

NPG TRANSELECTRICA SA

Company managed by two-tier system

**Condensed Consolidated Interim Financial Statements
as of and for the six months' period ending on
30 June 2024**

Elaborated in accordance with the
International Accounting Standard 34 – “Interim Financial Reporting”

NPG TRANSELECTRICA SA
CONSOLIDATED FINANCIAL POSITION AS OF JUNE 30, 2024
(All amounts are presented in thousand RON, unless otherwise indicated)

	Nota	30 june 2024	31 december 2023
Assets			
Non-current assets			
Tangible assets		5,625,958	5,558,143
Assets representing rights of use under a lease		10,979	15,048
Intangible assets		288,136	282,378
Financial assets		40,621	40,673
Total non-current assets	4	5,965,694	5,896,242
Current assets			
Inventories		66,975	61,975
Trade and other receivables	5	3,399,521	2,116,460
Profit tax recoverable		3,249	-
Other financial assets		-	-
Cash and cash equivalents	6	541,415	526,900
Total current assets		4,011,160	2,705,335
Total assets		9,976,854	8,601,577
Shareholder's equity and liabilities			
Shareholders' equity			
Share capital		733,031	733,031
Share premium		49,843	49,843
Legal reserve		146,606	146,606
Revaluation reserve		1,665,405	1,738,703
Other reserves		238,812	195,751
Retained earnings		2,744,640	2,431,200
Total shareholders' equities attributable to Group owners	7	5,578,337	5,295,134
Non-controlling interests		-	-
Total equity		5,578,337	5,295,134
Non-current liabilities			
Long term deferred revenues	8	525,398	519,116
Long term Borrowings	9	19,923	31,906
Other loans and assimilated debts - Non-current lease liabilities	10	2,537	7,073
Deferred tax liabilities		301,174	296,343
Employee benefits obligations		97,888	97,888
Total non-current liabilities		946,920	952,326

NPG TRANSELECTRICA SA
CONSOLIDATED FINANCIAL POSITION AS OF JUNE 30, 2024
(All amounts are presented in thousand RON, unless otherwise indicated)

	Nota	30 june 2024	31 december 2023
Current liabilities			
Trade and other liabilities	10	3,306,617	2,200,950
Other loans and assimilated debts - Current lease liabilities	10	9,487	9,253
Other tax and social security liabilities	12	22,105	26,047
Current Borrowings	9	29,476	31,600
Provisions	11	63,320	67,191
Short term deferred revenues	8	20,592	16,138
Income tax payable		-	2,938
Total current liabilities		3,451,597	2,354,117
Total liabilities		4,398,517	3,306,443
Total shareholders' equity and liabilities		9,976,854	8,601,577

NPG TRANSELECTRICA SA
CONSOLIDATED PROFIT AND LOSS ACCOUNT STATEMENT AS OF JUNE 30, 2024
(All amounts are presented in thousand RON, unless otherwise indicated)

	Nota	30 june 2024	30 june 2023
Operating revenues			
Transmission revenues		985,278	959,057
System service revenues		311,695	192,751
Balancing market revenues		3,229,089	1,017,616
Other revenues		169,269	31,281
Total operating revenues	14	4,695,331	2,200,704
Operating expenses			
System Operating Expenses	15	(355,201)	(307,070)
Balancing market expenses	15	(3,229,286)	(1,017,157)
System services expenses	15	(300,957)	(230,735)
Depreciation and amortization	16	(179,106)	(170,310)
Personnel expenses	17	(238,154)	(202,267)
Repairs and maintenance expenses		(25,486)	(19,646)
Materials and consumables		(9,190)	(8,400)
Other operational expenses	18	(87,759)	(64,455)
Total operating expenses		(4,425,139)	(2,020,039)
Operating result		270,192	180,665
Financial revenues		20,072	26,925
Financial expenses		(4,198)	(25,163)
Net finance result	19	15,874	1,762
Profit before income tax		286,066	182,427
Income tax	13	(19,504)	(18,346)
Result for the year from continuing operations		266,562	164,081
Profit of the period			
Attributable to:			
Owners of the Group		266,562	164,081
Non-controlling interests		-	-
Basic and diluted earnings per share (lei/share)		3.64	2.24

The attached consolidated financial statements were signed by the Company's management on 12 august 2024:

Directorate,

**Ștefăniță
MUNTEANU**

Directorate
President

**Florin-Cristian
TĂTARU**

Directorate
Member

**Cătălin-Constantin
NADOLU**

Directorate
Member

**Bogdan
TONCESCU**

Directorate
Member

Ana-Iuliana DINU
Economic and Financial Director

Cristiana Zîrnovan
Budget and Management Reporting Department Manager

NPG TRANSELECTRICA SA
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF JUNE 30, 2024
(All amounts are presented in thousand RON, unless otherwise indicated)

	Share capital	Share premium	Legal reserve	Revaluation reserves	Other reserve	Retained result	Attributable to the group	Minority interests	Total
Balance on January 1, 2024	733,031	49,843	146,606	1,738,703	195,751	2,431,200	5,295,134	-	5,295,134
Comprehensive result of the period	-	-	-	-	-	-	-	-	-
Result of the period	-	-	-	-	-	266,562	266,562	-	266,562
Other comprehensive revenue items	-	-	-	-	-	-	-	-	-
Recognising the actuarial loss/profit of the benefit plan	-	-	-	-	-	-	-	-	-
Surplus from revaluation of tangible assets	-	-	-	-	-	-	-	-	-
Liability regarding deferred tax associated to the revaluation reserve	-	-	-	(3,758)	-	-	(3,758)	-	(3,758)
Total other comprehensive revenue items	-	-	-	(3,758)	-	-	(3,758)	-	(3,758)
Total comprehensive result of the period	-	-	-	(3,758)	-	266,562	262,804	-	262,804
Legal reserve indexation	-	-	-	-	-	-	-	-	-
Transfer of revaluation reserves into retained result	-	-	-	(69,540)	-	69,540	-	-	-
Minority interests from participation	-	-	-	-	-	-	-	-	-
Other items	-	-	-	-	-	(2,137)	(2,137)	-	(2,137)
Total other items	-	-	-	(69,540)	-	67,403	(2,137)	-	(2,137)
Derecognition of assets like public domain	-	-	-	-	-	-	-	-	-
Subsidies associated to public domain assets	-	-	-	-	43,061	-	43,061	-	43,061
Other reserves	-	-	-	-	-	-	-	-	-
Dividends distribution	-	-	-	-	-	(20,525)	(20,525)	-	(20,525)
Total transactions with owners	-	-	-	-	43,061	(20,525)	22,536	-	22,536
Balance on June 30, 2024	733,031	49,843	146,606	1,665,405	238,812	2,744,640	5,578,337	-	5,578,337

