

NPG TRANSELECTRICA SA

Half-yearly report
January - June 2024



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REPORT ON THE ECONOMIC AND FINANCIAL ACTIVITY
OF NPG "TRANSELECTRICA" SA

**in accordance with Article 67 of Law no.24/ 2017 on the capital market and Regulation no.5/ 2018
issued by the Financial Supervisory Authority (ASF)**

for the period ending June 30, 2024

Report date:	August 14, 2024
Company name:	NPG TRANSELECTRICA SA, a dual-tier company
Head office:	Bucharest, Str. Olteni nr. 2 - 4, District 3, postal code 030786
Phone/fax number:	021 303 5611/ 021 303 5610
Trade Register sole code:	13328043
Trade Register number:	J40/ 8060/ 2000
LEI code (Legal Entity Identifier)	254900OLXOUQC90M036
Date of establishment of the Company:	31.07.2000/ GEO 627
Share Capital:	733,031,420 RON, subscribed and paid up
The regulated market on which the issued securities are traded:	Bucharest Stock Exchange, Premium category
Main characteristics of the securities issued:	73,303,142 shares with a par value of 10 RON/share, dematerialised, registered, ordinary, indivisible, dematerialised, freely tradable shares, since 29.08.2006 under the symbol TEL
Market value:	3,071,401,649.80 RON (41.90 RON/share on 30.06.2024)
Accounting standard applied:	International Financial Reporting Standards
Auditing:	The half-yearly financial statements as at June 30, 2024 are unaudited. The amounts corresponding to December 31, 2023 are audited by the external financial auditor.

DECLARATION OF RESPONSIBLE PERSONS

To the best of our knowledge, the condensed separate interimfinancial statements as at and for the six-month period ended June 30, 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 profit and loss account of NPG Transelectrica SA.

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

Bucharest, August 5, 2024

**Ștefăniță
MUNTEANU**

**Directorate
Chairman**

**Florin-Cristian
TĂTARU**

**Directorate
Member**

**Cătălin-Constantin
NADOLU**

**Directorate
Member**

**Bogdan
TONCESCU**

**Directorate
Member**



Key figures H1 2024 vs H1 2023

KEY FIGURES

FINANCIAL HIGHLIGHTS

RON	4.685	mn	▲	113%	Revenues
				y/y	
RON	439	mn	▲	27%	EBITDA
				y/y	
RON	264	mn	▲	63%	Net profit
				y/y	
TWh	25,40		▲	1.7%	Charged energy volume**
				y/y	

OPERATIONAL

2,32%	*	▼	-0,22	pp	Grid losses
			y/y		
20,82		▲	2.9%		Transported energy***
TWh			y/y		

INVESTMENTS

RON	256	mn	▲	37,5%	Acquisition of tangible and intangible assets
				y/y	
RON	360	mn	▼	32%	Fixed assets recorded in the accounts (commissioning)
				y/y	

OTC (CPT) - Technological Own Consumption

* Share of own technological consumption in the electricity taken by the electricity transmission system (energy transported)

** The charged quantity is defined as the quantity of electricity extracted from the electricity grids of public interest (transmission and distribution grids), minus electricity exports

*** Quantity transported is defined by the amount of energy physically transported on the transmission network

Note: For ease of reading and understanding the results, some figures presented in the graphs and/or tables use thousand RON as the unit of measurement and are rounded to this unit. This presentation convention may, in some cases, lead to minor differences between the totalising figures, the totals obtained by summing the components and the percentages calculated.



Financial data

A summary of the financial results as at June 30, 2024 is shown in the tables below. The financial results as at H1 2024 are unaudited and an expanded version of the financial results for the same period is set out in the Appendices to this Report.

Separate profit and loss account				
[mil RON]	H1 2024	H1 2023	Δ*	Δ* (%)
	1	2	3=1-2	4=1/2
Charged energy volume [TWh]	25.40	24.97	0.43	1.71%
ALLOWED PROFIT ACTIVITIES				
Operating revenues	1,205	993	212	21%
Transmission and other revenues on the electricity market, of wich:	1,046	963	83	9%
<i>Regulated tariff</i>	801	748	53	7%
<i>Other revenues on the electricity market</i>	143	34	109	n/a
<i>Interconnection</i>	102	181	(79)	(44%)
Other revenues	159	30	129	n/a
Operating expenses	(716)	(608)	(109)	(18%)
System operating expenses	(355)	(307)	(48)	(16%)
Repairs and maintenance expenses	(52)	(44)	(8)	(18%)
Personnel expenses	(187)	(158)	(29)	(19%)
Other expenses	(122)	(98)	(23)	(23%)
EBITDA	489	385	103	27%
Depreciation	(172)	(167)	(5)	(3%)
EBIT	317	218	99	45%
ZERO PROFIT ACTIVITIES				
Operating revenues	3,480	1,207	2,274	188%
System services revenues	251	189	62	33%
Balancing market revenues	3,229	1,018	2,211	n/a
Operating expenses	(3,530)	(1,248)	(2,282)	(183%)
System services expenses	(301)	(231)	(70)	(30%)
Balancing market expenses	(3,229)	(1,017)	(2,212)	n/a
EBIT	(50)	(41)	(9)	(21%)
ALL ACTIVITIES (WITH PROFIT ALLOWED AND ZERO-PROFIT)				
Operating revenues	4,685	2,200	2,485	113%
Operating expenses	(4,246)	(1,855)	(2,391)	(129%)
EBITDA	439	344	95	27%
Depreciation	(172)	(167)	(5)	(3%)
EBIT	267	177	90	51%
Net finance result	16.2	2	14	n/a
EBT - Profit before income tax	283	179	104	58%
Income tax	(20)	(18)	(2)	(12%)
Net profit	264	162	102	63%

* (+)Income positive impact, (+)Expenditure negative impact

**Energy market (ITC, reactive energy, OTC sales, energy exchanges, disaster aid)

Separate statement of financial position				
[mil RON]	H1 2024	2023	Δ	Δ (%)
	1	2	3=1-2	4=1/2
Non-current assets				
Tangible assets	5,490	5,416	75	1%
Assets representing rights of use under a lease - buildings	10	14	(4)	(29%)
Intangible assets	288	282	6	2%
Financial assets	86	86	0	n/a
Total	5,874	5,798	76	1%
Current assets				
Inventories	54	51	3	6%
Trade and other receivables	3,390	2,116	1,274	60%
Profit tax recoverable	4	-	4	n/a
Cash and cash equivalents	527	519	8	1%
Total	3,975	2,686	1,289	48%
Total assets	9,849	8,484	1,366	16%
Shareholders' Equity	5,476	5,190	286	6%
Non-current liabilities				
Long term deferred revenues	525	519	6	1%
Long term borrowings	20	32	(12)	(38%)
Other loans and assimilated debts - Non-current building lease liabilities	2	6	(4)	(66%)
Other non-current liabilities	363	360	3	1%
Total	910	918	(7)	(1%)
Current liabilities				
Trade and other liabilities	3,331	2,242	1,089	49%
Short-term borrowings	24	25	(0)	n/a
Other loans and assimilated debts - Current building lease liabilities	9	9	0	1%
Other current liabilities	98	100	(2)	(2%)
Tax on profit to be paid	-	0.4	(0.4)	n/a
Total	3,463	2,376	1,087	46%
Total liabilities	4,373	3,294	1,079	33%
Total shareholder's equity and liabilities	9,849	8,484	1,366	16%

Separate cash flow statement				
[mil RON]	H1 2024	H1 2023	Δ	Δ (%)
Net cash from operating activities	281	379	(98)	(26%)
Net cash used in investing activities	(235)	(125)	(110)	(88%)
Net cash used in financing activities	(38)	(85)	47	56%
Net increase/decrease in cash and cash equivalents	8	169	(161)	(95%)
Cash and cash equivalents as at January 1st	519	315	204	65%
Cash and cash equivalents at the end of the period	527	484	43	9%

OPERATIONAL RESULTS

I. Volume of charged energy

In H1 2024, the total amount of electricity priced for electricity market services (25.40 TWh) increased by 1.7% compared to the same period in 2023 (the difference between the two periods was 0.43 TWh).

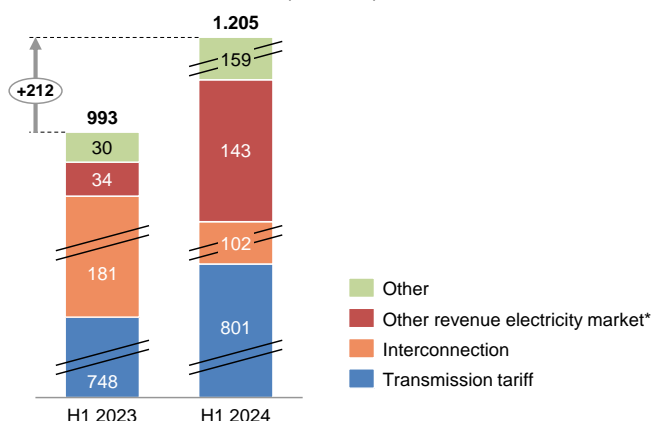
Allowed profit segment

Operating revenue



The segment of **permitted profit activities** recorded a 21% increase in revenues (RON 1,205 million in H1 2024 compared to RON 993 million in H1 2023) mainly on the back of an increase in regulated tariff revenues, as well as OTC transaction revenues, revenues from blackout relief and OTC capitalisation revenues.

Operating income from operating activities with profit allowed
(mil RON)



* ITC, reactive energy, OTC transactions, energy exchanges

The increase in transmission and other energy market revenues (RON 1,046 million in H1 2024 compared to RON 963 million in H1 2023) was mainly influenced by increase in the quantity of electricity by 1.7% in the context of the increase the average tariff approved by ANRE, which led an increase in revenues from regulated tariff by RON 53 million (+7%) compared to the same period of the previous year.

In the period January-June 2024, **revenues from the allocation of interconnection capacity** decreased from 181 million RON in H1 2023 to 102 million RON in H1 2024, due to the following reasons:

- The level of utilisation of available interconnection capacity by electricity market traders,
- The market for the allocation of interconnection capacity is fluctuating, with prices evolving according to demand and the need of electricity market participants to purchase interconnection capacity, thus the decrease in the analysed period was influenced by the supply and demand price formation pattern,

- The implicit allocations, where capacity and energy are allocated simultaneously, are strongly influenced by changes in the price of electricity on European exchanges,
- The impact of expanding market coupling, which has the effect of making energy prices uniform across Europe, this is also one of the main objectives of Regulation (EU) 2015/1222 "establishing guidelines on capacity allocation and congestion management".

The mechanism for allocating interconnection capacity consists of annual, monthly, daily and intra-day auctions. Auctions on the Romania-Serbia border, long-term auctions on the borders with Hungary and Bulgaria and daily auctions on the border with Moldova are explicit - only transmission capacity is auctioned, while daily (borders with Hungary and Bulgaria) and intra-daily (borders with Hungary and Bulgaria) auctions are implicit - they are allocated simultaneously with energy and capacity, through the coupling mechanism.

On June 8, 2022, the Core FB MC (Core Flow-Based Market Coupling) was commissioned, thus initiating the day-ahead flow-based market coupling in the Core capacity calculation region. The flow-based market coupling mechanism optimises the European electricity market for 13 countries (Austria, Belgium, Belgium, Croatia, Czech Republic, France, Germany, Hungary, Luxembourg, the Netherlands, Poland, Romania, Slovakia, Slovenia, the Czech Republic, the Netherlands, Belgium, Croatia, France, Germany, Hungary, Luxembourg, the 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 on the internal electricity market, as a source of financing investments for the modernisation and development of interconnection capacity with neighbouring systems.

Income from Inter TSO Compensation (ITC)

These revenues were higher (RON +9.6 million) in H1 2024, i.e. RON 11.6 million compared to the same period in 2023 when they were RON 2 million, and mostly originate from the scheduled electricity exchanges with the countries considered perimeter of the mechanism, i.e. Ukraine and Republic of Moldova.

The increase in these revenues is driven by:

- *Change in the tariff for trade with perimeter countries* from June 15, 2023 from EUR 1.2/MWh to EUR 3/MWh, which led to an increase in revenues compared to the same period last year.

- Energy exchanges recorded in H1 2024 with both perimeter countries (Ukraine and the Republic of Moldova), in contrast to the similar period in 2023, when exchanges were only with the Republic of Moldova.

Revenues from trading of energy for own technological consumption (OTC) were mainly obtained from the sale of surplus energy resulting from the difference between the long and medium term forecast and the short term forecast on the Intra-day Market managed by OPCOM and from the difference between the forecast OTC and the OTC actually realised on the Balancing Market.

In H1 2024, the Company recorded higher energy trading revenues for OTC compared to the same period of 2023, i.e. + RON +48.7 mln.

In the structure of these revenues, transactions on the Intra-day Market were lower than in the previous year, as a large part of the required OTC was purchased on the long-term markets through the mechanism of MACEE (Mechanism for Centralised Electricity Procurement), and prices on the short-term markets decreased compared to the previous year, with some negative price intervals.

The revenues from transactions on the Balancing Market were significantly higher than those realised in the same period of the previous year, given that the energy system was predominantly in surplus during the period analysed, which led to significant negative prices on the Balancing Market.

Starting with 01.04.2024, the mechanism of centralised purchase of electricity MACEE was amended by GEO no. 32/2024, in the following sense:

- *reducing the regulated purchase price to 400 RON/MWh*
- *removing the obligation for producers to participate in the scheme*
- *changing the period of application of the Facility from March 31, 2025 to December 31, 2024*
- *allowing other producers with production capacities below 10MW to participate in the scheme.*

The changes introduced by GEO 32/2024, which amends and complements GEO 27/2022, lead to a gradual phasing out of the support scheme and a return to competitive market mechanisms.

Income from disaster aid

In H1 2024, income from disaster aid in the amount of 60 million RON was recorded, compared to 3.6 million RON in H1 2023. Thus, in H1 2024, emergency aid was granted to Ukraine due to the damage to its energy infrastructure as a result of armed conflicts and to Serbia due to the accidental shutdown of groups in this country.

Income from capitalisation of own technological consumption (OTC)

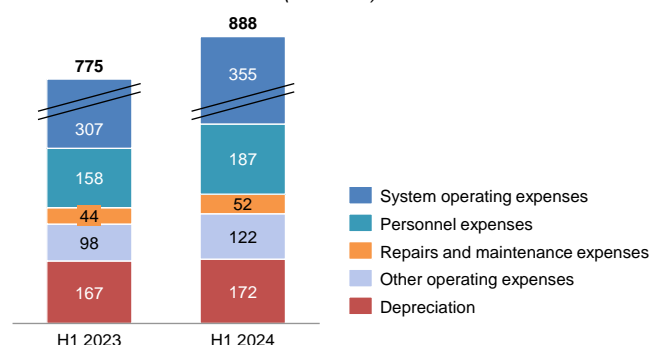
As from September 30, 2022, the Company applies the provisions of GEO no. 119/2022, whereby the additional costs of electricity purchase incurred between January 1, 2022 and March 31, 2025 to cover its own technological consumption, compared to the costs recognised in the regulated tariffs, are capitalised on a quarterly basis.

Thus, the Company recorded in H1 2024 revenues from OTC capitalisation in the amount of RON 23.9 million, representing additional OTC calculated as the difference between the net cost of OTC acquisition and the cost of OTC included in the regulatory tariff, for the period January 1, - June 30, 2024.

Operational expenditure

In the segment of **activities with profit allowed**, expenses (including depreciation and amortisation) increased by 15% (RON 888 million in H1 2024 compared to RON 775 million in H1 2023), mainly influenced by the increase in expenses related to system operation, personnel expenses and other expenses.

Operating costs of activities with profit allowed
(mil RON)



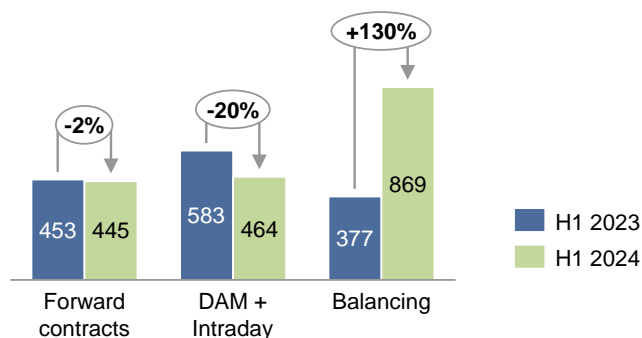
OTC: In the period January-June 2024, the costs of energy purchase to cover own technological consumption totalled 296 million RON, 13% higher (+35 million RON) compared to H1 2023, mainly due to a number of factors:

- due to its characteristics, the OTC in the Electricity Transmission Grid (ETG) is strongly dependent on weather conditions, the structure of national electricity production and consumption, the

distribution of electricity flows in the internal transmission grid and on interconnection lines with neighbouring power systems, and its value is very little to not controllable in an interconnected and coupled regional power market;

- following the provisions of GEO no. 153/2022 amending and supplementing GEO no. 27/2022, NPG Transelectrica SA purchased electricity to cover 75% of the quantity related to the OTC forecast validated by the Centralised Electricity Purchase Mechanism (MACEE), at a regulated purchase price of 450 RON/MWh for the first three months of the year, then the value was reduced to 400 RON/MWh for the energy contracted as of April 1, 2024 (according to GEO no. 32/2024);
- the accelerated growth of installed capacity at prosumers (from about 420 MW at the beginning of 2023 to about 1500 MW at the beginning of 2024), together with the increasing share of wind and solar energy, have led to a decrease in consumption as well as in energy prices on short-term markets. Thus, the average price of energy purchased from the PZU in the period from January to June 2024 was significantly lower than the price in the similar period of 2023);
- the average imbalance price set on the PE was much higher, which led to a significant increase in spending in this market compared to the same period in 2023.

