* (x):</b>			
(1) Indebtness degree indicator	$\frac{\text{Debt capital} \times 100}{\text{Shareholder's equity}}$	2.11%	1.38%
(2) Indebtness degree indicator	$\frac{\text{Debt capital} \times 100}{\text{Committed capital}}$	2.07%	1.36%
<b>Customer turnover speed (days)</b>	$\frac{\text{Average client balance}^{**} \times \text{no.days}}{\text{Turnover}}$	50.9	79.37
<b>Non-current assets turnover (x)</b>	$\frac{\text{Turnover}}{\text{Non-current assets}}$	0.34	0.80

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

#### ANNEX 5: Constituent instruments amended between January and March 2024

At the time of drafting this report there are no amended constitutions in 2024.

#### ANNEX 6: Appointment/revocation acts issued in January-March 2024

##### Supervisory Board

1/16.02.2023. the following members of the Supervisory Board of the Company were appointed for a four-year term of office. starting from March 1st. 2024 until February 29th. 2028: PĂUN Costin-Mihai. ATANASIU Teodor. VASILESCU Alexandru-Cristian. ZEZEANU Luminița. DASCĂL Cătălin-Andrei. ORLANDEA Dumitru Virgil. RUSU Rareș Stelian.

**ANNEX 7 REPORT (as per EGMSR No 4/29.04.2015) on contracts signed in Q1 2024 for the procurement of goods, services and works, the value of which is higher than 500.000 Euro/procurement (for procurement of goods and works) and 100.000 Euro/procurement (for services) respectively**

No.	Contract Number	Object of the Contract	Duration in months	Value		Contract Type	Legal Basis	Procurement Procedure
				Thousand Lei	Thousand Euro			
0	1	2	3	4	5	6	7	8
1	C 95/2024	RC 400 KV Mintia - Arad OHL	48	49,013.74	0.00	Works	Law 99/2016+ GD 394/2016	Open tender
2	C 233/2024	400 KV Stălpu station and modernization of 110 KV and medium voltage cells in Stălpu station - equipment	24	32,124	0.00	I will provide	Law 99/2016+ GD 394/2016	Negotiation without prior invitation
3	C 98/2024	Dedicated software development necessary to determine the quantities of reserves using the probabilistic method	12	6,000	0.00	Supply	Law 99/2016+ GD 394/2016	Open tender
4	SB 6/2024	Cleaning services in the administrative offices and transformer station buildings STT Sibiu	36	1,471.35	0.00	Services	Law 99/2016+ GD 394/2016	Open tender
5	C 172/2024	Subscription for user licence and technical support for electricity market modelling software	24	0.00	160.1	Services	Law 99/2016+ GD 394/2016	Competitive negotiation
6	BC 9/2024	Mowing, tree pruning and vegetation removal services to prevent fires in the power stations managed by UTT Bucharest	24	772,52	0.00	Services	Law 99/2016+ GD 394/2016	Open tender
7	TM 21/2024	Maintenance services of buildings managed by STT Timisoara	24	756,97	0.00	Services	Law 99/2016+ GD 394/2016	Open tender
8	TM 26/2024	Refurbishment of the 110 KV Săcălaz station and the transition to 400 kV of the Porțile de Fier - Anina - Reșița - Timișoara - Săcălaz - Arad axis. 400 KV Săcălaz station (stage iii) - (design)	12	653,61	0.00	Services	Law 99/2016+ GD 394/2016	Open tender
9	BA 9/2024	Mowing and vegetation removal services to prevent fires in power stations managed by STT Bacău	24	636,81	0.00	Services	Law 99/2016+ GD 394/2016	Open tender
10	CR 141/2024	Mowing and vegetation removal services to prevent fires in power stations managed by STT Craiova	24	534,34	0.00	Services	Law 99/2016+ GD 394/2016	Open tender
11	CR 211/2024	DET Craiova operational headquarters - update and completion of the technical and economic documentation for the construction and equipping of the headquarters	8	530	0.00	Services	Law 99/2016+ GD 394/2016	Open tender



## Annex 6 - 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
"CAB"	Bucharest Court of Appeal
"EEC"	European Economic Community
"Company". "NPG CO.". "TEL"	National Power Transmission Company Transelectrica SA
"OTC"	Own Technological Consumption
"CS"	Supervisory Board
"DEN"	National Energy Dispatcher
"EBIT"	Operating profit before interest and income tax
"EBITDA"	Operating profit before interest. income tax and depreciation
"EBT"	Operating profit before income tax
"ENTSOE"	European Network of Transmission System Operators for Electricity
"HG"	Government Decision
"IFRS"	International Financial Reporting Standards
"OHL"	Overhead power lines
"Leu" or "Lei" or "RON"	Official currency of Romania
"MFP"	Ministry of Public Finance
"MO"	Official Gazette of Romania
"OG"	Government Ordinance
"OPCOM"	Operator of the Romanian Electricity Market OPCOM SA
"OUG"	Government Emergency Ordinance
"PZU"	Day Ahead Market
"ETG"	Electricity Transmission Grid. national and strategic interest electricity grid with nominal line voltage higher than 110 kV
"SEN"	National Power System
"RS"	Secondary adjustment
"RTL"	Slow tertiary adjustment
"SMART"	Commercial Company for the Maintenance Services of the Electric Transmission Grid SMART SA
"SS"	System service
"TEL"	Stock market indicator for Transelectrica
"TSR"	Total shareholder return
"EU"	European Union
"u.m."	Measurement unit
"USD" or "US dollars"	US dollar. official currency of the United States of America
"WACC"	Weighted Average Cost of Capital