NPG TRANSELECTRICA SA
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF JUNE 30, 2024
(All amounts are presented in thousand RON, unless otherwise indicated)

	Share capital	Share premium	Legal reserve	Revaluation reserves	Other reserve	Retained result	Attributable to the group	Minority interests	Total
Balance on January 1, 2023	733,031	49,843	146,606	734,233	39,351	2,201,628	3,904,692	-	3,904,692
Comprehensive result of the period	-	-	-	-	-	-	-	-	-
Result of the period	-	-	-	-	-	217,446	217,446	-	217,446
Other comprehensive revenue items	-	-	-	-	-	-	-	-	-
Recognising the actuarial loss/profit of the benefit plan	-	-	-	-	-	905	905	-	905
Surplus from revaluation of tangible assets	-	-	-	1,275,560	-	-	1,275,560	-	1,275,560
Liability regarding deferred tax associated to the revaluation reserve	-	-	-	(203,451)	-	-	(203,451)	-	(203,451)
Total other comprehensive revenue items	-	-	-	1,072,109	-	905	1,073,014	-	1,073,014
Total comprehensive result of the period	-	-	-	1,072,109	-	218,351	1,290,460	-	1,290,460
Legal reserve indexation	-	-	-	-	-	-	-	-	-
Transfer of revaluation reserves into retained result	-	-	-	(67,638)	-	67,638	-	-	-
Minority interests from participation	-	-	-	-	-	-	-	-	-
Other items	-	-	-	-	-	(4,372)	(4,372)	-	(4,372)
Total other items	-	-	-	(67,638)	-	63,267	(4,372)	-	(4,372)
Derecognition of assets like public domain	-	-	-	-	-	-	-	-	-
Subsidies associated to public domain assets	-	-	-	-	156,400	-	156,400	-	156,400
Other reserves	-	-	-	-	-	-	-	-	-
Dividends distribution	-	-	-	-	-	(52,045)	(52,045)	-	(52,045)
Total transactions with owners	-	-	-	-	156,400	(52,045)	104,355	-	104,355
Balance on December 31, 2023	733,031	49,843	146,606	1,738,703	195,751	2,431,200	5,295,134	-	5,295,134

NPG TRANSELECTRICA SA
CONSOLIDATED STATEMENT OF CASH FLOWS AS OF JUNE 30, 2024
(All amounts are presented in thousand RON, unless otherwise indicated)

	30 june 2024	30 june 2023
Cash flows from operational activities		
Result of the period	266.562	164.081
Adjustments for:		
Income tax expense	19.504	18.346
Amortisement expense (including additional OTC)	179.106	170.310
Grid losses anticipatory tariff income	(23.866)	-
Expenses with adjustments for trade receivables impairment	19	953
Revenues from reversal of adjustments for trade receivables impairment	(2.057)	(944)
Losses from various debtors	2.918	17
Expenses/Revenues with adjustments for various debtors impairment	1.610	(89)
Net expenditures with adjustments for inventories impairment	796	(791)
Net profit/ loss on sale of tangible assets	4.383	(936)
Net expenditures on adjustments of value regarding tangible assets	-	(1.627)
Expenses/Revenues regarding provisions for risks and expenses, net	(5.788)	(4.428)
Net financial expenses regarding adjustments for the loss of value of fixed assets	201	-
Interest expense, interest revenue and unrealised exchange rate gains	(16.256)	(1.048)
Cash flows before changes to working capital	427.132	343.843
Changes in:		
Inventories	(4.390)	(9.477)
Clients and assimilated accounts	(1.285.890)	1.761.303
Trade payables and other liabilities	1.134.726	(1.740.617)
Other taxes and social insurance liabilities	(3.942)	(544)
Deferred revenues	51.086	41.432
Cash flows from operational activities	318.722	395.941
Paid interests	(1.604)	(2.228)
Paid income tax	(23.974)	(21.469)
Net cash generated from operational activities	293.144	372.244
Cash flows from the investment activity		
Acquisition of tangible and intangible assets	(259.497)	(187.405)
Participation titles held in SELENE CC Societe Anonyme	-	242
Proceeds from EC non-reimbursable financing	2.712	55.750
Received Interests	3.627	2.694
Proceeds from sale of tangible assets	-	1.772
Dividends received/paid	14.650	1.204
Net cash used in the investment activity	(238.508)	(125.743)

NPG TRANSELECTRICA SA
CONSOLIDATED STATEMENT OF CASH FLOWS AS OF JUNE 30, 2024
(All amounts are presented in thousand RON, unless otherwise indicated)

	30 june 2024	30 june 2023
Cash flows used in financing activities		
Repayments of non-current borrowings	(11.981)	(11.897)
Use of working capital credit line	-	-
Use of credit line Smart	(2.013)	5.100
Repayments of current borrowings	-	(67.618)
Building lease payments	(5.715)	(5.775)
Dividends paid	(20.412)	(13)
Net cash used in financing activities	(40.121)	(80.203)
 Cash and cash equivalents as at January 1 st	 526.900	 333.681
 Net increase/decrease in cash and cash equivalents	 14.515	 166.298
 Cash and cash equivalents at the end of the period	 541.415	 499.979