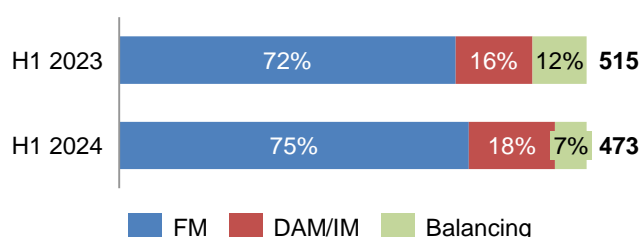
Average purchase prices*
(RON/MWh)



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

The acquisition mix (net quantitative) shows the following components in the two periods analysed:

OTC acquisition mix in the markets
(net quantities, GWh)



The average net price of energy purchased in all markets in H1 2024 was 2% higher than in the same period in 2023.

OTC expenses transit RED (as per ANRE decision)

In the composition of system operating expenses in S1 2024, OTC-related expenses related to additional transits of electricity from the networks of concessionaire distribution operators at the voltage level of 110kV (for the quota assigned to the TSO) were recorded in the amount of 12.8 million lei. For the year 2024, by ANRE Decisions no. 2642/14.11.2023 and no. 2643/14.11.2023, the forecast OTC quantities and the corresponding costs for additional transits of electricity from the 110 kV electricity grids for the year 2024 were approved for Distribuție Energie Oltenia S.A. and E-Distribuție Dobrogea S.A.

Inter TSO Compensation (ITC) expenses

In the period January-June 2024 these expenses were higher by 0.28 million RON compared to the same period of the previous year. They are set within the framework of the mechanism for the compensation/dispensation of the effects of the use of the electricity transmission network (RET) for transits of electricity between TSOs that have joined this mechanism within ENTSO-E.

The factors influencing the cost/revenue values of the ITC mechanism are the electricity exchanges - import, export, transit on the interconnection lines of the SEN, correlated with the electricity flows transited at the level of all countries participating in the mechanism.

From the category "Other costs" (an increase of 23 million RON in the analysed periods) those that had an impact in the analysed period are:

- other expenditure on services performed by third parties increased by +11 million RON, of which the most important was the most significant increase is the expenditure for civil protection and security +4,5 million RON,
- increase of the category "other expenses" by +10.8 million RON, mainly:
 - losses from receivables and sundry debtors +2.9 million RON,
 - expenses related to goods +5,4 million RON,
 - expenditure on electricity consumption administrative consumption an increase of +2,2 million RON,
 - expenditure on fines and penalties +3,6 million RON,
- the reduction of certain items of expenditure, such as: expenses relating to taxes, duties and similar charges, other operating expenses not deductible for tax purposes.

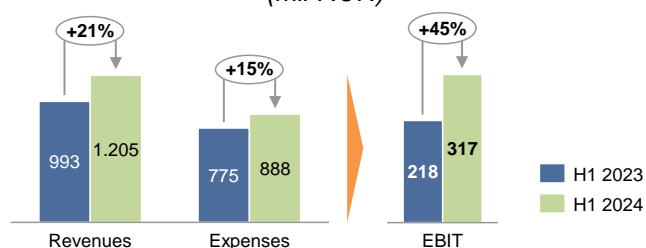
Depreciation expenses show an increase of RON 5 million, mainly influenced by the recording of depreciation expenses on tangible and intangible fixed assets (+ RON 2.8 million), calculated at the revalued value of the assets as at December 31, 2023, correlated with the commissioning of investment works and the acceptance of assets.

At the same time in H1 2024 the expenses with amortisation of intangible assets - additional intangible assets - OTC amounted to 35,6 million RON and showed an increase compared to H1 2023 (+1,7 million RON). The additional electricity purchase costs incurred in the period from January 1, 2022 to March 31, 2025 in order to cover own technological consumption, compared to the costs included in the regulated tariffs, shall be capitalised on a quarterly basis and the assets resulting from the capitalisation shall be depreciated over a period of 5 years from the date of capitalisation.

Operating result-profit allowed

Activities with profit allowed recorded a positive result in the amount of RON 317 million in H1 2024 up from the result in the amount of RON 218 million realised in H1 2023, as operating revenues increased by RON 212 million, correlated with an increase in expenses (including depreciation and amortisation) by RON 113 million.

EBIT structure activities profit allowed
(mil RON)



Zero profit segment

Revenues from zero-profit activities recorded a significant increase (+ RON +2,274 million) from RON 1,207 million in H1 2023 to RON 3,480 million in H1 2024, mainly driven by the increase in revenues on the balancing market (+ RON +2,211 million) due to the prices recorded at the balancing market level, concomitant with the slight appreciation of revenues from technological system services (+ RON +62 million), driven by the increase in the tariff approved by ANRE as of June 1, 2024, in the context of the 1.7% increase in the quantity.

The **zero-profit activities** segment also recorded a significant increase in costs (+ RON +2,282 million) due to the increased amount of expenses on the balancing market.

Balancing market revenues/Balancing market expenses were more than 3 times higher in H1 2024 compared to H1 2023.

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

- the accelerated increase in installed capacity at prosumers, from around 420 MW at the beginning of 2023 to around 1500 MW at the beginning of 2024, which, in terms of impact on the system, corresponds to a reduction in consumption;
- lack of control/monitoring at the level of the funder for the production of the prosumers they have in their portfolio and little concern for estimating/adjusting the prosumers' production forecasts in relation to the contractual position;
- the low degree of adjustment of the production of renewable energy producers with the net contractual position (we mention here also producers beneficiaries of green certificates, based on the provisions of Law 220/2008);
- a sharp increase in supply prices in the balancing market (positive upwards and negative downwards respectively), with an impact on the marginal prices recorded in particular for energy activated for secondary regulation, and for energy activated on the tertiary market, which falls rapidly in situations of strong excess production;
- in a predominantly surplus system, the balancing market is characterised by a high volume of selections at derating, i.e. significant negative prices in the Balancing Market, which determines, on the one hand, significant revenues for producers that have offered negative prices at derating, and on the other hand, considerable costs for PREs that have recorded positive imbalances;
- the evolution of contractual imbalances recorded at the level of electricity suppliers on the balancing market;
- hydraulic evolution.

For the period after 2024 we estimate that:

- how contracting is realised on markets prior to the balancing market;
- ANRE's regulatory framework to adjust the functioning of the balancing market;
- behaviour of market participants;
- the evolution of electricity production and consumption at national level and the European context of electricity market evolution;
- the regional and European context of electricity market developments.

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

Also as of July 1, 2024, the ANRE Order on the approval of balancing terms and conditions, ANRE Order no.127/08.12.2021 for the approval of the Regulation on terms and conditions for balancing service providers and for frequency stabilisation reserve providers and the Regulation on terms and conditions for balancing parties and for the amendment and repeal of some orders of the President of the National Energy Regulatory Authority published in the Official Gazette no. 1196 of December 13, 2021, with subsequent amendments and additions, entered into force.

System services are purchased by the Company from producers in order to ensure that the level of operational safety of the SEN and the quality of the electricity transported is maintained at the parameters required by the technical standards in force.

These services are contracted out:

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

The procurement of system services is carried out on a competitive basis through daily auctions in accordance with Regulation (EU) 2019/943 of the European Parliament and of the Council of June 5, 2019.

In H1 2024, the contracting of system services under the regulated regime was carried out only for reactive energy, in accordance with ANRE Decision no. 1078/2020, being provided by Societatea de Producere a Energia Electrice în Hidrocentrale "Hidroelectrica" SA.

Revenues from system services recorded a 33% increase compared to the same period last year (251 million RON in H1 2024 compared to 189 million RON in H1 2023), driven by the increase in the quantity of electricity delivered to consumers (+1.7%) in the context of the increase from June 1, 2024 of the tariff approved by ANRE for these services.

The amount of **expenditure on system services** in H1 2024, showed an increase (+30%) compared to the same period in 2023.

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

- in accordance with the provisions of Article II of ANRE Order no.18/30.05.2024, for a period of 3 months, in accordance with Regulation 2019/943 of the European Parliament and of the Council of June 5, 2019, in the period 01.06.2024-31.08.2024, the purchase of balancing capacity services for frequency stability contracted by the Company is carried out as follows:

- at a maximum price of 82.30 RON/hMW for the secondary regulation reserve/frequency restoration reserve with automatic increase activation and for the automatic decrease activation;
- at a maximum price of 37.94 RON/hMW for the fast tertiary regulation reserve on boost/reset reserve with manual activation on boost;
- at a maximum price of 16.38 RON/hMW for the fast tertiary regulation reserve/reset frequency reserve with manual activation on dimming.
- in line with the trend observed on the balancing market, there was a steep increase in the purchase price of the Fast Tertiary Reserve - power curtailment, starting from April 2024. Thus, the purchase price of the reserve increased from 9.82 RON/hMW to values of up to 250 RON/hMW (purchase price for the Tertiary Fast Reserve - power reduction registered on 20.04.2024). We note that the same trend was observed at the Secondary Reserve, where on 20.04.2024 prices of 100 RON/hMW were recorded.

Starting with 01.06.2024, with the applicability of the provisions of the Order of the President of ANRE no.18/30.05.2024, the price trend has been contracting, with prices below the maximum limit imposed by the authority.

Also, in accordance with art. I item 3 of the ANRE President Order 18/30.05.2024 starting with 01.09.2024 the maximum prices are no longer applicable and the auction procedure will be organised at Transelectrica level based on the offer price.

Operating result-zero profit

EBIT generated by zero-profit activities recorded a negative result in H1 2024 in the amount of RON 50 million, up by + RON 9 million compared to the negative result realised in H1 2023.

In H1 2024, revenues from system services were lower by RON 50 mil compared to the realised system services procurement expenses.

For the system services activity, according to ANRE's regulations, the surplus/deficit of income compared to the recognised costs resulting from the performance of this activity shall 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.

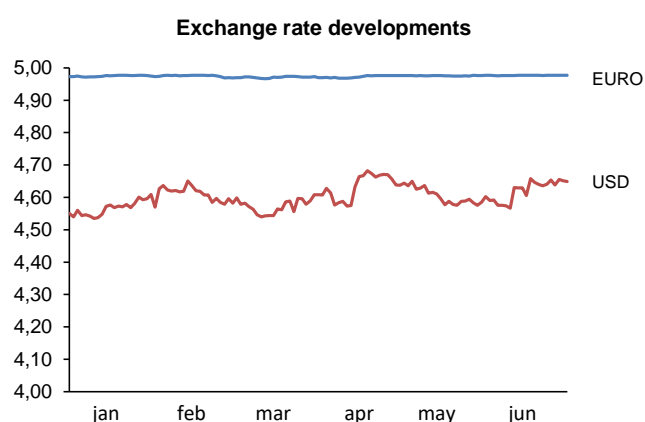
The surplus/deficit of income over the costs of carrying out this activity shall be calculated by tariff programme periods.

I. Financial Result

The net financial result recorded in H1 2024 in the amount of RON 16 million, compared to a profit of RON 2 million in the same period last year, was mainly influenced by the recording of income from shares held in subsidiaries based on dividends received, i.e. RON 14.6 million.

The share of foreign exchange income/expenses in total financial income/expenses is high and is significantly influenced by the high volume of transactions related to the market coupling business segment.

The evolution of the RON/EUR and RON/USD exchange rates in H1 2024 is shown in the following chart:



II. Company gross profit (EBT)

Total operating revenue

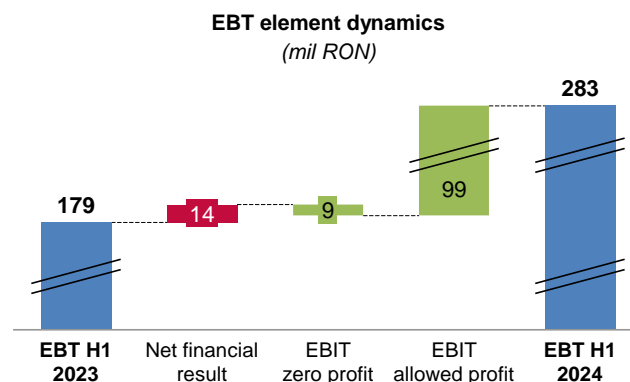
Total operating revenues realised in H1 2024 appreciated by 113% compared to the same period of the previous year (RON 4,685 million in H1 2024 compared to RON 2,200 million in H1 2023), in the context of the significant impact of revenues from zero-profit activities.

Total operating expenditure

The total operating expenses (including depreciation and amortisation) realised in H1 2024 increased by 118% compared to the same period last year by 4,418 million RON in H1 2024 compared to 2,023 million RON in H1 2023 in the context of the significant impact of the increase in expenses from zero-profit activities.

The gross result recorded a higher value in the period under review, from 179 million RON in H1 2023 to 283 million RON in H1 2024, mainly due to the increase in the tariffed volume of energy at the tariffs approved by ANRE, revenues from OTC transactions, revenues from the capitalization of OTC (non-monetary), of the income from accident aid, as well as from the registration of some short-term income from other operating income that registered an increase in the first semester of 2024 compared to the first semester of 2023 with the amount of 105 million lei, determined in mainly, the registration of income from compensations, fines and penalties as a result of legal recovery, according to Civil Decision no. 6169/2023, pronounced on December 20, 2023, by the ICCJ - Administrative and Fiscal Litigation Section and communicated to the Company on May 15, 2024, of certain amounts (additional payment obligations established by Taxation Decision no. F-MC 439/30.06.2017) executed in 2017 by ANAF, based on executive title no. 13540/22.08.2017.

The dynamics between the result recorded in H1 2024 compared to H1 2023, broken down by the constituent components of the result, are shown in the following graph:



III. Net result

The gross result influenced by the corporate income tax of RON 20 million resulted in a net result at the end of H1 2024 of RON 264 million, up from RON 162 million in H1 2023, mainly due to the profit activities allowed.

FINANCIAL POSITION

I. Fixed assets

Fixed assets recorded an increase in the first half of 2024 compared to December 2023 in the amount of RON 76 million, mainly due to the increase in the value of tangible fixed assets.

Fixed assets related to the right of use of leased assets - buildings

Fixed assets related to the rights of use of leased assets - buildings represent the right of use of the premises leased by the Company in the Platinum office

building, in accordance with IFRS 16 - Leases. As of 01.10.2020 the lease contract valid for a period of 5 years entered into force.

As at June 30, 2024, the net book value of the right of use of the premises leased by the Company in the Platinum office building amounts to RON 9.9 million.

Intangible fixed assets

Intangible assets in progress at June 30, 2024 show a balance of RON 27.5 million represented by projects in progress, of which the most significant are:

- Metering and data management system for electricity metering on the wholesale market - 16.3 million RON;
- Replacement of hardware components, update and development of specific applications of the Balancing Market Platform - II DAMAS, Component Purchase of migration and upgrade services for specific applications of the Balancing Market - 7,6 million RON;
- MARI platform development - 2 mil RON

In H1 2024, additional OTC capitalisation income in the amount of 23.9 million RON was recorded, representing additional costs of electricity purchase to cover own technological consumption compared to the cost recognised in the tariff.

As at June 30, 2024, the carrying amount of intangible assets resulting from the capitalisation of the additional OTC amounts to RON 259 million.

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

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

II. Current assets

Current assets as at June 30, 2024 (RON 3,975 million) increased by 48% compared to December 31, 2023 (RON 2,686 million), mainly due to the increase in receivables.

Trade receivables show an increase of 54% compared to December 31, 2024 (RON 2,682 million at June 30, 2024 compared to RON 1,746 million at December 31, 2023). The most important developments were from:

- customers from operational activity which, due to the increase in energy consumption, generated a higher

balance of receivables from operational activity (RON 1,138 million as at March 31, 2024 compared to RON 1,005 million as at December 31, 2023).

The main outstanding customers on the electricity market are: Ciga Energy SA, Cinta Energy SA, Electrica Furnizare SA, IBEX, OPCOM, Hidroelectrica, MAVIR, RAAN, Engie Romania SA, Complexul Energetic Oltenia SA. Their share is 74.16% of total trade receivables.