1. ACTIVITY DESCRIPTION AND GENERAL INFORMATION

The main activity of the National Power Grid Company Transelectrica SA ("the Company") and its subsidiaries (together with the Company, the "Group") is: provision of electricity transmission service and system service, balancing market operator, bonus support scheme administrator, other related activities. These activities are carried out in accordance with the provisions of the operating license no. 161/2000 issued by ANRE, updated by ANRE Decision no. 1413/10.07.2024, the General Conditions associated with the license approved by ANRE Order no. 104/2014, as amended and supplemented, and the final certification of the Company as a transmission and system operator of the National Electricity System according to the ownership unbundling model by ANRE Order no. 164/07.12.2015.

The address of the registered office is: Strada Olteni nr. 2 - 4 sector 3, Bucharest, Romania. Currently, the Company's executive activity is carried out at the head office in Strada Olteni nr. 2-4 sector 3, Bucharest.

The consolidated financial statements as at 30 June 2024 of the Group prepared in accordance with the Order of the Minister of Public Finance no. 2844/2016 for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards, as amended, based on International Accounting Standard 34 – "Interim Financial", are available at the Company's registered office located at 2-4 Olteni Street, Sector 3, Bucharest.

The Group's consolidated financial statements drawn up on June 30, 2024 are not audited.

These Consolidated Financial Statements elaborated as of and for the financial year ended on June 30, 2024, include the financial statements of the parent Company and of its subsidiaries Smart SA and Teletrans SA, jointly called the "Group".

GROUP STRUCTURE

The main Group subsidiaries included in the consolidation and the percentage of shares held by the Company are provided below:

Entity	Country of origin	30 June 2024	31 December 2023
		% of shares	% of shares
SMART SA	România	100	100
TELETRANS SA	România	100	100

SMART SA

SMART SA

The subsidiary Societatea Comercială pentru Servicii de Mentenanță a Rețelei Electrice de Transport (Commercial Company for Transmission Grid Maintenance Services) "SMART" SA was established in 2001, by GD no.710/19.07.2001 through the reorganization of certain activities within Transelectrica.

The address of the registered office is in B-dul Magheru nr. 33 sector 1 Bucharest and the head office is at the business place B-dul Gheorghe Șincai nr. 3, building "Formenerg", et.1, sector 4 Bucharest.

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

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

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

- Low, medium, high and extra high voltage switchgear and equipment - up to and including 750kV,
- Equipment and circuits for protection, automation, measurement, command - control,

The attached notes are integrant part of these consolidated interim financial statements

- Transformers and autotransformers of all powers and voltages,
- Overhead and cable power lines of all voltage levels.

The subscribed and paid-up share capital as at 30.06.2024 is 38,529, Transelectrica being the sole shareholder. The results of the SMART subsidiary are consolidated with the financial results of the Company. SMART shares are 100% owned by Transelectrica.

TELETRANS SA

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

The address of the registered office is at 16 - 18 Hristo-Botev Street, sector 3, Bucharest and the head office is at the working point at 12 Stelea Spătarul Street, sector 3, Bucharest.

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

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

- Public electronic communications networks (from 11.11.2004);
- Electronic communications services to the public: (i) Leased line services and (ii) Electronic communications services other than telephony and leased lines (from 01.07.2003);
- Private electronic communications networks and services (from 15.01.2003).
- TELETRANS personnel also have certifications relevant to the operation and administration of IT&C systems dedicated to critical infrastructures.

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

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

The subscribed and paid-up share capital as at 30.06.2024 is 6,874, Transelectrica being the sole shareholder. The results of the subsidiary Teletrans are consolidated with the financial results of the Company. TELETRANS shares are 100% owned by Transelectrica.

The Group's mission

The Group's mission is to ensure the safe and secure operation of the National Energy System (NES), in compliance with the standards and performance required by the technical regulations in force, and to provide a public service to all users of the electricity transmission networks, in conditions of transparency, non-discrimination and fairness for all market participants.

2. BASES OF ELABORATION

Statement of conformity

The Consolidated Interim Financial Statements are presented in accordance with the requirements of IAS 34 Interim Financial Reporting. They do not include all the information required for a complete set of financial statements in accordance with International Financial Reporting Standards ("IFRS") and should be read together with the Consolidated Financial Statements prepared as of and for the financial year ended 31 December 2023. However, certain explanatory notes are included for to explain the events and transactions that are significant for the understanding of changes in the financial position and

performance of the Group since the last consolidated annual financial statements as of and for the financial year ended 31 December 2023.

Utilisation of estimations and reasonings

The significant judgments used by management in applying the Group's accounting policies and the main sources of uncertainty relating to estimates were the same as those applied to the consolidated financial statements as of and for the financial year ended December 31, 2023.

3. ACCOUNTING POLICIES

The accounting policies applied in these consolidated interim financial statements are the same as those applied in the Group's consolidated financial statements as of and for the financial ended on 31 december 2023.

Bases of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group has control of an entity when it is exposed to, or entitled to, variable earnings arising from its involvement with the entity and has the ability to affect those earnings through power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the time control commences until it ceases.

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

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

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

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

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

FORMENERG SA was established as a result of the Decision number 33/19.11.2001 of the General Meeting of Shareholders - "Transelectrica" S.A., by outsourcing the activity of the Branch for Training and Development of Energy Sector Personnel. The share capital on 30.06.2024 is 1,948 thousand lei, fully paid up, represented by 194,842 shares with a nominal value of 10 lei each. FORMENERG shares are 100% owned by Transelectrica.

The ICEMENERG SERVICE - SA subsidiary was focused on the design, production and distribution of measuring, control and management devices for the energy system, having ISO 9001 and IQ NET certification by SRAC ROMANIA, ANRE certified. On 09.06.2017, the Bucharest Court, Civil Section VII, ordered the entry into bankruptcy by simplified procedure of the debtor ICEMENERG SERVICE - SA, appointing Solvendi SPRL as provisional liquidator.

On 27.04.2021 the Special Administrator of ICEMENERG Service SA informs that on 23.04.2021, following the auction, the assets of ICEMENERG Service SA, both movable and immovable, were sold en bloc, the buyer being Portland Trust Developments Five SRL.

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

"Icemenerg-Service" SA by deleting it from the Bucharest Trade Register. The company was not notified of the judgment until 30.06.2024.

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

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

The subscribed and paid-up share capital of OPCOM as at 30.06.2024 is 31,366 thousand lei, Transelectrica being the majority shareholder at that date. The shareholder structure is as follows:

- National Power Grid Company Transelectrica SA - 97.84% - NPG CO
- The Romanian State through the General Secretariat of the Government - 2.16%.

Transelectrica does not exercise effective direct control over the decision-making mechanisms of OPCOM, whose management is conducted in accordance with the regulations established by ANRE. We specify below the elements provided for by IFRS 10, which must be taken into account in determining the exercise of control. Thus according to IFRS 10 - an investor controls an entity if and only if the investor holds all of the following:

- a. power over the entity in which it has the investment
- b. exposure or rights to variable returns from its involvement with the invested entity
- c. the ability to use its power over the invested entity to affect the value of the investor's return.

(ii) Loss of control

On loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and other components of equity attributable to the subsidiary. Any surplus or deficit resulting from loss of control is recognised in the income statement. If the Group retains any interest in the former subsidiary, then that interest is measured at fair value at the date when control is lost. Subsequently this interest is accounted for using the equity method or as an available-for-sale financial asset depending on the degree of influence retained.

(iii) Transactions eliminated on consolidation

Balances and transactions within the Group and any unrealised revenues or expenses arising from transactions within the Group are eliminated in the preparation of the consolidated financial statements. Unrealised profits on transactions with associates accounted for using the equity method are eliminated against the investment in the associate to the extent of the Group's interest in the associate. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no indication of impairment.

4. TANGIBLE, INTANGIBLE AND FINANCIAL FIXED ASSETS

a) Tangible fixed assets

The increase in the total value of property, plant and equipment as at 30 June 2024 compared to 31 December 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.

Thus, the increase in the **value of property, plant and equipment in progress** in the first half of 2024 was mainly driven by the realisation of investment works in high-voltage substations and power lines, as follows:

- Connecting Overhead Power Line 400 kV Isaccea - Varna and Overhead Power Line 400 kV Isaccea - Dobrudja to 400 kV Medgidia Sud substation, Stage I - Expansion of 400 kV Medgidia Sud substation – 92.725;
- Transition to 400 kV of the Porțile de Fier - Reșița - Timișoara - Săcălaz - Arad - Phase I - 400 kV substation s.c. Porțile de Fier - (Anina) – Reșița – 42.592;
- 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 - 28.732;
- Overhead Power Line 400 kV d.c. Gutinaș - Smârdan - 19.664;
- Isaccea 400 kV Substation Upgrading - Stage II - 14.769;
- Baru Mare 220/110/20 kV substation upgrading - 13.821;
- Increasing the operational reliability of the Argeș - Vâlcea network area, realisation of the 400 kV Arefu substation and installation of a 400 MVA, 400/220 kV HV 400/220 kV - 12.434;
- Substation 400 kV Stâlp - 10.468;
- Increasing the transmission capacity of the 220 kV Stejaru - Gheorgheni - Fântânele - 10.065;
- Upgrading of the 400/110 kV Pelicanu transformer substation - 9.845;
- Metering and data management system for electricity metering on the wholesale market - 8.879;
- Relocation of 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 - 7.694;
- 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 - 6.979;
- Refurbishment of 220/110 kV Filești substation - 6.095;
- Relocation/protection of high voltage networks Overhead Power Line 400 kV s.c. Mintia - Arad for the rehabilitation of the railway line CF Frontieră - Curtici - Simeria, part of the Pan European Corridor IV for the circulation of trains with maximum speed of 160 km/h - 4.074;
- Implementation of new functions and software modifications in the EMS - SCADA computer system to implement European and national legislative requirements - 3.261;
- Upgrade to 400 kV of the 220 kV Brazi Vest - Teleajen - Stâlp 220 kV substation, including purchase of 400MVA 400/220/20 kV HV 400/220/20 kV, extension works of the 400 kV and 220 kV substations, in the 400/220/110kV Brazi Vest substation - 2.194;
- Relocation/protection of high voltage networks 220 - Overhead Power Line 220 kV d.c. Reșița - Timișoara, the 220 kV Timișoara - Arad/Timișoara - Săcălaz and the 220 kV d.c Mintia - Timișoara at the intersection with the Timișoara South Bypass - 1.822;
- Installation of two modern means of reactive power compensation at 400/220/110/20kV Sibiu Sud and 400/220/110/20kV Bradu stations - 1.535.