- customers - balancing market, which, due to the increase in the balance of customers' customers from contracts concluded on the balancing market in the first half of 2024 compared to the second half of 2023, also led to an increase in the balance for this type of activity (RON 1,381 million as at June 30, 2024 compared to RON 594 million as at December 31, 2023).
- customers - support scheme, which increased by 11% (+16 million RON), mainly due to the increase in the invoiced amount for the collection of the monthly contribution.

The company carries out the activities related to the bonus support scheme for the promotion of high-efficiency cogeneration, as administrator of the support scheme, in accordance with the provisions of HGR no. 1215/2009, "the main tasks being monthly collection of the cogeneration contribution and monthly payment of bonuses".

As at June 30, 2024, the Company has receivables receivable amounting to RON 160 million, represented by 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;
- undue bonus for 2014 in the amount of 3.91 million RON, respectively from RAAN - 1.98 million RON, and CET Govora - 1.93 million RON;
- undue bonus for 2015 in the amount of 0.56 million RON, respectively from CET Govora - 0.53 million RON, Interagro - 0.03 million RON;
- undue bonus for 2020 in the amount of 0.52 million RON from Donau Chem;
- uncollected contribution for cogeneration from 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 - 0.6 million RON, etc.

Until the date of this report, the Company has collected all the receivables related to overcompensation of the activity related to the support scheme for 2023 (amount of RON 5.5 million) from Bepco (RON 2.9 million) and Termoficare Oradea (RON 2.6 million), as well as the amount of RON 14.2 million from the undue bonus established by ANRE Decisions for 2023, from the following producers: Bepco SRL, CET Grivița, Electro Energy Sud, Electrocentrale București, Electrocentrale Craiova, Electroulaj SA, Municipiul Iași, Petrotel Lukoil, Poligen Power, Soceram SA, Termoficare Oradea and UATAA Motru.

Other receivables as at June 30, 2024, amounting to 389, recorded an increase of 83% million RON and mainly include:

- sundry debtors (198.8 million RON), of which:
 - late payment penalties calculated for defaulting customers in the amount of 96 million RON (of which 35.15 million RON are penalties related to support scheme).

The highest late payment penalties were recorded by customers: Romelectro (39.8 million RON), RAAN (17 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), Pet Communications SRL (3.1 million RON), Multiservice G&G SRL (2.2 million RON), Petprod (1.9 million RON), ISPE Proiectare și Consultanță (1 million RON).

- compensation due by suppliers for non-delivery of electricity: Arelco Power (RON 0.99 million), Enol Grup (RON 2.54 million) and Next Energy Partners (RON 8.39 million).
- 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 RON 4.52 million.
- deferred expenses in the amount of 8.5 million RON, mainly represented by domestic and international membership fees (3.8 million RON), taxes and fees (1.8 million RON), ANRE contribution (1.2 million RON), rent and maintenance of office building (0.7 million RON), insurance policies (0.6 million RON), miscellaneous services and others;
- other social receivables in the amount of 1.4 million RON representing sick leave paid by the employer to employees, amounts to be recovered from the National Health Insurance House, in accordance with the legislation in force.

Advances to suppliers paid as at June 30, 2024 represented by debtor suppliers for services rendered in the amount of RON 325 million increased

significantly compared to December 2023 when they amounted to RON 152 million.

The balance represents mainly amounts from the transactions related to the price coupling mechanism (for SIDC the amount of 277.6 million RON, and for ICP - Interim Coupling Project and SDAC - Single Day-ahead Coupling the amount of 45.6 million RON).

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

As the transfer agent for Romania's bidding zone, NPG Transelectrica SA has the role of settling the energy traded between OPCOM SA and IBEX

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

In 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 as a result of the coupling process.

VAT to be recovered in the amount of RON 203 million related to the VAT returns for the period March - June 2024, of which up to the date of this report, the amount of RON 59 million has been collected, representing the value added tax claimed for refund for March 2024.

The largest existing impairment adjustments in the balance at June 30, 2024, calculated for trade receivables and related penalties, are for Romelectro (RON 39.8 million), JAO (RON 30 million), CET Govora (RON 24, RON 6 million), Arelco Power (RON 14.8 million), Total Electric Oltenia SA (RON 14.2 million), Romenergy Industry (RON 13.5 million), Elsaco Energy (RON 9.3 million), RAAN (RON 8.5 million), OPCOM (RON 8.5 million), Next Energy Partners (RON 8.4 million).

Payables

Long-term liabilities in the amount of RON 910 million as at June 30, 2024 decreased by 1% compared to the amount of RON 918 million as at December 31, 2023.

Interest-bearing debts

At June 30, 2024 the amount of long-term borrowings decreased compared to December 31, 2023 mainly due to repayments under existing loan agreements. The amount of short-term borrowings also decreased slightly, from a balance of RON 24.5 million in December 2023 to RON 24.4 million on June 30, 2024. As at June 30, 2024 the credit line has not been drawn down.

Between January and June 2024, **short-term liabilities** increased by 46%, from RON 2,376 million at December 31, 2023 to RON 3,463 million at June 30, 2024, mainly due to an increase in trade and other payables.

Impact on the evolution of trade debts:

- **suppliers on the energy market**, which increased by RON 1,038 million and recorded a balance of RON 2,379 million as at June 30, 2024 compared to RON 1,341 million as at December 2023.

This development was mainly influenced by:

- the increase in the *balance of debts related to operational activity* by 170 million lei was influenced by the price formation model based on demand and supply for coupling the electricity market. Implied allocations, in which capacity and energy are provided simultaneously, were strongly influenced by variations in the price of electricity on exchanges in Europe.

Suppliers on the electricity market are mainly represented by: Hidroelectrica SA, OPCOM, MAVIR, IBEX, CIGA Energy SA, S Complexul energetic Oltenia SA, Joint Allocation Office, Electrocentrale București SA, CINTA Energy SA, Electrica Furnizare SA. On June 30, 2024, their share of total energy suppliers is about 87.2%.

- *increase in the balance "balancing market liabilities"* by 979.6 mil RON was mainly due to the increase in the volume of transactions recorded on the balancing market in the first half of 2024 compared to the second half of 2023.

- the *decrease in liabilities related to the support scheme to suppliers (producers)* by 111.5 million RON was determined both by the decrease in the value of the monthly bonus for high efficiency cogeneration in June 2024 compared to December 2023, and by the payments made to RAAN in May and June 2024 for the cogeneration bonus withheld from payment, according to enforceable civil decisions rendered by the Bucharest Court of Appeal.

- **suppliers of fixed assets** decreased by RON 38.2 million due to the realisation of overdue payments,
- **suppliers other activities** also fell by 35 RON 35 million, mainly represented by the category of payables related to services rendered by third parties not due.
- **"other liabilities"** increased by RON 119.5 million, from a balance of RON 636.7 million at December 31, 2023 to RON 756.2 million at June 30, 2024, on the back of developments in customer creditors.

The **"other liabilities"** structure is as follows:

- *sundry creditors* in the amount of RON 339.9 million (increased by RON 28 million compared to December 31, 2023) are mainly represented by the net position of the support scheme for high efficiency cogeneration, debt position (RON 327 million), contracts for solution studies for connection to RET (RON 13 million), royalty Q2 2024 (RON 1.5 million),
- *customer creditors* as at June 30 2024 in the amount of RON 329.9 million (increased by RON 83 million compared to December 31, 2023) and represent amounts received in advance in transactions related to price coupling mechanisms in the amount of RON 328.7 million *RON (ICP (Interim Coupling Project), SIDC (Single Intraday Coupling), SDAC (Single Day-ahead Coupling), FBMC (Flow Based Market Coupling)*, but also from OPCOM (RON 174.2 million), IBEX (RON 145 million), MAVIR (RON 8.8 million), Bursa Romana de Mărfuri (RON 0.6 million) and JAO (RON 0.03 million)
- *the liability for fixed assets related to the rights of use of leased assets - buildings*, in accordance with IFRS 16 - Leases, amounts to 8.7 million RON (short-term debt),
- *other liabilities* in the amount of RON 75.2 million are mainly represented by guarantees of good payment of electricity market contracts concluded by Transelectrica in the amount of RON 47.9 million and VAT not chargeable during the reporting period in the amount of RON 27.1 million.

Provisions decreased by RON 4 million, from RON 65 million at December 31, 2023 to RON 61 million at June 30, 2024.

III. Equity capital

Shareholders' equity increased mainly due to the recognition in retained earnings of the net profit in the amount of RON 264 million realised on June 30, 2024. Thus, the equity at June 30, 2024 is RON 5,476 million compared to RON 5,190 million at December 31, 2023.

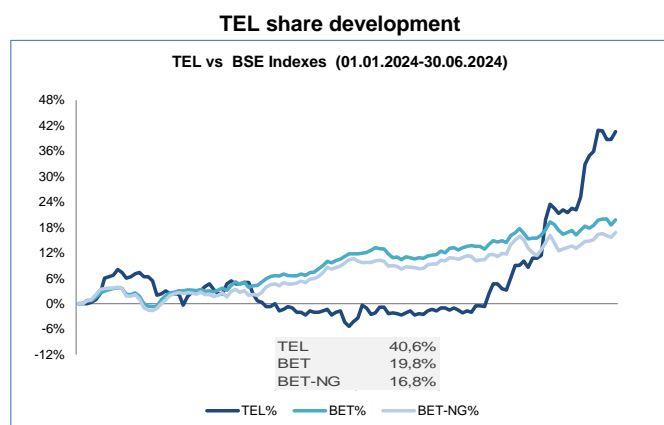
SHARE DEVELOPMENT

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

The year 2024 started with a trading price of 29.80 RON/share, opening the way towards the maximum price of the period of 42.00 RON/share recorded on 21.06.2024, which generated a return of approximately 41% for shareholders.

The final price of the period brought TEL shares market capitalisation of 3.071 million RON.

The trading of TEL shares during the first half of 2024 on the Romanian capital market recorded 12,545 transactions with an average number of 102 transactions/day and 1,408,035 shares traded, with a total value of RON 79,233 thousand.



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

- the BET index (Bucharest Exchange Trading - the benchmark index of the capital market

which reflects the evolution of the 20 most liquid companies listed on the regulated market of the BVB),

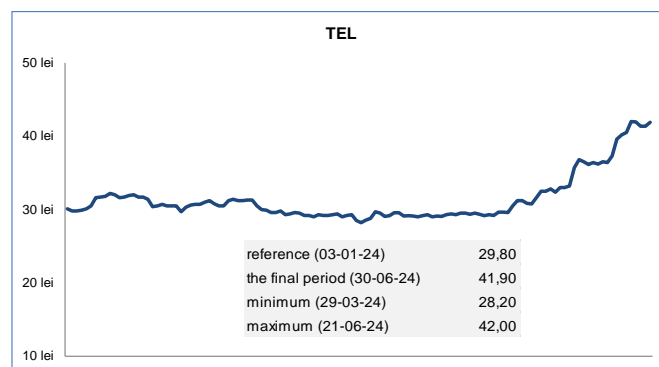
- the BET-NG index (Bucharest Exchange Trading Energy & Related Utilities - sector index reflecting the evolution of energy and related utilities companies listed on the regulated BVB market).

On July, 29 the Bucharest Stock Exchange launched a new index, Bucharest Exchange Trading Energy, Utilities and Financials (BET-EF), dedicated to the best-represented sectors of activity in the capital market, energy, utilities and financials (excluding investment funds), including Transelectrica, with a 2.39% share at the launch.

According to the latest periodic adjustment date recorded on 07.06.2024, TEL shares have a weight of 1.47% in the BET index and 2.75% in the BET-NG index.

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

The evolution of the TEL share in relation to the two indices is shown in the graph opposite:



MAIN RISKS AND UNCERTAINTIES

Analysing decision problems under risk involves an evaluation of decision alternatives and their consequences, considering that the effects of decisions are not known with certainty. In these cases, the optimal rate is the one that maximises the expectation, i.e. reveals the likely or expected value of the outcome.

Having a thorough knowledge of the threats allows them to be prioritised according to the likelihood of their occurrence, the magnitude of the impact on the objectives and the cost of measures to reduce the likelihood of their occurrence or to limit undesirable effects.

The Company periodically and systematically analyses the risks related to the performance of its own activities, annually elaborating the *Register of identified risks*, *Risk Tracking Sheets*, *Risk Alert Forms* (for newly emerging risks), the *Plan for the implementation of control measures*, in order to limit the possible consequences of these risks, in accordance with the legal provisions.

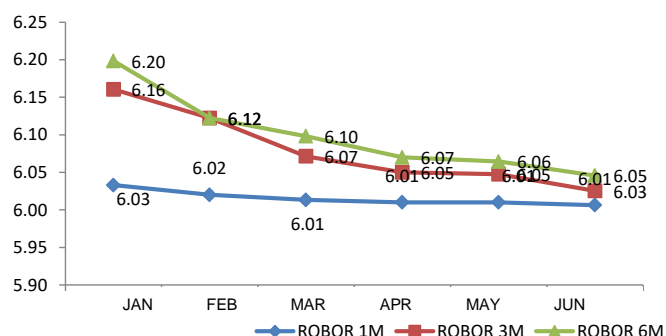
Elements that may affect the Company's liquidity include:

➤ interest rate fluctuation

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

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

Interest rates on the national money market have been on a downward trend over the past 6 months, amid excess liquidity in the banking system, coupled with lower demand for loans and tighter credit supply conditions.



➤ exchange rate movements

Currency risk expresses a probability of incurring losses on international commercial contracts or other economic relationships because of changes in the exchange rate of the currency between the conclusion of the contract and its maturity.

Another way to avoid such effects is to include a currency or price revision clause in the contract. The application of various extra-contractual measures may relieve the Company from the presence of negative effects.

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

In order to honour its obligations in foreign currency, the Company has opened foreign currency accounts with commercial banks within the Romanian banking system.

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

At the same time, while the national currency appreciated between January and March as a result of developments on the international financial markets, between March and June it depreciated, influenced by a series of economic, social and political factors.

We observe a strong correlation between interest rates, inflation and exchange rates, thus, the interest rate has declined in the analysed interval, leading to a depreciation of the national currency.

However, inflation differentials between Romania and the euro area, large current account and budget deficits in the country, the weak performance of the local economy, the fiscal consolidation measures recently adopted, are leading to a depreciation of the national currency.

➤ provisions in the grant agreements

In the grant contracts, there are clauses on the fulfilment of financial indicators (covenants), the breach of which may entail, subject to prior notice and a reasonable time, early payment of the financing facilities.

As of the date of this report, there have been no instances of non-compliance with the provisions of the Company's financing agreements.

➤ risk of non-compliance with legal requirements

The Company's liquidity could be affected by penalties due to non-compliance reported during the periodic control activities of the authorised bodies (CCR, ANRE, MFP, etc). This risk did not materialise during the period under review.

➤ operational risk

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

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

Currently, i.e. the fourth regulatory period, the regulated rate of return on invested capital, expressed in real terms, before tax, applied when setting tariffs for electricity and natural gas transmission and distribution services is 6.39%, with 2024 being the transition period for distribution tariffs from the fourth to the fifth regulatory period.

- **cash-flow risk** - this is the risk that Transelectrica may not be able to honour its payment obligations when due. A prudent cash-flow risk management policy involves maintaining a sufficient level of cash, cash equivalents and availability of funds through appropriately contracted credit facilities. The company monitors the level of projected cash inflows from the collection of trade receivables as well as the level of projected cash outflows for the payment of trade and other payables.

The company pays particular attention to efficient treasury management, by effectively managing cash flows and optimising surplus liquidity to meet financial obligations as they fall due, as well as being ready, if necessary, to draw on appropriate credit facilities.

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

As of the date of this report, due to the solutions found and the timely actions taken, the Company has met its financial obligations.

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

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

This risk reflects a complex of factors, with a potential effect on the increase of financing costs on the credit market, which may significantly affect the Company in view of the possible need for capital to be attracted to finance the investment plan within the RET 2022-2031 Development Plan.

Moody's currently rates the Company at Baa3, stable outlook.

- **investment risk** arising from financial difficulties at the subsidiaries' level caused by historical debt, the competitive environment and their own management.

The company attaches due importance to analysing the risk environment and early identification of possible risks that may arise in the future, as well as the use of early warning systems, not only dealing with the consequences of events that may occur, but adopting a reactive management style, implementing preventive measures, taken in advance, aimed at mitigating the occurrence of possible risks.

At the same time, the periodic review of risks, as foreseen in the standards, entails the assessment of the risk management process and the alerting tools of the higher hierarchical levels on newly identified risks or changes to existing risks so that these changes can be effectively managed.