In the first half of 2024, the largest **transfers from property, plant and equipment in progress** to property, plant and equipment, totalling **360.914**, are mainly represented by the commissioning of investment objectives, of which we list the most significant:

- 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 - 158.093;
- Baru Mare 220/110/20 kV substation upgrading - 73.813;
- Arefu 220/110/20 kV substation modernisation - 31.007;

The attached notes are integrant part of these consolidated interim financial statements

- Upgrading of the 400/110 kV Pelicanu substation - 17.210;
- Relocation of 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 - 16.939;
- Relocation of the 220 kV and 400kV networks for the construction of the Brăila- Galați express road - 10.149;
- Deviation of the 220 kV Overhead Power Line Ampoi- Alba Iulia area - 7.742;
- Purchase and installation of 21 monitoring systems for transformer units in CNTEE Transelectrica SA substations - 7.473;
- 110 kV, 220 kV and 400 kV mobile cells - 6,273;
- Installation of AT2 400 MVA, 400/231/22 kV and related cubicles in Iernut substation and modernisation of the control command system of 400/220/110/6 kV Iernut substation - 6.142;
- 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 - 5.718;
- Installation of an embedded fibre optic protective conductor on the 400kV Roșiori - Mukacevo - 5.208;
- Metering and data management system for electricity metering on the wholesale market - 4.011;
- Upgrade of the 400 kV Bucharest South - Gura Ialomiței in light of reducing galloping effects - 2.636;
- Relocation/protection of high voltage networks 220 - Overhead Power Line 220 kV d.c. Reșița - Timișoara, the 220 kV Timișoara - Arad/Timișoara - Săcălaz and the 220 kV d.c Mintia - Timișoara at the intersection with the Timișoara South Bypass - 2.486;
- AT and Transformer replacement in electrical substations - Stage 2, phase 2 - LOT 1 - LOT 2 - 2.053;
- CEF Izvoru Bărzii - Galic Sud, Halânga - 790;
- Video wall for CTSI control room - 294;
- Soundproofing system in UNO-DEN - 286;
- Air conditioners - 174;
- Execution of works in Tulcea Vest substation caused by the modification of Overhead Power Line 110 Tulcea Vest - Marmura by replacing the connection in the derivation of the production site CEE Sălbatica1 - 137;
- Batteries for power supply system at ST Bacău headquarters - 106.

The balance of **property, plant and equipment in progress** at 30 June 2024, in the amount of **RON 839.236**, is represented by projects in progress, the most significant of which are listed below:

- Overhead Power Line 400 kV d.c. Gutinaș - Smârdan - 236.374;
- Transition to 400 kV of the Porțile de Fier - Reșița - Timișoara - Săcălaz - Arad - Phase I - 400 kV substation s.c. Porțile de Fier - (Anina) – Reșița – 117.641;
- 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 - 96.746;
- Refurbishment of 220/110 kV Filești substation - 49.657;
- Connection to the RET of CEE 300 MW Ivești, CEE 88 MW Fălciu 1 and CEE 18 MW Fălciu 2 through the new (400)/220/110 kV substation Banca - 46.885;
- Increasing the transmission capacity of the 220 kV Stejaru - Gheorgheni - Fântânele - 42.658;
- Upgrading of the 400/110/20 kV Smârdan substation - 32.146;
- Isaccea 400 kV Substation Upgrading - Stage II - 21.344;
- Metering and data management system for electricity metering on the wholesale market - 20.136;
- Refurbishment of 110 kV Medgidia Sud substation - 13.764;
- Extension of the 400 kV Gura Ialomiței substation with two cells: 400 kV Cernavodă 2 and 3 - 12.571;
- Refurbishment of 110 kV Timișoara 110 kV substation and 400 kV voltage upgrade of the Porțile de Fier - Anina - Reșița - Timișoara - Săcălaz - Arad axis, phase II: 400 kV substation Timișoara - 8.905;
- 400 kV overhead power line Gădălin - Suceava, including interconnection to SEN (H.CA no. 7 / 08.07.2010) - 8.524;

- 220 kV overhead power line double circuit Ostrovu Mare - RET Stage I + Stage II (H.CA nr.17/2007) - 4.993;
- Site clearance and realisation of coexistence conditions between the objective "Suspension bridge over the Danube in the Brăila area" belonging to CNAIR SA and the electrical networks managed by CNTEE Transelectrica SA - 4.911;
- Integrated security system at substations, stage IV - 4.817;
- Upgrade of the 110 kV and 400 (220 kV) installations in Focșani Vest substation - 4.513;
- 400 kV Suceava - Balti power line, for the project portion on Romanian territory - 4.439;
- Transition to 400 kV of the Porțile de Fier - Reșița - Timișoara - Săcălaz - Arad axis, phase II, 400 kV d.c. Reșița - Timișoara - Săcălaz - 3.490;
- Purchase and installation of 21 monitoring systems for transformer units in CNTEE Transelectrica SA substations - 3.318;
- Implementation of new functions and software modifications in the EMS - SCADA computer system to implement European and national legislative requirements - 3.292;
- Expansion with new functionalities of the computerised access control and recording system in CNTEE Transelectrica SA objectives - 3.201;
- 110 kV, 220 kV and 400 kV mobile cells - 3.016;
- Upgrade to 400 kV of the 220 kV Brazi Vest - Teleajen - Stâlpu 220 kV substation, including purchase of 400MVA 400/220/20 kV HV 400/220/20 kV, extension works of the 400kV and 220kV substations, in the 400/220/110kV Brazi Vest substation - 2.914;
- Connection to the RET of CEE 136 MW Platonești, county of Ialomița, through the realisation of a 110 kV cell in the 400/110 kV Gura Ialomița 400/110 kV Gura Ialomița substation - 2.889;
- Integrated security system at substations, stage III (H.CA no. 2/2008) - 2.798;
- Pilot Project - Refurbishment of the 220/110/20 kV Alba Iulia 220/110/20 kV substation into a digital substation - 2.625;
- 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 - 2.625;
- 110 kV Cetate 1 and 2 in the neighbourhood of 110/20/6 kV Ostrovul Mare substation - 2.578;
- Connection to the RET of CEE Dumești 99 MW and CEE Românești 30 MW, Iasi County, by realising a 110 kV line cell in the 220/110 kV FAI - 2.546 substation;
- Installation of two modern means of reactive power compensation in 400/220/110/20kV Sibiu Sud and 400/220/110/20 kV Bradu stations - 2.310;
- Connection of the production site CEF Satu Mare 1 (65,018 MW), located in Satu Mare, Satu Mare municipality, Satu Mare County, to the public electricity installations managed by CNTEE Transelectrica SA, in the 220/110/20 kV Vetiș substation - 2.002.