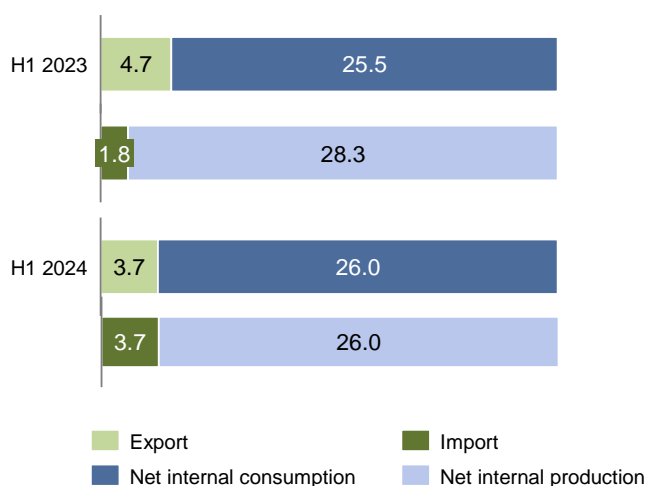
Operational data

SEN ENERGY BALANCE

Analysing the evolution of the components of the energy balance in the period January - June 2024 compared to the same period in 2023, there is an increase of 2% in net domestic consumption¹ and a decrease of 8% in net energy production.

Cross-border physical exports recorded a 20% decrease in H1 2024 compared to the same period in 2023, while imports recorded a 107%.

Energy balance (TWh)



The significant increase in consumption in January 2024, 5.4%, was largely influenced by the lower average monthly temperature of -0.19 °C in January 2024 compared to +3.2 °C in January 2023.

At the opposite pole, the 2.53% increase in June was also influenced by temperature, with the national average of 22°C recording a positive temperature anomaly compared to the monthly norm of 3.1°C (the 1991-2020 monthly norm is 18.9°C).

The months of April and May saw decreases, 1.7% in April and 3.88% in May 2024 respectively.

¹ the values do not include consumption related to own services in power generation plants; the net consumption value includes losses in transmission and distribution networks, consumption of pumped storage hydro stations pumps and storage consumption

PRODUCTION MIX

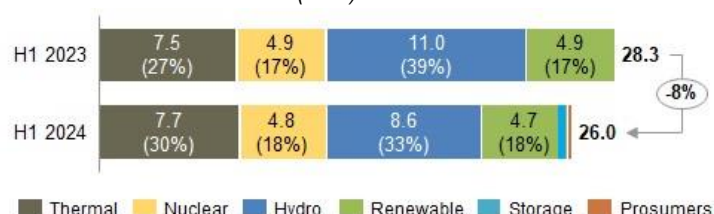
In terms of production mix, in the period January - June 2024 compared to the same period of 2023, there was an increase of 2% in the Thermo component, while the Nuclear, Hydro and Renewables components decreased by 3%, 22% and 4% respectively.

Since the third quarter of 2023, battery generation has been included in the generation mix, which at the end of June 2024 totalled 2.50 GWh.

The net energy produced in May does not include the value for consumers. Also, for June the values for storage, renewables and hydro are provisional and do not include the value for prosumers.

Analysing the weights of the components of the net generation mix for the period January - June 2024, it can be seen that the largest share, 33%, is represented by the Hydro component, followed by the Thermo component with 30%, while energy produced from renewable and nuclear sources have a share of 18%.

Net electricity generation mix (TWh)



NATIONAL PRODUCTION PARK

In H1 2024, installed capacity in thermal power plants decreased by about 3% from 5,630 MW installed on June 30, 2023 to 5,447 MW installed on June 30, 2024.

On July 1, 2024, the gross installed capacity in the SEN 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 reflect production capacities that have a commercial operating licence.

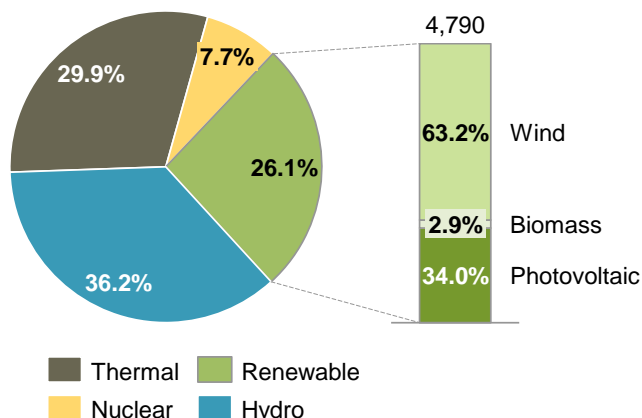
Production units on probation are not included in this report.

As for the installed capacity in storage facilities, as of 01.07.2024 it totalled 16.2 MW, of which 7 MW qualified for the provision of system services, the remaining 9.2 MW being in facilities (batteries) connected mainly to wind power plants, not qualified for participation in the Balancing Market.

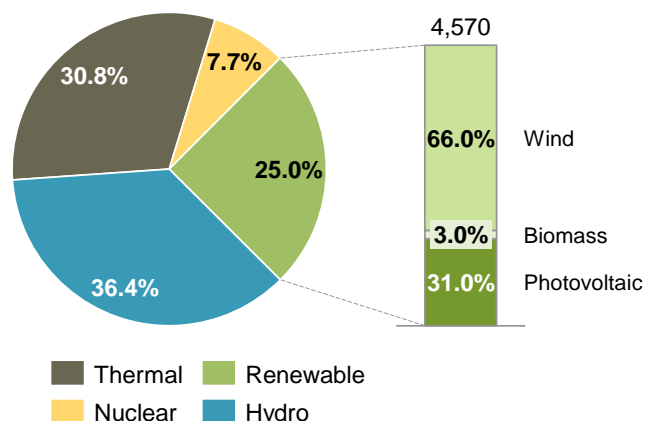
As regards the situation regarding the installed capacity of electricity capacity from renewable sources belonging to prosumers on 30.04.2024, it totalled 1,707.29 MW.

The installed power for the period January-June 2024 compared to January-June 2023 is shown in the following graphs:

Installed capacity H1 2024 (18.319 MW. gross value)



Installed capacity H1 2023 (18,255 MW gross)



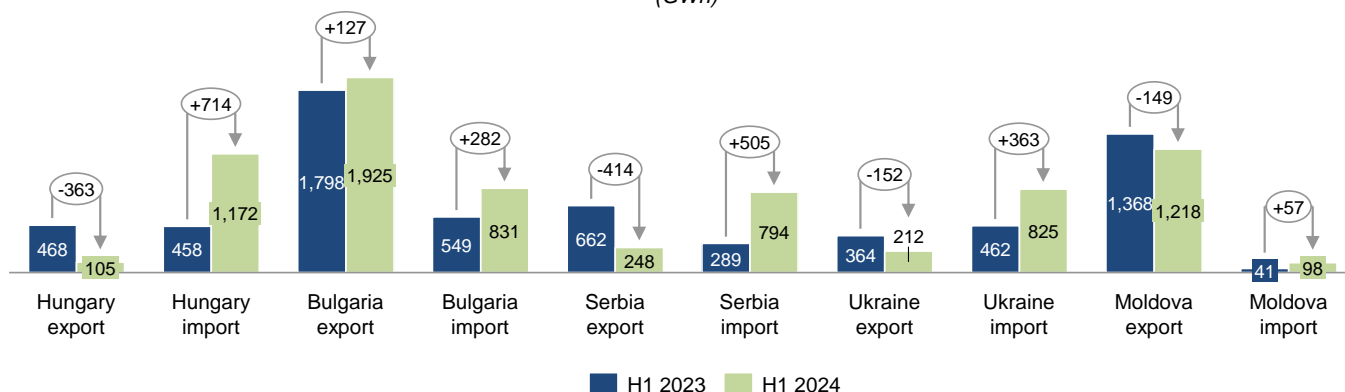
CROSS-BORDER FLOWS

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

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

Specifically, compared to January - June 2023, physical export flows increased on the border with Bulgaria (+7% +127GWh), and decreased on the border with Serbia (-63% -414GWh), Hungary (-78% -363GWh) Ukraine (-42% -152GWh) and Moldova (-11% -149GWh). Physical import flows have increased on all borders. The physical flows of both imports and exports at each border are presented below:

Physical flows
(GWh)



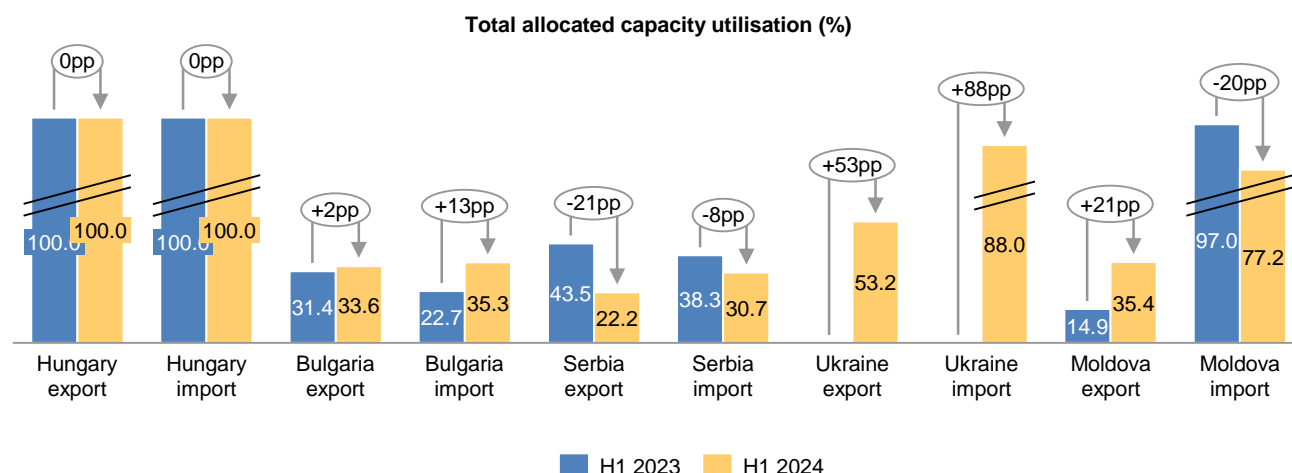
Compared to the first half of 2023, there was an increase of about 64% in import trade and a decrease of 13% in energy transited, against the background of lower hydroelectricity compared to last year at this time of year and domestic electricity consumption which, with the exception of April and May, increased compared to the same period in 2023. On the border with Hungary, the utilisation rate is 100%, both import

and import, as short-term auctions are implicit (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 (the capacity allocated in the annual and monthly auctions is no longer a physical

right that can be used by the participant, but only a financial right of the participant).

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 (IGCC) platform, starting December 17, 2021.



The degree of utilisation of total capacity rights on a border and direction is the ratio expressed as a percentage between the energy corresponding to

realised (notified) trade in a given month and the energy corresponding to total capacity rights.

OWN TECHNOLOGICAL CONSUMPTION

Due to its characteristics, the Technological Own Consumption (OTC) in the Electricity Transmission Grid (RET) is strongly dependent on weather conditions, on the structure of electricity production and consumption at national level, on 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 to not controllable in an interconnected and coupled regional energy market.

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

OTC EVOLUTION FACTORS

In January 2024 OTC decreased compared to January 2023 by 10.1%, as a result of the favourable distribution of generation and more advantageous physical import/export flows on the interconnection lines on the borders with Ukraine, Hungary and Bulgaria that led to reduced transmission of energy away from sources, as well as weather conditions characterised by lower precipitation amounts, which led to lower corona losses. The percentage of losses relative to energy entering the RET decreased from 2.62% in 2023 to 2.25% in 2024.

The energy entered into the account 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 producers connected to the RET and a 76.6% (226 GWh) increase in energy

received from imports, while energy received from the DER decreased by 39.5% (153 GWh).

In February 2024 the 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 reduced transmission of energy away from sources, and favourable weather conditions characterised by lower precipitation amounts, which led to lower corona losses.

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

The energy entering the electricity meter 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 RET connected generators and a 39.8% (126.2 GWh) increase in energy received from imports, as energy received from DERs decreased by 12.2% (39.1 GWh).

In March 2024 the OTC increased compared to March 2023 by 3.4%, mainly as a result of increased energy entering the RET contour, but also unfavourable weather conditions characterised by higher precipitation amounts, which increased the corona losses.

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

The energy entered into the electricity meter 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 RET connected generators and a 43.6% (161.2 GWh) increase in energy received from imports, as energy received from DERs decreased by 10.1% (29.5 GWh).

In April 2024 OTC decreased compared to April 2023 by 9.9%, as a result of the favourable distribution of generation and more advantageous physical import/export flows on the interconnection lines on the borders with Ukraine, Hungary and Moldova, which led to reduced transmission of energy away from sources, and weather conditions characterised by lower precipitation amounts, which led to lower corona losses.

The percentage of losses relative to energy entering the RET decreased from 2.63% in 2023 to 2.44% in 2024. The energy entering the electricity grid decreased by 2.7% in April 2024 (88.2 GWh) compared to the same period in 2023, as a result of a 17.2% (450.9 GWh) decrease in energy received from producers connected to the RET and a 36.6% (171.3 GWh) decrease in energy received from the DER, as energy received from imports increased by 379.8% (534 GWh).

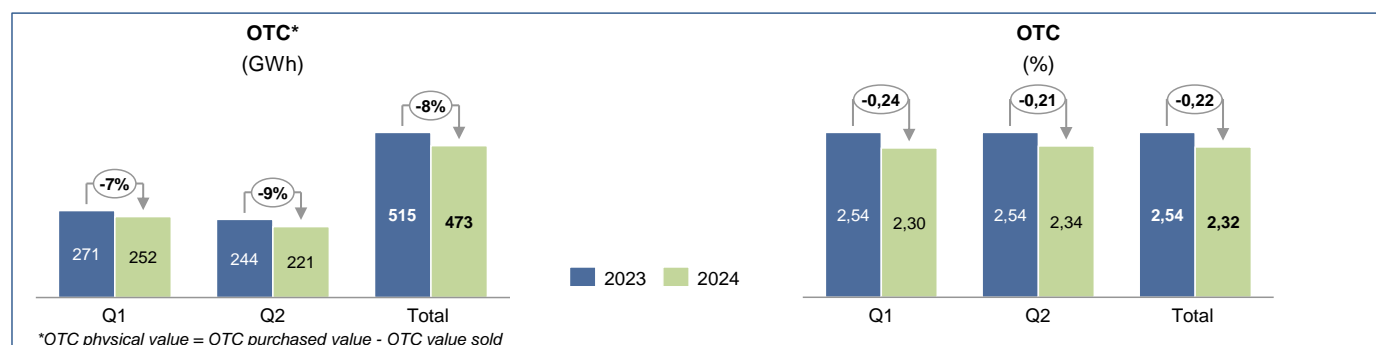
In May 2024 OTC decreased compared to May 2023 by 0.2% as a result of more favourable physical import/export flows on the interconnection lines on the borders with Ukraine, Hungary and Moldova leading to reduced transmission of distant energy to sources, and slightly more favourable weather conditions in areas with high density of transmission lines characterised by

lower precipitation amounts, which led to lower corona losses.

The percentage of losses relative to energy entering the RET increased from 2.29% in 2023 to 2.36% in 2024. Energy entered into the electricity meter decreased by 3.1% (94.4 GWh) in May 2024 compared to the same period in 2023, as a result of a 20.5% (504.4 GWh) decrease in energy received from RET connected generators and a 25.1% (85.8 GWh) decrease in energy received from DER, as energy received from imports increased by 176.8% (495.7 GWh).

In June 2024, OTC decreased compared to June 2023 by 16.1%, mainly as a result of the favourable distribution of generation and more advantageous physical import/export flows on the interconnection lines on the borders with Ukraine, Hungary and Bulgaria that led to reduced transmission of energy away from sources, and favourable weather conditions characterised by lower precipitation amounts, which led to reduced corona losses.

The percentage of losses relative to energy entering the RET decreased from 2.69% in 2023 to 2.21% in 2024. Energy coming into the electricity meter increased by 2% (64.4 GWh) in June 2024 compared to the same period in 2023, as a result of a 95.2% (377.6 GWh) increase in energy received from imports, while energy received from RET connected generators decreased by 4.4% (108 GWh) and energy received from DERs decreased by 48.5% (205.2 GWh).



Conclusions

For Q1 2024 as a whole, OTC in the RET 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 amounts of precipitation, which led to reduced corona losses. Relative to the energy entering the RET contour the losses decreased from 2.54% to 2.30%.

For Q2 2024 as a whole, OTC in RET decreased by 9% 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 and Hungary, which led to reduced transmission of energy away from sources, and more favourable weather conditions characterised by lower amounts of precipitation, which led to reduced corona losses. Relative to the energy entering the contour the losses decreased from 2.54% to 2.34%.



ETG Development

FIXED ASSETS RECORDED IN THE ACCOUNTS

The increase in the total value of property, plant and equipment as at June 30, 2024 compared to December 31, 2023 was due to the increase in the value of property, plant and equipment in progress concurrent with the recognition of depreciation on property, plant and equipment.

The value of tangible fixed assets recorded in the accounts in January-June 2024 is 359.6 million RON (532.4 million RON in the same period of 2023), a decrease by 173 million RON.

The largest transfers from property, plant and equipment in progress to property, plant and equipment are mainly represented by the commissioning of investment objectives, the most significant of which are listed below:

- Transition to 400 kV of the Porțile de Fier - Reșița - Timișoara - Săcălaz - Arad - Phase I - 400 kV substation s.c. Porțile de Fier - (Anina) - Resita - 158 million RON;
- Baru Mare 220/110/20kV 220/110/20kV substation upgrade - 73.8 million RON;
- Arefu 220/110/20 kV substation upgrade - 31 million RON;
- Relocation of the 220 kV and 400 kV networks - Urechești - Domnești, Țânțăreni - Bradu, Bradu -

Brașov, Bradu - Stupărei and Bradu - Târgoviște for the Craiova - Pitesti Express Road, section 4 - 16.9 million RON;

- Relocation of the 220 kV and 400kV networks for the construction of the Brăila- Galați express road - 10.1 million RON;
- Deviation of the 220 kV LEA in the Ampoi- Alba Iulia area - 7.7 million RON;
- Procurement and installation of 21 monitoring systems for transformer units in NPG Transelectrica SA substations - 7.5 million RON;
- Installation of AT2 400 MVA, 400/231/22 kV and related cubicles in Iernut substation and upgrade of the control command system of 400/220/110/6 kV Iernut substation - 6.1 million RON;
- Relocation/protection of high voltage networks Overhead Power Line 400 kV s.c. Mintia - Arad for the rehabilitation of the railway line CF Frontiera - Curtici - Simeria, part of the Pan European Corridor IV for the circulation of trains with maximum speed of 160 km/h – 5.7 million RON;
- Installation of an embedded fibre optic protection conductor on the 400kV Roșiori - Mukacevo - 5.2 million RON.

TANGIBLE AND INTANGIBLE FIXED ASSETS

Purchases of tangible and intangible fixed assets in the first half of 2024 totalled 256.2 million RON, an increase compared to the same period of 2023 when purchases totalled 186.4 million RON.

At the same time, the balance of property, plant and equipment in progress according to the financial position as at June 30, 2024, in the amount of RON 846 million, is represented by the projects in progress, the most significant of which are listed below:

- Overhead Power Line 400 kV d.c. Gutinaș - Smârdan - 236.4 million RON;
- Transition to 400 kV of the Porțile de Fier - Reșița - Timișoara - Săcălaz - Arad - Phase I - 400 kV substation s.c. Porțile de Fier - (Anina) - Resita - 117.6 million RON;

- Connection of Overhead Power Line 400 kV Isaccea - Varna and Overhead Power Line 400 kV Isaccea - Dobrudja to the 400 kV Medgidia Sud substation Stage II - Overhead Power Line 400 kV d.c. Connections to Medgidia South substation - 96.7 million RON;
- Refurbishment of 220/110 kV Filești substation - 49.7 million RON;
- Connection to the RET of CEE 300 MW Ivești, CEE 88 MW Fălcu 1 and CEE 18 MW Fălcu 2 through the new (400)/220/110 kV substation Banca – 46.9 million RON;
- Increasing the transmission capacity of the 220kV Stejaru - Gheorgheni - Fântânele - 42.7 million RON;
- Upgrading of the 400/110/20 kV Smârdan substation - 32.1 million RON;

- Isaccea 400 kV Isaccea substation - Phase II - 21.3 million RON;
- Metering and data management system for electricity metering on the wholesale market - 20.1 million RON;
- 110 kV Medgidia Sud 110 kV substation modernisation - 13.8 million RON;
- Extension of the 400 kV Gura Ialomiței substation with two cells: 400 kV Cernavodă 2 and 3 - 12.6 million RON;

- Upgrading of the 110 kV Timișoara 110 kV substation and upgrading to 400 kV of the Porțile de Fier - Anina - Reșița - Timișoara - Săcălaz - Arad axis, phase II: 400 kV substation Timisoara - 8.9 million RON;
- 400 kV overhead power line Gădălin - Suceava, including interconnection to SEN (H.CA no. 7 / 08.07.2010) - 8.5 million RON.

ANNUAL INVESTMENT PROGRAMME

The breakdown of investment expenditure at June 30, 2024 by the main chapters of the annual investment programme is as follows:

It. no.	Categories of expenditure	Scheduled *	Realised (mil RON)	
		(mil RON)	H1 2024	H1 2023
	Grand total (A+B)	544.87	236.98	203.44
A	Company's own expenses	513.02	220.7	184.86
B	Investments financed from the connection fee	31.86	16.28	18.58

*PAI 2024 revision A5

Thus, the degree of realisation of the annual investment programme as at June 30, 2024 is 43.5% against Programme and 83.6% against budgeted H1+II at Grand Total.

Compared to the Annual Investment Programme, the degree of realisation of own expenditure is 43% and compared to the budgeted H1+2 is 84%.

The realised value of further investments is RON 213.86 million and represents 96.9% of the Company's own investment expenditure realised in 2024.

The realised value of the investments financed from the connection tariff is 16.28 million RON, corresponding to requests for the execution of network relocation works or connection to the network of some producers.

The investment programme for 2024 has been revised five times due to requests to introduce/remove investment objectives, increase/decrease some

expenditure amounts due to the pace of implementation of investment projects.

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 and increase interconnection capacity.

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

These already congested regions no longer allow for the integration of new capacity, but taking into account the investments under realisation 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 H1 2024 are:

- Power Quality Monitoring System - 37.82 million RON,
- 400 kV Stâlpu electric substation and upgrade of 110 kV and medium voltage cells in Stâlpu electric substation - equipment - 32.1 mil RON
- Replacement of TRANSFORMER 4-250 MVA, 400/110 kV in 400/110 kV substation Drăgănești Olt - 25.06 mil RON.

EUROPEAN FUNDS

The collaboration between Transelectrica and the Polytechnic University of Bucharest

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

Transelectrica participates in the selection process initiated by the Polytechnic University of Bucharest for

the establishment and operationalisation of a Consortium for the creation of a complete professional route for technical education, where, together with UPB, it has submitted the application for funding for the implementation of the project "**Campus Dual Politehnica Politehnica Bucharest**".

After the submission in March 2023 of the funding application for the project "Campus Dual POLITEHNICA Bucharest", within 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 admissible.

On 07.07.2023 the final list with the results of the qualitative evaluation was published and the project remained on the first position. It should be noted that at the beginning of October 2023 the financing contract was signed and, therefore, the implementation of the project started.

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

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



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

On 30.05.2024, the second working meeting of the project took place at the National University of Science and Technology POLITEHNICA Bucharest with all partners involved.

Upgrade Fund

As regards the implementation of the 9 projects related to the Upgrade Fund, in accordance with the provisions of the financing contracts, progress reports for the year 2023, as well as other categories of information requested by the Ministry (Notifications, communication plans, additional data sheets, etc.) were prepared and submitted to the Ministry of Energy.

In May 2024, a reimbursement request with a total reimbursed amount of 8,602,106.45 RON was submitted according to the schedule for the submission of reimbursement requests for the following project:

- *Digitisation of the RET by installing two online systems for metering and management of electricity metering data on the wholesale market, and for electricity quality monitoring.*

Project "LEA 400 kV d.c. Gutinaș Smârdan"

Regarding the project "LEA 400 kV d.c. Gutinaș Smârdan", financed by the Operational Programme Large Infrastructure 2014-2020, Priority Axis 8 - *Intelligent and sustainable electricity and natural gas transmission systems, Specific Objective 8.1 - Increasing the capacity of the National Energy System for the use of energy produced from renewable resources, **during this period 2 (two) applications for reimbursement with a total reimbursed amount of 27.590.123,87 RON were submitted by the Managing Authority - POIM.***

Financing for this project was valid until December 31, 2023.

Given that the conditions applicable to operations subject to phased implementation have been met, the Project has been included in the List of projects that can be phased and continued for financing in the Sustainable Development Programme (SDP) 2021-2027,

On June 11, 2024, Transelectrica submitted the Financing Request for the continuation of the non-reimbursable financing of the Project through PDD 2021-2027, with a non-reimbursable financing amount of 100,339,057.89 RON.

The project is currently in the technical and financial evaluation phase

REPowerEU plan

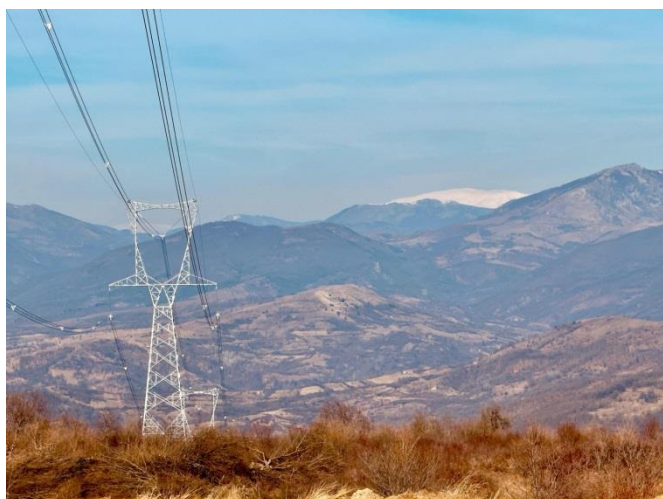
The REPowerEU plan sets out a series of measures designed to rapidly reduce Russia's dependence on fossil fuels and accelerate the green transition, while increasing the resilience of the EU's energy system.

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 the resilience of the grid, while strengthening cyber security by improving the ability to respond to cyberattacks.

After signing the Financing Contract between the General Secretariat of the Government (Reform and/or Investment Coordinator) and C.N.T.E.E. Transelectrica S.A. (Beneficiary) as of 09.04.2024 the related activities

for the implementation of Investment 5 have been realised. Digitisation, streamlining and modernisation of the national electricity transmission grid (allocation € 56,237,200), financed by the National Recovery and Resilience Plan, under Component 16. REPowerEU, which comprises the following Subinvestments:

- Sub-investment 5a. - Installation of photovoltaic power plants (PPP) and electricity storage facilities to supply internal services installed in C.N.T.E.E. stations. Transelectrica S.A. (allocation 29,557,000 euro);
- Sub-investment 5b. - Refurbishment of SMART SA - C.N.T.E.E. branch Transelectrica S.A (allocation 18,240,000 euro);
- Sub-investment 5c. - Optimisation of the communication network and creation of a data centre -Teletrans SA, C.N.T.E.E. subsidiary. Transelectrica S.A. (allocation 8,440,200 euro).



Horizon Programme

Representatives of the Company participate in the Consortia formed to develop projects **development of TwinEU and SmarTWin projects** funded by the European Union Horizon Research - Innovation Programme.

The **TwinEU** (Digital Twin for Europe) **project**, funded through 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 transport 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 results of the project 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 €65,625, representing 75% of the estimated budget amount 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 half of 2024.

- The budget allocated to the Company is €245,000, and the amount collected so far for its involvement in the project is €145,775. The ELECTRON project will end 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 realised within a consortium of 26 partners, the budget allocated to Transelectrica is 217.235 euro.
- The amount collected so far by the Company for its involvement in the project is €129,254. The CyberSEAS project will end on 30.09.2024.

CARMEN project of common interest

The company has resumed the process of obtaining funding through the Connecting Europe Facility (CEF). In this regard, the joint financing application of the partners involved in the project (Delgaz Grid S.A., NPG Transelectrica SA and Elektroenergien Sistemen Operator EAD) is being prepared within the call for projects opened on 30.04.2024.

Within the CARMEN Project, the Company has included the following Investment Objectives:

- "Optimisation of voltage regulation and power quality parameters by installing FACTS equipment in Gutinaş and Roşiori substations;
- "Upgrading and increasing the transmission capacity of the 220 kV overhead power line: Fântânele - Ungheni, Dumbrava - Stejaru and Gutinaş - Dumbrava";
- "National Synchrophasor Platform, connected to the International Platform for Synchrophasor Data Exchange (IPDE);
- "Installations for the regulation of active power flows for the purpose of limiting congestion in the RET"; EMS SCADA Module - Automatic Voltage and Reactive Power Control System.

Project Fiches for financing under the Upgrade Fund

Project fiches have been submitted to the Ministry of Energy for financing through the Upgrade Fund, namely:

- *DigiTEL Green pilot project - Retrofitting of the 220/110/20 kV Mostiștea substation into a digital substation with reduced environmental impact;*
- *DigiTEL Power Lines of the Future Pilot Project - Optimising the LEA by installing innovative poles with low environmental impact;*

Signing of the Contract for the DigiTEL Green Pilot Project - Upgrading of the 220/110/20 kV Mostiștea substation

On 14.12.2023 was published the decision approving the grant from the Upgrade Fund - C(2023) 9054 - for the "DigiTEL Green Pilot Project - Upgrading of the 220/110/20 kV Mostiștea substation to a digital and low environmental impact substation" (**allocation 48,340,733.89 euro**). The financing contract between the Ministry of Energy and NPG Transelectrica SA was signed on 20.02.2024 (C101/20.02.2024).

Confirmation of the DigiTEL Power Lines of the Future Pilot Project - LEA Optimisation (allocation 64.068.257,62 euro) priority investment from the European Investment Bank:

- *In February 2024, the project fiche was submitted to the Ministry of Energy for financing from the Upgrade 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 on 12.06.2024, the Decision approving the grant of EUR 64,068,257.62 from the Upgrade Fund - C(2024) 4190 was published, and the Financing Contract between the Ministry of Energy and Transelectrica will be signed in the third quarter of 2024.*

Events

As regards the **elements, events or factors of uncertainty that have influenced the activity during H1 2024**, the following can be mentioned:

- The volatile construction and energy materials markets and the current geopolitical context have led to a dramatic increase in prices,
- Long delays in the approval by the authorised 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.

Outlook 2024

The **outlook for the next period of 2024** is envisaged as initiatives:

- The approach to grant opportunities is two-pronged
 - *the monitoring process of grant funding opportunities launched by national and European funding authorities, which is ongoing,*
 - *identification of funding opportunities which is carried out in correlation with the company's development priorities, as well as with the identified needs to support their implementation.*
- To continue a good inter-institutional cooperation with the Ministry of Investments and European Projects, the Ministry of Energy, the Ministry of Economy, the General Secretariat of the Government and other governmental entities, in order to ensure the necessary legal framework for the implementation of projects of common interest and national importance that the company implements...
- Development of collaborative partnerships with EU TSOs by initiating innovative transnational projects in the company's fields of activity, aimed at strengthening human resources through exchange of experience and best practices.

THE COMPANY'S FINANCIAL INVESTMENTS

At the European level, the energy sector is in a process of transformation, emphasising the transition from a predominantly national model of evolution and development of the energy sector to a model of integrated and coordinated development at the European level, which ensures a unified development at continental level but also allows for adaptation to national specificities while pursuing the legitimate interests of the European states.

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

- **TSCNET**
- **JAO**

TSCNET (TSCNET Services GmbH)

It was set up to serve Transmission System Operators (TSOs) in the East-Central-West region of Europe (CORE region) for the coordinated implementation of the European network codes. The affiliation is made by participating in the shareholding of TSCNET by carrying out a share purchase transaction in the company.

By Decision No. 9 of the AGEA of June 5, 2018, the affiliation of the Company to the CORE Regional Security Coordination Centre, TSCNET, was approved through participation in the share capital with a contribution of 470,500 EUR (1 share - 2,500 EUR).

JAO (Joint Allocation Office)

As of 2019, auctions for the allocation of long-term capacity are coordinated by the JAO which has been designated as the Single Allocation Platform Operator (SAP).

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

By Resolution No. 10 of the AGEA of August 20, 2018, it was approved the affiliation of the Company to the Joint Allocation Office (JAO) with a cash subscription in the amount of 259,325 euro, being allocated 50 shares.



Significant events

JANUARY - JUNE 2024

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

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

- **Transelectrica General Meeting January 29, 2024**

On January 29, 2024, the Company informed that the Ordinary General Meeting of Shareholders was held by meeting the required quorum of 72.424% of the Company's share capital to hold the meeting, during which the Company took note of the information on the purchases of products, services and works, commitments involving significant obligations of the Company with a value of more than EUR 5,000,000, as well as loans and loan guarantees with a value of less than EUR 50,000,000.

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

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

Company representatives attending the forum sessions, attended by over 120 Italian companies, explored opportunities for collaboration and exchange of experience with the Italian business environment. Investments, maintenance and system operation were the main areas of interest pursued in the topics discussed with the Italian economic 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 the representatives of Terna - the Italian Transmission and System Operator, the topics of discussion being within the scope of strengthening cooperation between the two transmission and system operators members of ENTSO-E, with a focus on the exchange of experience in terms of energy infrastructure development, interconnections and integration of renewable energy.

- **Financing contract from the Upgrade Fund**

In application of Directive 2003/87/EC of the European Parliament and of the Council, on February 20, 2024, the Company signed with the Ministry of Energy the tenth financing contract from the Upgrade Fund for the implementation of the "DigiTEL Green pilot project - Upgrading of the 220/110/20kV Mostișteea substation" with a non-reimbursable amount of 48 million euro.

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 RET Development Plan for the period 2022-2031, the investment in Transelectrica's project portfolio will contribute to the reduction of the environmental impact and the transition towards 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 the Company's shareholders held on February 28, 2024 approved the appointment as 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,

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

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

The ordinary general meeting of the Company's shareholders held on February 28, 2024 approved:

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

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

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

The total value of the investment project is 150 million RON, 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 for Energy Studies and Projects Bucharest.