b) Intangible fixed assets

Intangible assets in course of construction

The balance of **intangible assets in progress** as at 30 June 2024, in the amount of **27.538**, is represented by projects inprogress, the most significant of which are listed below:

- Metering and data management system for electricity metering on the wholesale market - 16.258;
- Replacement of hardware components, upgrading and development of specific applications of the Balancing Market Platform - II DAMAS, Component Purchase of migration services and upgrade of specific applications of the Balancing Market - 7.607;
- MARI platform development - 1.998;
- Off-line programme for individual network modelling, steady state calculation, cross-border capacity calculation, CGMES format conversion module (cf. ENTSO-E requirements), in order to programme and operate the SEN on various time horizons - 1.118.

There were no transfers from intangible assets in progress to intangible assets in H1 2024.

Intangible fixed assets - additional CPT

As from 30 September 2022, the Company shall apply the provisions of GEO no. 119/2022 amending and supplementing GEO no. 27/2022 and approved by Law no. 357/13.12.2022, whereby the additional costs of electricity purchase made in the period 1 January 2022 - 31 March 2025, in order to cover own technological consumption and technological consumption, respectively, compared to the costs included in the regulated rates, are capitalised on a quarterly basis. Thus, capitalised costs are amortised over a period of 5 years from the date of capitalisation and are remunerated at 50% of the regulated rate of return approved by the National Energy Regulatory Authority, applicable over the amortisation period of those costs and are recognised as a separate component.

The Company recognised additional CPT revenue calculated as the difference between the net CPT acquisition cost and the CPT cost recognised in the regulatory tariff in the amount of:

- 338.527 - for the year 2022,
- 13.735 - for the year 2023,
- 23.866 - for the first half of 2024.

At 30 June 2024, depreciation amounting to 117.622. is calculated on these capitalisations. Thus, the carrying amount of the intangible asset resulting from the capitalisation of the additional CPT is 258.506.

It should be noted that this income is non-monetary in nature, its collection to be carried out by the Company in instalments through the transport rates over the next five years from the date of capitalisation (2024-2028) in accordance with the relevant legislative provisions.

c) Financial fixed assets

The balance of financial fixed assets as at 30 June 2024 and 31 December 2023, amounting to 40.621, mainly consists of:

- the net value of shares held by the Company 36.101;
- of guarantees for the temporary occupation of land, calculated and retained in accordance with Art. 39 para. (1), para. (2) and para. (5) of Law no. 46/2008 on the Forestry Code, for the realisation of the investment objective Overhead Power Line 400 kV Reșița - Pancevo (Serbia) in the amount of 4.200.

d) 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.

Contract No. C232 entered into force on 01.10.2020, valid for a period of 5 years, has a value of 9.000.000 euro (excluding VAT).

As at 30 June 2024, the carrying amount of the right to use the premises leased by the Company in the Platinum office building amounts to RON 9.940.

For this contract, the Company pays a monthly amount of 16.67 euro/sq.m (excluding VAT) for the lease of office space, resulting in an annual value of approx. 1.8 million euro.

Smart SA has concluded a lease contract for the rental of an office building, 449.75 sqm, in the Formenerg building in Gheorghe Șincai Boulevard no.3, with a value of 53,970 euro/year in the amount of 10 euro/sqm representing 4,497.5 euro/month.

Teletrans SA has concluded a lease agreement consisting of the rental of a building, land and yard, with an estimated rentable area of 1080 sqm and a yard in exclusive use of 196 sqm located at 12 Stelea Spătaru Street, representing 8.600 euro/month.

As at 30 June 2024, the net value of the right of use of the spaces leased by the Group is in the amount of 10.979.

5. TRADE AND OTHER RECEIVABLES

As at 30 June 2024 and 31 December 2023, trade and other receivables are as follows:

	30 june 2024	31 december 2023
Trade receivables	2,692,574	1,748,668
Other receivables	393,469	215,758
Down payments to suppliers	325,021	151,660
VAT to recover	203,230	215,466
Adjustments for impairment of uncertain trade receivables	(128,371)	(130,158)
Adjustments for impairment of other uncertain receivables	(86,401)	(84,934)
Total	3,399,521	2,116,460

The structure of trade receivables is as follows:

	30 june 2024	31 december 2023
Clients on the electricity market, of which:	2,679,085	1,742,444
- Clients - operational activities	1,138,242	1,004,535
- Clients - balancing market	1,380,684	594,069
- Clients - bonus type support scheme to promote high efficiency cogeneration	160,159	143,840
Clients from other activities	13,489	6,224
Total trade receivables	2,692,574	1,748,668

• CNTEE Transelectrica SA carries out its operational activity on the basis of the Operating Licence no. 161/2000 issued by ANRE, updated by ANRE President Decision no. 1413/10.07.2024, for the provision of the electricity transmission service, the provision of the system service and the management of the balancing market.

As at 30 June 2024, the customers outstanding from operating activities show an increase compared to 31 December 2023 mainly due to the increase in energy consumption in the first half of 2024 compared to the second half of 2023.

The increase in the volume of balancing market transactions in H1 2024 compared to H2 2024 also led to an increase in the balance of customers in contracts concluded for this type of activity.

The main customers in total trade receivables are represented by: Ciga Energy SA, Cinta Energy SA, Electrica Furnizare SA, IBEX, OPCOM, Hidroelectrica, MAVIR, RAAN, Engie Romania SA, Complexul Energetic Oltenia SA. Their share in the Company's customers is 74.16% of total trade receivables.

- CNTEE Transelectrica SA 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 with subsequent additions and amendments, *"the main tasks being the monthly collection of the contribution for cogeneration and the monthly payment of bonuses"*.