The 400 kV Overhead Power Line Porțile de Fier - (Anina) - Resita is the most technically complex and difficult line project realised in Romania in the last 30 years, its route crossing mostly mountainous, rugged and difficult to access terrain.

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

The 400 kV Porțile de Fier - (Anina) - Resita 400 kV overhead power line will be put into operational service with the completion of the construction works of the Resita 400 kV substation, expected in the second half of this year.

At the same time, the new Resita 400 kV substation will enable the operation of the Resita - Pancevo 400 kV overhead interconnection line.

The new 400 kV Overhead Power Line Porțile de Fier - (Anina) - Reșița has a total length of 117 kilometres and consists of two sections: a new construction with 259 poles (Porțile de Fier - Anina section), 81.1 kilometres long, and the upgrading of an existing line with 142 poles (Anina - Reșița section), 36 kilometres long.

- **Acceptance of mandates from CS members**

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

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

In accordance with its statutory and legal attributions, the Supervisory Board decided at its meeting of March 4, 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 Rareș
- ORLANDEA Dumitru Virgil
- ZEZEANU Luminița.

Audit Committee:

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

- **Extension of the terms of office of provisional members of the Management Board**

In accordance with its statutory and legal duties, the Supervisory Board decided in its meeting of March 21, 2024, by reference to the expiry on March 24, 2024 of the mandates of the provisional members of the Management Board, the following:

Pursuant to art. 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 starting from March 25, 2024 and until May 24, 2024, but not later than the completion of the selection procedure in accordance with the provisions of Government Emergency Ordinance no.109/2011 if the procedure is completed within this period), of the terms of office of the provisional members of the Management Board for Messrs: Ștefăniță MUNTEANU, Cătălin Constantin NADOLU, Florin Cristian TĂTARU and 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 Board, alternatively referred to as Executive General Manager or Chief Executive Officer - "CEO" of the Compania Nationala de Transport al Energiei Electrice "Transelectrica" SA.

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



The 5th of April 2024 marked the successful completion of an investment of approximately 92 million RON to strengthen energy security in the Dobrogea region, the

development of the transmission grid and the national energy system, through the construction of two new 400 kV double circuit connections, with a total length of 55 kilometres, in the 400 kV Medgidia South Medgidia Electricity Transformer substation, which becomes the third important energy node for the evacuation of energy from Dobrogea.

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

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

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

The execution works were carried out by Electromontaj SA (leader partner), ELM Electromontaj Cluj SA and EMFOR Montaj SA as subcontractor, and the implementation of the project in the information systems was carried out with the support of specialists Teletrans SA, 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 exchange 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 Sud substation a particularly important energy node 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, Republic of Moldova and Serbia, will be rationalised.

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 conditions of high power generation in wind power plants. At the same time, cross-border capacity on the Bulgarian border will be increased by between 200 MW and 300 MW for exports and around 100 MW for imports.

- **€56.2 million contract funded by NRRP**

Further to the information disseminated in the current report sent through the capital market institutions on December 11, 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.

The contract will finance three investment projects essential for the efficiency and modernisation of the electricity transmission network, two of them for the subsidiaries SMART SA and Teletrans SA.

The investment covers the installation of photovoltaic power plants and storage facilities in 29 electrical substations, the upgrading of the SMART SA subsidiary, the optimisation of the communications network managed by the Teletrans subsidiary and the creation of a data centre.

It should also be noted that the investment for the installation of photovoltaic power plants and electricity storage facilities in 29 out of a total of 81 substations in the transmission grid is off-grid, where the photovoltaic power plants and storage batteries will be used only to supply electricity to part of the internal services of the substations.



The implementation of these projects will significantly contribute to the consolidation of Romania's transmission grid.

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 the resilience of the grid, while strengthening cyber security by improving the ability to respond to cyberattacks.

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

On April 16, 2024, in the presence of governmental and local officials, the Company inaugurated the 400 kV Porțile de Fier - (Anina) - Resita Overhead Power Line in a ceremony organised in the Porțile de Fier Electricity Transformer substation.

In conjunction with the realisation of the new 400 kV Reșița substation, the 400 kV Porțile de Fier - (Anina) - Reșița power line will contribute to the consolidation of the energy sector in the Banat region and will facilitate the increase of interconnection capacity with the ENTSO-E network by 600 MW, to the benefit of the grid connected users.

- **Decision No 3 of the Ordinary General Meeting of Shareholders of April 29, 2024**

The ordinary general meeting of the Company's shareholders held on April 29, 2024 approved:

- Separate financial statements of NPG "Transelectrica"-S.A. for the financial year 2023;
- Consolidated financial statements of NPG "Transelectrica"-S.A. for the financial year 2023;
- Allocation of net accounting profit as at December 31, 2023;
- The distribution of the gross dividend per share from the retained earnings in the balance on December 31, 2023, in the amount of RON 0.28;
- Creation of reserves related to the revenues realised from the allocation of transmission capacity on interconnection lines by distribution from the retained result representing the surplus realised from revaluation reserves not taxable upon change of use;
- Discharge of the members of the Management Board and members of the Supervisory Board for the financial year 2023;
- Remuneration report for the financial year 2023;
- Remuneration policy for members of the Company's executive and non-executive management revised to March 2024;
- Ratification by the General Meeting of Shareholders of the Supervisory Board's Decisions for the appointment of provisional members of the Management Board No 26/25.06.2021, No 49/22.12.2021, No 50/22.12.2021, No 51/22.12.2021, 52/22.12.2021, 53/22.12.2021, 13/23.03.2022, 18/21.06.2022, 43/14.10.2022, 53/19.12.2022, 15/19.04.2023, 24/20.06.2023, 39/24.10.2023 and 11/21.03.2024;

- Establishment of the general limits of the remuneration and other benefits to be granted by Transelectrica S.A. to the provisional members of the Management Board, including the fixed indemnity and other benefits granted;
- Setting the date of June 6, 2024 as the "ex date", the calendar date from which the Company's shares subject of 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 record date of the shareholders on whom the effects of the Ordinary General Meeting of Shareholders' Resolution will be reflected;
- Set June 27, 2024 as the "payment date" of the dividends distributed from the retained earnings existing in the balance on 31.12.2023.

• **Notice on the procedure for paying distributed dividends**

On May 17, 2024, pursuant to Decision no. 3 of the Ordinary General Meeting of Shareholders of April 29, 2024, NPG "Transelectrica" S.A. (TEL) submitted the procedure for the payment of dividends from the retained earnings in the balance as at 31.12.2023.

The gross dividend for the financial year 2023 was RON 0.28 gross/share.

Dividend payments were made as from June 27, 2024 (payment date) to shareholders registered on June 7, 2024 in the TEL Shareholders Register (ex-date 06 June 2024), through the Central Depository SA (DC) and the paying agent BRD - Group Société Générale (BRD).

• **Appointment of members of the Executive Board, appointment of President**

The Company has informed that, in accordance with its statutory and legal powers, the Supervisory Board decided, at its meeting of May 22, 2024 (by reference to the expiry on May 24, 2024 of the terms of office as provisional members of the Management Board of Mr Ștefăniță MUNTEANU, Mr Cătălin Constantin NADOLU, Mr Florin Cristian TĂTARU and Mr Bogdan TONCESCU, pursuant to Government Emergency Ordinance no. 109/2011 on corporate governance) and appointed as provisional members of the Management Board Messrs:

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

At the same meeting, in accordance with the provisions of Article 23 para. (1) of the Company's Articles of Association, the Supervisory Board elected Ștefăniță MUNTEANU as Chairman of the Management Board, alternatively referred to as Chief Executive Officer - "CEO" of Compania Nationala de Transport al Energiei Electrice "Transelectrica" SA.

The term of office of the members of the Management Board shall have a duration of 5 months as from May 25, 2024, but the term of office shall not exceed the date of completion of the selection procedure of the members of the Management Board of Compania Nationala de Transport al Energiei Electrice "Transelectrica"-SA under the conditions of the Government Ordinance no.109/2011 on the corporate governance of public enterprises, approved with amendments and additions, if the procedure is completed within this period.

• **Memorandum on the initiation of procedures for the establishment of the Joint Venture Company**

On May 27, 2024, in application of the Agreement between the Governments of the Republic of Azerbaijan, Georgia, Romania and Hungary on the Strategic Partnership in the field of Green Energy Development and Transmission - "*Green Energy Corridor*" Project, NPG "Transelectrica" SA and the other relevant parties designated at the level of each state, namely AzerEnerji JSC, Georgian State Electrosystem and MVM Zrt, signed in Bucharest, a Memorandum of Understanding whereby they agree to endeavour to take the necessary steps to set up a Joint Venture company based in Romania.

• **Regulated tariff applicable from June 1, 2024**

The Company, on June 4, 2024, informed the investing public on the publication in the Official Gazette no. 503/30.05.2024 of ANRE Order no. 15/2024 regarding the approval of the tariff for the system service, applied by the Company.

Therefore, the regulated tariff (excluding VAT) for the system service, applicable from June 1, 2024 is:

Service	Tariff applicable from January 1, 2024	Tariff* applicable from June 1, 2024
	RON/MWh	RON/MWh
Tariff for the system service:	9.17	12.84

* The change in the value of the tariff was determined by the application of the mechanism for correcting significant deviations from the forecast that was the basis for the approval of the tariff in force as of 01

January 2024, in accordance with the provisions of the regulatory framework issued by the National Energy Regulatory Authority

- **Announcement concerning the selection of candidates for the position of member of the Management Board of C.N.T.E.E. "Transelectrica" S.A.**

The Company's Supervisory Board has announced the launch of the selection procedure for the selection of candidates for five positions on the Management Board of C.N.T.E.E. "Transelectrica" S.A.

This selection process shall be carried out in accordance with the provisions of the O.U.G. no.109/2011 on the corporate governance of public enterprises, approved by Law no.111/2016, with the additions and amendments made by Law no.187/2023, as well as the provisions of the H.G. no.639/2023.

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

On June 25, 2024, the Company informed its shareholders and investors about the conclusion of a significant transaction with its subsidiary SMART SA, regarding the conclusion of a contract for "Strategic services/works in the facilities managed by NPG Transelectrica SA", with a 36-month duration.

The subject of the contract is represented by strategic services / works in the facilities managed by NPG Transelectrica SA in connection with the maintenance activity carried out in the Company in accordance with the provisions of the Maintenance Assurance Programme (MAP) and the Regulation of preventive maintenance of facilities and equipment within the RET, documents prepared on the basis of ANRE Order no. 96/2017 for the approval of the Regulation of the organisation of maintenance activity, as well as with the provisions of other specific regulations in force (prescriptions, internal technical standards, technology sheets, etc).

- **Upgrade Fund project approved by the European Commission**

The European Commission, on the basis of Commission Implementing Regulation (EU) 2020/1001 and Directive 2003/87/EC, has approved by Decision COM C(2024) 4190 final/12.06.2024, for non-reimbursable financing from the Upgrade Fund, the investment project of the National Electricity Transmission Company "Transelectrica" S.A. - "DigiTEL Power Lines of the Future Pilot Project - Transition of the 400 kV Isaccea - Tulcea West LEA from single circuit to double circuit".

The grant amount of the project is 64,068,257.62 euro and the approval decision was published on the Upgrade Fund website on 25.06.2024.

The project aims to build a 400 kV double-circuit overhead power line between Isaccea and Tulcea Vest stations by replacing the existing 400 kV single-circuit overhead power line, installing two 400 kV overhead cells in the two stations and using innovative tubular poles.

The transition of the 400 kV Isaccea - Tulcea West power line from single circuit to double circuit is a viable solution to avoid overloads and to increase the connection capacity of renewable energy power plants in Dobrogea region to the National Electricity System.

The project is included in the Electricity Transmission Grid Development Plan, 2022-2031, as a project that will contribute to the integration of renewable energy sources and new power plants and will strengthen the transmission capacity from Dobrogea to the rest of the system.

SUBSEQUENT EVENTS

- **Convening of the Extraordinary General Meeting of Shareholders**

In accordance with the provisions of the Companies Law no. 31/1990, republished, with subsequent amendments and additions, of the Law no. 24/2017 on issuers of financial instruments and market operations, republished, with subsequent amendments and additions, of the A.S.F. Regulation no. 5/2018 on issuers of financial instruments and market operations, with subsequent amendments and additions, as well as of the Company's Articles of Association in force, the Company's Management Board convened the Extraordinary General Meeting of Shareholders on August 12, 2024, with the following items on the agenda

- Approval of the participation of Compania Nationala de Transport al Energiei Electrice "Transelectrica" - S.A. in the share capital of a new Joint Venture company based in Romania in application of the Agreement between the Governments of the Republic of Azerbaijan, Georgia, Romania and Hungary on the Strategic Partnership in the field of Green Energy Development and Transport - "Green Energy Corridor" Project
- Approval of the procurement of legal services for the implementation of projects and transactions with a foreign element in which the National Electricity Transmission Company "Transelectrica" -S.A. is involved in the application of governmental decisions or, where appropriate, in the application of European

regulations arising from its status as a transmission and system operator in the electricity sector.

- **Request to complete the agenda of the General Meeting August 12/13 2024**

The Company has informed investors that the majority shareholder, the Romanian State, through the General Secretariat of the Government, pursuant to Article 105 paragraph (3) of Law no. 24/2017 on issuers of financial instruments and market operations, republished, in conjunction with the provisions of Art. 1171 of the Companies Law no. 31/1990, republished, with subsequent amendments and supplements, has requested to supplement the agenda of the Extraordinary General Meeting of Shareholders convened for 12/13.08.2024 with the ***Approval of the RET Development Plan for the period 2024 - 2033.***



Other Aspects

SHAREHOLDER STRUCTURE

The shareholding structure of the Company as at 30.06.2024 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	16,533,437	22.6%
Other shareholders - individuals	4,988,141	6.8%
Total	73,303,142	100%

COMPOSITION OF THE BOARD

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

Stefan MUNTEANU	Chairman of the Board
Cătălin-Constantin NADOLU	Board Member
Bogdan TONCESCU	Board Member
Florin-Cristian TĂTARU	Board Member

TARIFFS

In accordance with the provisions of *the Methodology for setting the tariffs for the electricity transmission service*, approved by the Order of the President of ANRE no.171/2019, with subsequent amendments and additions, of the *Government Emergency Ordinance no.27/2022 on the measures applicable to end*

Transport tariff applied in the first half of 2024

By ANRE President Order no.109/2023, the average transmission service tariff, the components of the transmission tariff for the introduction of electricity into the grid (T_{Gp}) and for the extraction of electricity from

customers in the electricity and natural gas market in the period April 1, 2022 - March 31, 2023 and for amending and supplementing some normative acts in the energy sector, the transmission tariff applied in 2024 was set, starting with January 1.

the grid (T_L), the system service tariff and the regulated price for reactive electricity, applied by NPG Transelectrica S.A., valid from January 1, 2024, were approved, as shown in the table below:

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

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

- Declining consumption trend and Inflation effect.

TGT sub-component on OTC for additional transits of electricity from 110 kV electricity grids

By ANRE President Order no.109/2023, the sub-component of the TSO regarding the OTC related to the additional transits of electricity from the 110 kV electricity grids, corresponding to the quota assigned to electricity producers that own power

plants with installed capacity of more than 5 MW and that introduce electricity into the grid area of the concessionary distribution operator, valid from January 1, 2024, as per the table below:

Economic operator	Activity ¹⁾	Tariff from January 1, 2024 (RON/MWh), of which:
NPG "Transelectrica" – S.A	TGT sub-component for the OTC related to additional transits of electricity from the 110 kV electricity grids, corresponding to the quota assigned to electricity producers which own power plants with an installed capacity of more than 5MW and which introduce electricity into the grid area of the concessionary distribution operator Distribuție Energie Oltenia S.A	2.53
	Sub-component of the TSO for the OTC related to the additional transits of electricity from the 110 kV electricity grids, corresponding to the share attributed to electricity producers that own power plants with an installed capacity of more than 5MW and that introduce electricity into the grid area of the concessionary distribution operator Retele Electrice Dobrogea S.A. (previous name E - Distribuție Dobrogea S.A.)	3.95

i) In accordance with the applicable regulatory framework, the costs of OTC caused by additional transits of energy in the networks of distribution system operators at the 110 kV voltage level shall be recovered by the distribution system operators from the transmission system operator and from the electricity generators through the transmission system operator, in proportion to the quantities of electricity injected into the distribution networks by the transmission system operator and by the electricity generators owning and operating plants connected to the distribution networks concerned.

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

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

By ANRE Order no.15/2024, the tariff for the purchase of system services charged by NPG Transelectrica SA

was approved, valid from June 1, 2024, as shown in the table below:

System Service	MU	Tariff in force from June 1, 2024	Tariff applied from January 1, to May 31, 2024 ANRE Ordin 116/2023	Difference (%)
(1)	(2)	(3)	(4)	(5)=(3)/(4)
Average tariff	RON/MWh	12.84	9.17	40.02%

The positive adjustment of the tariff as of June 1, 2024 was made on the basis of compliance with the provisions of Art.22 and Art.23 of the *Methodology for establishing the tariff for the purchase of system services*, approved by ANRE Order no.116/2022. The above-mentioned Articles provide the following:

- Art.22 In order to avoid the subsequent recording of a significant level of corrections due to changes in the purchase prices and/or the quantities of system

services purchased referred to in Article 2, the TSO shall calculate, for the first quarter and for the first half of a tariff period t-1, respectively, the difference

between the realised and forecast revenues and costs, plus the amount of the unpaid corrections related to the previous period/periods, and shall submit the calculation to ANRE on May1 and August 1 of the year t-1, respectively;

- *Art.23 If the TSO finds that the value determined in accordance with the provisions of Article 22 shows a variation of more than 5% of the forecasted revenues for the same period, it is obliged to submit to ANRE the request for revision of the tariff for the purchase of system services, which shall include the value determined in accordance with the provisions of Article 22, valid until the end of the tariff periods.*

Thus, following the interim verification at the end of the first quarter of 2024 of the situation of costs and

revenues related to the system services activity, ANRE has adjusted the tariff amount accordingly, starting June 1, 2024.

Events after the reporting period concerning the tariff for the purchase of system services:

Also based on the provisions of the above-mentioned articles, on August 1, 2024, NPG Transelectrica SA is obliged to submit to ANRE, the interim verification for the first half of 2024 of significant deviations from the forecast values of the situation of costs and revenues.

Following this analysis, if it is found that in the first half of 2024 the provisions of Art. 22 and Art.23 have been met again, ANRE will adjust the tariff accordingly, starting September 1, 2024.

LITIGATIONS

The most important litigations impacting the Company are set out below:

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

- **RAAN**

In file no. **9089/101/2013**, on 19.09.2013, the Mehedinți Court ordered the opening of the general insolvency procedure against RAAN.

On 09.03.2015, the Mehedinți Court confirmed the reorganization plan of the debtor Regia Autonomă Pentru Activități Nucleare proposed by the judicial administrator Tudor&Asociatii SPRL and voted by the General Meeting of Creditors according to the minutes of 28.02.2014.

On 14.06.2016, the opening of bankruptcy proceedings against RAAN was ordered.

NPG Transelectrica SA filed an appeal against the additional table of claims, which was the subject of file no. 9089/101/2013/a152 against the debtor RAAN, as the judicial liquidator did not register a claim in the amount of 78,096,209 lei on the grounds that "this does not appear as owed in the accounting records of RAAN." Moreover, the judicial liquidator considered that the request to enter the amount of 78,096,209 lei in the table is formulated late, being related to the period 2011 - 2013, which is why the debt statement had to be formulated at the time of the opening of the insolvency procedure, respectively in dated 18.09.2013. An appeal was submitted within the legal term to the additional table of claims, the Mehedinți Court approving the evidence with the accounting expertise. By Decision 163/20.06.2019, the solution of the Mehedinți Court: the exception of forfeiture was admitted. The main action as well as the related appeal were admitted in part. Obliges the defendant to pay to the plaintiff the amount of 16,950,117.14 lei, a claim arising during the

procedure, ordering its entry in the list of creditors set up against the debtor RAAN with this amount. The rest of the related requests were dismissed. Pursuant to art. 453 para. 2 C. Fr. civil obliges the defendant to pay the plaintiff 1,000 lei in court costs. With call. Pronounced in public session. Document Decision 163/20.06.2019. Transelectrica filed an appeal within the legal term. At the deadline of 06.11.2019, the Craiova Court of Appeal ordered the rejection of Transelectrica's appeal, as unfounded. Final decision. Decision 846/06.11.2019.

In the bankruptcy file of RAAN registered under no. 9089/101/2013, CNTEE Transelectrica SA was registered with the credit table with the following claims: 2,162,138.86 lei + 16,951,117.14 lei.

Deadline for continuation of the procedure for collection of claims, capitalization of assets and the fulfillment of other liquidation operations: **03.10.2024**.

Also, between RAAN and Transelectrica, there are other cases in different stages of trial. Actions by RAAN against NPG Transelectrica SA deriving from contract no. C137/08.04.2011.

File no. 28460/3/2017 - Subject of the file: obliging the underwriter to pay the total amount of 12,346,063 lei. CAB decision 09/27/2021: Suspends the judgment of the appeal until the final settlement of files no. 28458/3/2017, no. 26024/3/2015. The decision of 23.05.2022: Rejects as unfounded the request to reinstate the pending case. Keeps the judgment of the appeal suspended. At the deadline of 20.05.2024, the appeal was admitted, the appealed sentence was changed in the sense that: the summons request was admitted. It obliges the defendant to pay the plaintiff the

sum of 12,346,063.10 lei, representing the principal debt and penalties, with the right of appeal. Decision 806/20.05.2024.

File no. **3694/3/2016** - Claims 15,698,721.88 lei. Court term on 08.11.2021: the case has been suspended until the final settlement of Files no. 26024/3/2015 and no. 28458/3/2017. Decision 06/03/2024: the appeal was accepted, the appealed sentence was changed in its entirety, in the sense that: the summons request was accepted. The defendant was obliged to pay the plaintiff the sum of 12,727,101.99 lei, representing the bonus value and regularization of the ante-overcompensation for which SRTF series invoices were issued, as well as the sum of 2,917,619.81 lei, representing the related delay penalties the main debit, for which SRTF series invoices were issued, with the right of appeal. Decision 898/03.06.2024.

• RESITA MUNICIPALITY

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

Subject matter: By means of the application, the applicant Municipality of Reșița seeks an order that the defendant Transelectrica SA pay the following amounts: 2,129,765.86 RON, representing the rent for the area of land temporarily occupied from the forest fund for 2015; 2,129,765.86 RON, representing the rent for 2016; 2,129,765.86 RON, representing the rent for 2018; legal penalty interest from the due date until the actual payment.

Solution of the CS Tribunal: Suspends the judgement on the application brought by the plaintiff Municipality of Reșița, through the Mayor, against the defendant Transelectrica, concerning claims, pursuant to Article 413 paragraph (1), item 1 of the Civil Procedure Code. With appeal to the higher court for as long as the trial is suspended. Document: Resolution - Suspended 22.03.2021.

The suspension of the judgement of the case was ordered until the final resolution of case no. 3154/115/2018* of the Caras Severin Court.

At the term of 02.03.2023 was suspended the judgement of the application brought by the plaintiff Municipality of Reșița, against the defendant Transelectrica, concerning claims. With right to appeal throughout the stay of the trial.

At the term of 27.06.2024 it was ordered to communicate to the expert a copy of the notes of the meeting, on pages 172-174, submitted by the defendant Transelectrica SA. It was ordered to communicate to the expert a copy of the clarifications submitted by the plaintiff Municipality of Reșița following the

request made by the expert. The hearing of the case was adjourned to **19.09.2024**, in the absence of the expert's report.

• ANAF

File no. **8993/299/2018** by which the Company challenged the enforcement of execution initiated on the basis of enforceable title no. 13540/22.08.2017, which is based on the tax assessment decision no. F-MC 439/30.06.2017 issued by ANAF - General Directorate for the Administration of Large Taxpayers

Solution in brief: The appellant's application for a stay of the proceedings is granted. Based on Article 413 para. (1) item 1 of the Civil Procedure Code suspends the judgement until the final resolution of **case no. 1802/2/2018**, pending before the Bucharest Court of Appeal, 8th Department Administrative and Tax Litigation. With appeal for the entire duration of the suspension, the appeal application to be lodged with the District Court of Bucharest. Delivered in open court. Document: Adjournment - Suspension 17.04.2018.

Case no. 1802/2/2018 - At the deadline of 20.10.2020 - short solution: the applications pending were partially admitted.

Decision no.122/13.03.2018, regarding the settlement of the appeal lodged against the tax assessment 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 assessment decision, was partially annulled, in the sense that:

- ✓ the obligation to pay corporate income tax in the amount of RON 18,522,280, VAT in the amount of RON 5,694,636 and the tax accessories related to these main tax debts, in the amount of RON 48,436,653, tax obligations established for the 349 tax invoices with special regime found missing from the applicant's management.
- ✓ removes the non-deductible character for the calculation of taxable profit of the amount of 27,001,727 RON, representing system technological services invoiced by energy suppliers, considered non-deductible following the tax inspection 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 the taxable profit of the amount of 343,629.91 RON. representing "weed removal

services" 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 the taxable profit of the amount of 230,685.491 RON, representing the expenses for promotional products and protocol and the obligation to pay the main and accessory tax claims in relation to this amount.
- ✓ removes the non-deductibility of VAT in the amount of 46,417.1 RON, amounting to 343,629.91 RON, representing "weed removal services" and the obligation to pay the main and accessory tax claims in relation to this amount.
- ✓ removes the non-deductibility of VAT in the amount of 37,693.88 RON related to the amount of 230,685.49 RON, representing expenses for promotional and protocol products and the obligation to pay the main and accessory tax claims in relation to this amount.
- ✓ remove the mention regarding the obligation of the Sibiu Transmission Branch of NPG Transelectrica S.A. to record the amount of 576,846.80 RON as taxable income, no later than 30.06.2010, the date on which the audited entity was accepted for registration in the creditors' estate with this amount, the mention regarding the character of taxable income for the calculation of the profit of the amount of 576,846.80 RON in accordance with the provisions of art. 1 of Law no. 571/2003 on the Tax Code with subsequent amendments and additions, in conjunction with item 23 lit. d of GD 44/2004 containing the Methodological Norms for the application of Law no. 571/2003, the chapter on corporate income tax, respectively chapter VII on the function of the accounts of Order no. 3055 of October 29, 2009 for the approval of the Accounting Regulations in compliance with the European Directives and the obligation to pay the main and accessory tax claims in relation to this amount.
- ✓ removes from the Minutes the finding made with regard to the "determination of the deductible value added tax lower than that registered by the plaintiff, thus resulting in a difference in the amount of 13,141 RON" (Annex no.15) and the obligation to pay the main and accessory tax claims in relation to this amount.
- ✓ removes the obligation to pay the penalties for late payment that have a sanctioning legal regime, calculated for a period of more than 6 months from the date of the start of the tax inspection, in respect of the principal tax liabilities that have been upheld by the court in the present judgement, as established by Tax Assessment Decision no.F-MC 439/30.06.2017, issued on 12.07.2017, by ANAF- DGAMC, by the Tax

Assessment Decision no/13.03.2018, regarding the settlement of the appeal lodged against the Tax Assessment Decision No. F-MC 439/30.06.2017, issued by ANAF - General Directorate for the Settlement of Appeals.

The other provisions of the Decision no.122/13.03.2018, regarding the settlement of the appeal lodged against the tax assessment decision no. Dismisses the remainder of the applications dismissed as unfounded.

The application for an award of costs in the form of stamp duty is dismissed as unfounded. Orders the defendants, jointly and severally, to pay to the plaintiff the costs in the amount of 4,000 RON, representing the fee for the expert's report in the speciality of accounting-tax expertise, in proportion to the admission of the claim.

Transelectrica and ANAF filed an appeal in March 2022. Solution on May 24, 2022: Dismisses as unfounded the request for clarification and amplification of the operative part of the judgment. Grant the application for rectification of the substantive error to the effect that the amounts of the principal and ancillary tax liabilities in respect of the 349 tax invoices, as set out in the contested tax assessment decision, are to be recognised as correct. Orders that the clerical error be rectified so as to remove the erroneous name of the applicant from the contested judgment.

The parties have appealed. ICCJ term: 13.12.2023.

On 13.12.2023, the ICCJ remained in judgment; 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 October 20, 2020, delivered by the Bucharest Court of Appeal - 8th Department - Administrative and Tax Litigation. Partially quashed the judgment under appeal and, re: dismissed the application for annulment of the decision on the settlement of the appeal No 122/13.03.2018 and of the tax assessment decision No F-MC 439/30.06.2017 concerning: - withholding the non-deductibility of expenses in the amount of 343,629.91 RON, representing "weed removal services" and the related VAT; - withholding the non-deductibility of expenses in the amount of 230,685, representing the value of promotional and protocol goods and the related VAT; - the obligation to pay late payment penalties which have a sanctioning legal regime, calculated for a period exceeding 6 months from the date of the start of the tax inspection. Fixed the amount of the costs to which the defendants were ordered, jointly and severally, at the sum of 6000 RON,

representing the fee for the expert's report in the speciality of accounting and taxation. It maintained the other provisions of civil judgment No 382 of October 20, 2020. Admitted the appeals lodged by the plaintiff Transelectrica and the defendant General Directorate for the Administration of Large Taxpayers against the civil judgment no.134 of May 24, 2022, pronounced by the Bucharest Court of Appeal - 8th department - Administrative and Tax Litigation. It quashed in part civil judgment no. 134 of May 24, 2022 and, on appeal: granted in part the request for clarification and supplement of the operative part of civil judgment no. 382 of October 20, 2020, filed by the plaintiff Transelectrica. It ordered the following to be added to the operative part of civil judgment No 382 of October 20, 2020: - also cancelled the Tax Inspection Report No. F-MC 222/30.06.2017 in so far as the tax assessment decision No. F-MC 439/30.06.2017 was annulled; - annulled the main tax liabilities established for 2005 and the related accessory tax liabilities, as the right of the tax authority to establish such liabilities was time-barred; - annulled the tax administrative acts in respect of the non-deductibility of the expenses with the SMART benefit share. Removed the entries relating to the amounts of corporate tax and cancelled ancillary tax in respect of the 349 tax invoices in both the judgments for rectification of the substantive error and the main judgment. It maintained the other provisions of civil judgment No 134 of May 24, 2022. Ordered the defendant-appellants to pay to the applicant-appellant Transelectrica the sum of 200 RON, representing costs of the appeal. Definitive. Judgement 6169/20.12.2023.

Civil judgment no. 6169/2023, pronounced on December 20, 2023, by the ICCJ - Administrative and Fiscal Litigation Section, was communicated to the Company on May 15, 2024.

- **CONAID COMPANY SRL**

The subject of file no. **36755/3/2018** is the finding of unjustified refusal to conclude an additional act to the RET C154/2012 connection contract and claims in the amount of 17,216,093.43 RON, the loss suffered and 100,000 euro, the value of the estimated unrealised benefit.

At the trial date of **03.01.2024**, the TMB admits the plea of time barring of the substantive right to bring an action, raised in the defence. The application is dismissed as time-barred. With an appeal within 30 days of notification. Decision 4/2024

- **OPCOM**

Case no. **22567/3/2019** - Subject of the case: common law claims.

To order the defendant OPCOM SA to pay the amount of 4,517,460 RON, related to the invoice series TEL 16 AAA no. 19533/29.07.2016, representing the VAT amount, related to the contribution brought by NPG Transelectrica SA to the share capital of OPCOM SA, issued under the Loan Agreement no. 7181RO/2003, commitment for the financing of the investment project "Electricity Market Project".

Ordering the defendant OPCOM SA to pay the amount of 1,293,778.27 RON related to the invoices TEL 19 T00 nr.17/28.01.2019 and TEL 19 T00 nr. 131/10.07.2019, representing the legal penalty interest, calculated for the non-payment on time of the invoice TEL 16 AAA series no. 19533/29.07.2016.

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

The TMB's solution Admits the challenge of limitation. Dismisses the action as time-barred. Subject to appeal within 30 days from the date of communication, to be lodged with the Bucharest Tribunal, 6th Civil Department. Delivered by delivery of the judgment to the parties through the court registry. Document: Decision 3021/03.12.2021. So far the judgement in this case has not been drafted. After the drafting and communication of the Civil Judgement no. 3021/03.12.2021, the Company may appeal against this judgement. Transelectrica has appealed.

CAB solution according to Decision No 1532/12.10.2022: Dismisses the appeal as unfounded. Orders the appellant to pay the respondent the sum of 11,325.21 RON by way of costs. With appeal within 30 days of notification. Transelectrica filed an appeal against the civil decision no.1532/12.10.2022 issued by the CAB. . On 19.09.2023 at the ICCJ the appeal was admitted, the decision 1532/12.10.2022 was quashed and the case was sent for retrial to the same court. Definitive. Decision 1640/19.09.2023.

Case no. **24242/3/2021** - Bucharest Tribunal - Civil Department VI - Subject matter: The plaintiff OPCOM seeks a declaration of nullity of the act - contribution in kind.

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

OPCOM filed an appeal with a date of **12.09.2024**.

• GRAND VOLTAGE

Case **no.17976/3/2021**, registered with the Bucharest District Court, concerning the application for a writ of summons, by which the plaintiff Grand Voltage seeks an order that the defendant NPG Transelectrica SA be ordered to pay compensation for the damage caused to the undersigned in the amount of 8,331,444.60 RON as a result of the culpable non-execution of the obligations related to the Works Contract No C 111/23.05.2018 on "Connection of the 100kV Isaccea -Varna and 400 kV Isaccea-Dobruja substations in the 400 kV Medgidia Sud substation Stage II-LEA 400kV d.c. Medgidia Sud substation connections".