As at 30 June 2024, the Company has receivables receivable from the bonus support scheme for the promotion of high efficiency cogeneration of approximately 6% (8% as at 31 December 2023) of total trade receivables.

The customers in the bonus support scheme for the promotion of high-efficiency cogeneration are showing an increase in receivables at 30 June 2024 mainly due to the increase in the invoiced amount for the collection of the monthly contribution.

As at 30 June 2024, the Company has receivables receivable amounting to 160.159, represented by invoices issued related to the bonus support scheme for the promotion of high efficiency cogeneration, of which:

- overcompensation for the period 2011-2013 in the amount of 76,702, respectively from RAAN - 63,467 and CET Govora SA - 13,235;
- undue bonus for 2014 in the amount of 3,915, respectively from RAAN - 1,981, CET Govora - 1,934;
- undue bonus for 2015 in the amount of 569, respectively from CET Govora - 534, Interagro - 30;

The attached notes are integrant part of these consolidated interim financial statements

- undue bonus for 2020 in the amount of 522 from Donau Chem;
- uncollected contribution for cogeneration from the suppliers of electricity consumers, in the amount of 20,574, respectively from: Transenergo Com - 5,882, Petprod - 4,391, Romenergy Industry - 2,681, RAAN - 2,386, UGM Energy - 1,504, CET Govora - 901, KDF Energy - 577 and others.

Up to the date of this financial report, the Company has collected all receivables related to the overcompensation of the activity related to the support scheme for the year 2023 (amount of 5,483) from Bepco (2,864) and Termoficare Oradea (2,618), as well as the amount of 14,155 of the undue bonus established by ANRE Decisions for the year 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.

In order to settle the claims arising from overcompensation and undue bonus from previous years, the Company has requested the producers qualified in the support scheme to make reciprocal compensations. For the producers (RAAN, CET Govora) that did not agree with this method of settlement of mutual claims and debts, the Company has applied and continues to apply the provisions of Art. 17 para. 5 of ANRE President's Order no. 116/2013 for the approval of the Regulation on establishing the manner of collecting the contribution for high efficiency cogeneration and payment of the bonus for electricity produced in high efficiency cogeneration: *"where the producer has not paid the support scheme administrator in full the resulting payment obligations in accordance with the provisions of this Regulation, the support scheme administrator shall pay the producer the difference between the value of the invoices issued by the producer and the producer's payment obligations in respect of the support scheme, with an explicit mention of those amounts on the payment document"* and withheld from the payment the amounts of the support scheme due.

- The Court of Mehedinți - Second Civil, Administrative and Tax Litigation Section was registered case no. 9089/101/2013/a140, concerning "claims for the amount of 86,513", in which the Company is the plaintiff, the defendant being **Regia Autonomă pentru Activități Nucleare - RAAN**.

By the application brought by Transelectrica SA, Transelectrica SA sought an order that the defendant RAAN pay the sum of EUR 86 513 431 431.

On 19.05.2016, the Tribunal Mehedinți - Second Civil, Administrative and Tax Litigation Section delivered a judgment, by which it ordered the following: "On the basis of art. 413 p. 1 Civil procedure code The case is stayed pending the outcome of case no 3014/2/2014 pending before the High Court of Cassation and Justice. With appeal throughout the suspension. Delivered today 19 May 2016 in open court." Judgment on 06.06.2019. Please note that the case no. 3014/2/2014 pending before the High Court of Cassation and Justice has as object the appeal - annulment of ANRE Decision no. 743/28.03.2014, and RAAN (plaintiff) and ANRE (defendant) as parties.

We also note that, by the judgment of 18.09.2013, ruled by the Mehedinți Tribunal, in case no. 9089/101/2013, the opening of general insolvency proceedings was ordered against the debtor Regia Autonomă pentru Activități Nucleare R.A. (RAAN).

By judgment no. 387/20.03.2014, the Mehedinți Court confirmed the reorganisation plan of the debtor Regia Autonomă pentru Activități Nucleare, proposed by the official receiver Tudor&Asociații SPRL and voted by the General Meeting of Creditors according to the minutes of 28.02.2014.

By the interim judgement no. 10/28.01.2016, issued by the Mehedinți District Court - Second Civil, Administrative and Tax Litigation Section, the bankruptcy judge ordered the commencement of the bankruptcy proceedings of the debtor, pursuant to Art. 107 para. 1 lit. C of Lg. 85/2006, as well as the dissolution of the debtor and the cancellation of the debtor's right of administration.

By Decision no. 563/14.06.2016, the Court of Appeal Craiova - Second Civil Section rejected the appeals filed against the interim judgement no. 10/28.01.2016, rendered by the Mehedinți Tribunal - Second Civil, Administrative and Tax Litigation Section.

With the filing of the statement of claim, in the RAAN bankruptcy proceedings, CNTEE Transelectrica SA may invoke the provisions of Article 52 of Law no. 85/2006, applicable to the RAAN bankruptcy proceedings, provisions taken over by Article 90 of Law no. 85/2014, regarding the creditor's right to invoke the set-off of its claim against the debtor's claim against it, when the conditions provided by law for legal set-off are met at the date of the opening of the proceedings. Transelectrica was entered in the table of the debtor RAAN with the amount of 11,265 RON, in the category of claims resulting from the continuation of the debtor's activity. Of the amount requested by the Company, 89,361 RON, the amount of 78,096 RON was not entered in the preliminary table of claims, on the grounds that "it does not appear

as being due in RAAN's accounting records". Moreover, the judicial liquidator considered that the request to enter the amount of 78,096 RON in the table was submitted late, as it related to the period 2011 - 2013, which is why the statement of claim should have been submitted at the time of the opening of the insolvency proceedings, namely on 18 September 2013.