Solution on 25.07.2022 according to Judgement 1812: dismiss the action as unfounded. Subject to appeal within 10 days of notification. The appeal shall be submitted to the Bucharest Tribunal - 6th Department, under penalty of nullity. The judgement is not redacted.

Grand Voltage has appealed. At the term of 17.07.2024, the plea of lack of legal capacity of the appellant - plaintiff JV Voltage Operation (Former Grand Voltage SRL) - Doko Shpk through the leader of the joint venture Voltage Operation was dismissed as unfounded, plea raised by the respondent - defendant Transelectrica SA with regard to the appeal. Fixes **13.08.2024** as the date for the continuation of the trial.

• COURT OF AUDITORS

Following an audit carried out in 2017, the Court of Auditors ordered certain measures to be implemented by the Company as a result of certain deficiencies found during this audit. The Company lodged several appeals against the measures ordered by the Court of Auditors of Romania (CoA) by Decision no. 8/27.06.2017, requesting their cancellation, as well as against the Decision no. 77/03.08.2017, registered at the Company's registry under no. 29117/08.08.2017, respectively the Audit Report no. 19211/26.05.2017. The appeals were filed before the Bucharest Court of Appeal, among which **case nr.6581/2/2017** concerning the annulment of the findings in paragraph 6 and the measure ordered in paragraph II.9, at the trial term of 31.03.2023: According to the minutes of 29.03.2023, case no. 6581/2/2017 has been versioned in the 12th Panel of first instance of the Eighth Administrative and Tax Litigation Department under no. **6581/2/2017*** The solution in brief: In order to give the parties the

opportunity to submit written submissions and to deliberate, the Court adjourns the hearing to the following deadlines 31.03.2023, 13.04.2023, 28.04.2023, 12.05.2023.

At the hearing on May 26, 2023, the application was granted. Partial annulment of Decision No 77/03.08.2017, as regards the rejection of point 6 of Appeal No 26140/17.07.2017, Decision No 8/27.06.2017 as regards the findings in point 6 and the measure ordered in point 11.9, and Control Report No 19211/26.05.2017 as regards the findings in point 3.2. Orders the defendant to pay to the applicant the costs totalling 10,450 RON, representing the court stamp duty and the fees of the court expert. With appeal within 15 days of notification. Decision 920/26.05.2023.

Transelectrica has lodged an appeal with a date of **January 23, 2025**.

The subject of the case file **2153/2/2021** is the annulment of the administrative act issued as a result of the control carried out by the CCR between January and 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 dismisses the Company's application to intervene. Transelectrica's appeal was dismissed as unfounded on 07.03.2024. Final judgement no.1319/2024.

- OTHERS

The company is involved in significant litigation, notably for debt recovery (e.g.: Total Electric Oltenia SA, Regia Autonomă de Activități Nucleare, 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 recognised impairment adjustments for customer and other receivables in dispute and for customers in bankruptcy.

The Company is also involved in litigation with former members of the Management and Supervisory Boards in relation to the contracts of mandate concluded between the Company and them. For these litigations, the Company has made a provision.



Annexes

ANNEX 1: Separate statement of financial position

[mil RON]	H1 2024	2023	Δ	Δ (%)
	1	2	3=1-2	4=1/2
ASSETS				
Non-current assets				
Tangible assets	5,490	5,416	75	1%
Assets of the usage rights for leased assets - buildings	10	14	(4)	(29%)
Intangible assets	288	282	6	2%
Financial assets	86	86	-	n/a
Total non-current assets	5,874	5,798	76	1%
Current assets				
Inventories	54	51	3	6%
Trade and other receivables	3,390	2,116	1,274	60%
Cash and cash equivalents	527	519	8	1%
Income tax to be recovered	4	-	4	n/a
Total current assets	3,975	2,686	1,289	48%
Total assets	9,849	8,484	1,366	16%
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' Equity				
Share capital, of which:	733	733	-	n/a
<i>Subscribed share capital</i>	733	733	-	n/a
Share premium	50	50	-	n/a
Legal reserves	147	147	-	n/a
Revaluation reserves	1,573	1,635	(62)	(4%)
Other reserves	239	196	43	22%
Retained earnings	2,735	2,430	305	13%
Total shareholders' equity	5,476	5,190	286	6%
Non-current liabilities				
Long term deferred revenues	525	519	6	1%
Long term borrowings	20	32	(12)	n/a
Other loans and assimilated debts - Non-current building lease liabilities	2	6	(4)	(66%)
Deferred tax liability	288	285	3	1%
Employee benefits liabilities	75	75	-	n/a
Total non-current liabilities	910	918	(7)	(1%)
Current liabilities				
Trade and other liabilities	3,331	2,242	1,089	49%
Other loans and assimilated debts - Current building lease liabilities	9	9	0.1	1%
Other tax and social security liabilities	16	19	(2)	(12%)
Short-term borrowings	24	25	(0)	n/a
Provisions	61	65	(4)	(6%)
Short-term deferred revenues	21	16	4	28%
Tax on profit to be paid	-	0.4	(0.4)	n/a
Total current liabilities	3,463	2,376	1,087	46%
Total liabilities	4,373	3,294	1,079	33%
Total shareholders' equity and liabilities	9,849	8,484	1,366	16%

ANNEX 2: Separate profit and loss account

[mil RON]									
Indicator	2022	H1 2023	2023	H1 2024	Budgeted H1 2024	Realised H1 2024 vs H1 2023	Realised H1 2024 vs H1 2023 (%)	Realised vs Budgeted H1 2024	Realised vs Budgeted H1 2024 (%)
0	1	2	3	4	5	6=4-2	7=4/2	8=4-5	9=4/5
<i>Operating revenues</i>									
Transmission revenues	1,885	959	1,956	985	994	26	3%	(9)	(1%)
System services revenues	534	193	391	312	231	119	62%	81	35%
Balancing market revenues	3,479	1,018	2,269	3,229	1,416	2,211	217%	1,814	n/a
Other revenues	389	30	102	159	35	129	425%	124	n/a
Total operating revenues	6,286	2,200	4,718	4,685	2,676	2,485	113%	2,010	75%
<i>Operating expenses</i>									
System operating expenses	(902)	(307)	(640)	(355)	(346)	(48)	(16%)	(10)	(3%)
Balancing market expenses	(3,480)	(1,017)	(2,269)	(3,229)	(1,379)	(2,212)	(217%)	(1,850)	n/a
System services expenses	(467)	(231)	(499)	(301)	(288)	(70)	(30%)	(13)	(4%)
Depreciation and Amortisation	(272)	(167)	(334)	(172)	(173)	(5)	(3%)	1	1%
Personnel expenses	(306)	(158)	(348)	(187)	(189)	(29)	(19%)	1	1%
Repairs and maintenance expenses	(108)	(44)	(115)	(52)	(75)	(8)	(18%)	23	30%
Materials and consumables	(13)	(4)	(8)	(3)	(7)	-	12%	4	54%
Other operating expenses	(145)	(95)	(270)	(118)	(129)	(24)	(25%)	11	9%
Total operating expenses	(5,692)	(2,023)	(4,484)	(4,418)	(2,585)	(2,395)	(118%)	(1,833)	(71%)
Operating profit	594	177	234	267	90	90	51%	177	n/a
Financial revenues	65	26	36	20	21	(7)	(25%)	(1)	(6%)
Financial expenses	(72)	(24)	(36)	(4)	(17)	21	86%	14	79%
Net finance result	(7)	2	0.3	16.2	4	14	702%	12	n/a
Profit before income tax	587	179	234	283	94	104	58%	189	n/a
Income tax	(73)	(18)	(21)	(20)	(5)	(2)	(12%)	(15)	n/a
Net profit	515	162	214	264	89	102	63%	174	n/a

ANNEX 3: Separate cash flow statement

[mil RON]	H1 2024	H1 2023	Δ
Cash flows from operating activities			
Profit/loss for the period	263.66	161.59	102.1
Income tax expense	19.73	17.67	2.1
Amortisement expense (including additional OTC)	171.64	167.08	4.6
Income from the production of intangible assets (including additional OTC)	(23.87)	-	(23.9)
Expenses with adjustments for trade receivables impairment	0.02	0.95	(0.9)
Revenues from reversal of adjustments for trade receivables impairment	(2.06)	(0.94)	(1.1)
Losses from various debtors	2.92	-	2.91
Net expenses/income with adjustments for various debtors impairment	1.61	(0.09)	1.7
Net expenditures with adjustments for inventories impairment	0.78	(0.83)	1.6
Net profit/ loss on sale of tangible assets	4.38	(0.96)	5.3
Net expenditures on adjustments of value regarding tangible assets	-	(1.63)	1.6
Net Expenses/Income regarding provisions for risks and expenses	(4.26)	(4.17)	(0.1)
Interest expense, interest revenue and unrealised exchange rate gains	(16.71)	(1.28)	(15.4)
Cash flows before working capital changes	417.85	337.39	80.5
Changes in:			
Customers and similar accounts - energy and other activities	(473.83)	1,494.49	(1,968.3)
Customers - balancing	(786.61)	239.86	(1,026.5)
Customers - cogeneration	(16.32)	28.47	(44.8)
Inventories	(4.01)	(9.43)	5.4
Trade and other liabilities - energy and other activities	249.10	(1,439.65)	1,688.7
Liabilities - balancing	979.60	(281.96)	1,261.6
Liabilities - cogeneration	(111.54)	(8.47)	(103.1)
Other taxes and social insurance liabilities	(2.24)	(0.51)	(1.7)
Deferred revenues	51.09	41.59	9.5
Cash flows from operational activities	303.09	401.80	(98.7)
Interest paid	(1.23)	(1.85)	0.6
Income tax paid	(20.97)	(20.96)	(0.0)
Net cash generated from operational activities	280.89	378.99	(98.1)
Cash flows from investing activities			
Acquisition of tangible and intangible assets	(256.21)	(186.35)	(69.9)
Participation titles held in SELENE CC Societe Anonyme	-	0.24	(0.2)
Proceeds from EC non-reimbursable financing	2.71	55.75	(53.0)
Proceeds from sale of tangible assets	-	1.77	(1.8)
Received Interests	3.43	2.41	1.0
Dividends cashed	14.65	1.20	13.4
Net cash used in the investment activity	(235.42)	(124.97)	(110.4)
Cash flows used in financing activities			
Repayments of non-current borrowings	(11.98)	(11.90)	(0.08)
Building lease payments	(5.33)	(5.28)	(0.1)
Repayments of short-term borrowings	-	(67.62)	67.6
Dividends paid	(20.41)	(0.01)	(20.4)
Net cash used in financing activities	(37.72)	(84.80)	47.1
Net increase/(decrease) in cash and cash equivalents	7.75	169.21	(161.5)
Cash and cash equivalents at January 1	519.36	315.15	204.2
Cash and cash equivalents at the end of the period	527.10	484.36	42.7

ANNEX 4: Economic and financial indicators for the reporting period

Indicators	Formula	H1 2024	2023
Current liquidity ratio (x)	$\frac{\text{Current assets}}{\text{Current liabilities}}$	1.15	1,13
Indebtness indicators* (x):			
(1) Indebtness degree indicator	$\frac{\text{Debt capital}}{\text{Shareholder's equity}} \times 100$	1.01%	1,38%
(2) Indebtness degree indicator	$\frac{\text{Debt capital}}{\text{Committed capital}} \times 100$	1.00%	1,36%
Customer turnover speed (days)	$\frac{\text{Average client balance}^{**} \times \text{no.days}}{\text{Turnover}}$	58.3	79.37
Non-current assets turnover (x)	$\frac{\text{Turnover}}{\text{Non-current assets}}$	0.77	0,80

* Within the indebtedness ratios, borrowed capital includes short-term borrowings, long-term borrowings and other similar short- and long-term borrowings/liabilities related to building leases under IFRS16.

**The calculation of the average balance has taken into account customers that contribute to the turnover (energy, balancing, other customers, customers with invoices to be written). The corresponding values for customers: doubtful, from the market coupling mechanism, the cogeneration scheme and overcompensation have not been included in the average balance.

ANNEX 5: Articles of association amended between January-June 2024

At the time of writing there are no amended articles of association in 2024.

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

Supervisory Board

According to the Decision of the Ordinary General Meeting of Shareholders 1/28.02.2024 approved the appointment of the following members of the Supervisory Board of the Company for a term of office of four years, starting on March 1, 2024 and until February 29, 2028: PĂUN Costin-Mihai, ATANASIU Teodor, VASILESCU Alexandru-Cristian, ZEZEANU Luminița, DASCĂL Cătălin-Andrei, ORLANDEA Dumitru Virgil, RUSU Rareș Stelian.

ANNEX 7 REPORT (according to Decision of the Extraordinary General Meeting of Shareholders no. 4/29.04.2015) on contracts signed in H1 2024 for the procurement of goods, services and works, the value of which exceeds € 500,000/purchase (for the procurement of goods and works) and € 100,000/purchase (for services) respectively

It. no.	Contract Number	Subject of the Agreement	Duration (months)	Value		Contract type	Legal Basis	Procurement procedure
				Thousand RON	Thousand Euro			
0	1	2	3	4	5	6	7	8
1	C 562/2024	Strategic services/works managed by NPG Transelectrica SA	36	338,107.83	0.00	Services	Law 99/2016+ HG 394/2016	Competitive negotiation
2	C 360/2024	Power Quality Monitoring System	132	37,820.29	0.00	Supply	Law 99/2016+ HG 394/2016	Open tender
3	PT 4/4083/2024	Replacement of TRANSFORMER 4-250 MVA, 400/110 kV in 400/110 kV substation Dragănești Olt	34	25,057.53	0.00	Works	Law 99/2016+ HG 394/2016	Open tender
4	C 351/2024	Voluntary health insurance services for staff of NPG Transelectrica SA (framework agreement)	36	12,493.09	0.00	Services	Law 99/2016+ HG 394/2016	Open tender
5	C 325/2024	Digitel green pilot project - refurbishment of the 220/110/20 kV Mostiștea substation into a digital substation with reduced environmental impact (design)	14	1,925.00	0.00	Services	Law 99/2016+ HG 394/2016	Open tender
6	BA 13/2024	Cleaning services at the objectives of STT Bacău and DET	36	1,673.14	0.00	Services	Law 99/2016+ HG 394/2016	Open tender
7	PT 5/4188/2024	Cleaning services at STT Pitesti objectives	36	1,286.43	0.00	Services	Law 99/2016+ HG 394/2016	Open tender
8	C 345/2024	Cleaning services for buildings within NPG "Transelectrica" SA - Executive	24	1,026.04	0.00	Services	Law 99/2016+ HG 394/2016	Open tender
9	SB 9/2024	Mowing and vegetation removal services in order to prevent fires in electrical substations managed by STT Sibiu	36	791,748.00	0.00	Services	Law 99/2016+ HG 394/2016	Open tender
10	TM 52/2024	Cleaning services in stations and STT Timișoara lot 1 - Timis county	24	708,799.00	0.00	Services	Law 99/2016+ HG 394/2016	Open tender
11	TM 35/2024	Mowing and vegetation removal services in order to prevent fires in electrical substations managed by STT Timișoara	24	588,349.00	0.00	Services	Law 99/2016+ HG 394/2016	Open tender

Annex 6 - Glossary of terms

"ANRE"	National Electricity Regulatory Authority
"BAR"	Regulated asset base
"BVB"	Bucharest Stock Exchange. operator of the regulated market on which the Shares are traded
"CAB"	Bucharest Court of Appeal
"EEC"	European Economic Community
"Company". "CNTEE". "TEL"	Compania Națională de Transport al Energiei Electrice Transelectrica SA
"CPT"	Technological Own Consumption
"CS"	Supervisory Board
"DEN"	National Energy Dispatcher
"EBIT"	Operating profit before interest and income tax
"EBITDA"	Operating profit before interest, corporate tax and amortisation
"EBT"	Operating profit before corporate income tax
"ENTSOE"	European Network of Transmission System Operators for Electricity
"GD"	Government Decision
"IFRS"	International Financial Reporting Standards
"LEA"	Overhead power lines
"Leu" or "RON"	Romania's official currency
"MFP"	Ministry of Public Finance
"MO"	Official Journal of Romania
"GO"	Government Ordinance
"OPCOM"	Romanian Electricity Market Operator OPCOM SA
"GEO"	Government Emergency Ordinance
"PZU"	Next Day Market
"RET"	Electricity Transmission Grid. electricity network of national and strategic interest with nominal line voltage higher than 110 kV
"SEN"	National Energy System
"RS"	Secondary adjustment
"RTL"	Slow tertiary adjustment
"SMART"	Commercial Company for Maintenance Services of the Electricity Transmission Grid SMART SA
"SS"	System Service
"TEL"	Stock market indicator for Transelectrica
"TSR"	Total shareholder return
"EU"	European Union
"MU"	Mesurement unit
"USD" or "US dollars"	US dollar, official currency of the United States of America
"WACC"	Weighted Average Cost of Capital