Following the partial entry of the total amount requested by Transelectrica in the amount of 89,361 RON and the address no. 4162/03.10.2016, by which the judicial liquidator informs us that only the amount of 11,265 RON was entered in the supplementary table in the category of claims resulting from the continuation of the debtor's activity, and the amount of 78,096 RON was rejected, an objection to the Supplementary Table of Claims was filed within the legal deadline.

At the trial term of 14 February 2019, the Mehedinți District Court ordered the joinder of case no. 9089/101/2013/a152 to case no. 9089/101/2013/a140 (concerning claims - payment claim). The hearing of the case was postponed, as the court considered it useful for the resolution of the case to present the civil decision no. 2969/26.09.2018, rendered by the High Court of Cassation and Justice in case no. 3014/2/2014, regarding the annulment of ANRE President's decision no. 743/2014.

The Mehedinți Tribunal's solution: "Pass the challenge of forfeiture. The main action and the related appeal are allowed in part. Orders the defendant RAAN to pay to the plaintiff Transelectrica the amount of 16,950 RON, a claim arising in the course of the proceedings, ordering its entry in the table of creditors established against the debtor RAAN with this amount. Dismisses the remainder of the related claims. Under Article 453 para. 2 Civil procedure code Orders the defendant to pay the applicant 1 RON costs. Subject to appeal. Delivered today 20.06.2019 in open court". Document: Decision 163/2019 20.06.2019.

Transelectrica appealed within the legal deadline. The Craiova Court of Appeal set the first trial date for 30.10.2019. The appeal was dismissed as unfounded. Transelectrica has filed an application for review for contrary judgments, registered under case number 1711/54/2019, with a trial date of 26 March 2020 at the Craiova Court of Appeal, which was to send the case to the High Court of Cassation and Justice for competent decision. On 26.03.2020, the court was adjourned until 21.05.2020.

On 21.05.2020, the case was removed from the docket with the following solution: the objection of lack of subject-matter jurisdiction of the Craiova Court of Appeal was admitted and the case was referred to the ICCJ - Administrative and Tax Litigation Section. Decision 140/21.05.2020. Deadline 03.02.2021.

At the hearing on 03.02.2021, the ICCJ admitted the plea of belatedness of the application for revision and did not rule on its inadmissibility.

In the bankruptcy case of RAAN registered under no. **9089/101/2013**, CNTEE Transelectrica SA was entered in the creditor's estate with the following claims: 2,162 + 16,951.

Date for continuing bankruptcy proceedings: **03.10.2024**.

RAAN and Transelectrica are also involved in 2 other cases at different stages of the court proceedings. More details on this file are set out in *Note 20 - Litigation and Contingencies*.

- CNTEE Transelectrica SA has entered into an agreement with CET Govora SA for the set-off and instalment payment of the amounts representing the receivables from the overcompensation for the period 2011-2013 and the undue bonus for 2014 (Agreement No C 135/30.06.2015 and Additional Deed No 1/04.08.2015). The duration of the Agreement was 1 year (period July 2015-August 2016) and provided for the Company's right to calculate and charge penalties during the payment instalment period.

On the basis of the Agreement, the Company's receivables from CET Govora SA were offset against the debts to CET Govora SA, represented by the cogeneration bonus for the period May 2014 - October 2015 withheld by applying the provisions of Article 17 paragraph 5 of the Order of the President of ANRE no. 116/2013 and the provisions of the Agreement, in the amount of 40,508.

As a result of the suspension in court, by civil judgement no. 3185/27.11.2015, of ANRE Decision no. 738/28.03.2014, which established the amount of overcompensation for the period 2011-2013, CET Govora SA has no longer complied with the obligations assumed by the Agreement.

As of 9 May 2016, general insolvency proceedings were opened for CET Govora. In order to recover the claims arising prior to the opening of the insolvency proceedings, the Company has followed the specific procedures provided by Law no. 85/2014 - Insolvency Law and applied to the court for the admission of the claims, in accordance with the law. In view of the above, as of 9 May 2016, the Company suspended the application of Article 17.5 of ANRE's President Order no. 116/2013 approving the Regulation on

establishing the manner of collecting the contribution for high efficiency cogeneration and payment of the bonus for electricity produced in high efficiency cogeneration and paid the cogeneration bonus to CET Govora on a monthly basis.

By Civil Decision no. 2430/05.10.2016, the High Court of Cassation and Justice admitted the appeal lodged by ANRE against the Civil Judgement no. 3185/27.11.2015, partially quashed the contested judgement and rejected the request for suspension filed by CET Govora, the judgement being final. Thus, as of 05.10.2016, the effects of ANRE Decision no. 738/28.03.2014 are no longer suspended, taking full effect.

Under these circumstances, the Company applies the provisions of Article 17 paragraph 5 of ANRE Order no. 116/2013 for mutual debts and claims arising after the insolvency proceedings, in the sense of withholding the bonus due to CET Govora SA up to the amount of the amounts related to the support scheme not paid to the Company. Transelectrica was entered in the preliminary and final table with a claim totalling 28,200, of which 25,557 relates to the support scheme. We note that this claim in the amount of 21,962 RON, representing the principal debt and penalties related to invoice no. 8116/08.04.2016 is registered under the suspensive condition of a final court decision in favour of ANRE in case no. 2428/2/2014 pending before the Bucharest Court of Appeal, having as object the annulment of ANRE decision no. 738/28.03.2014.

At the term of 18.07.2018, the Tribunal Vâlcea pronounced the following solution:

- *The plan of reorganisation of the debtor SC CET Govora SA, proposed by the insolvency administrator EURO INSOL SPRL, filed on 25 May 2018 and published in the Insolvency Proceedings Bulletin no 11924 of 13 June 2018.*

- *Dismisses the appeals lodged by the creditors Complexul Energetic Oltenia SA, SNTFM CFR Marfă SA, Solek Project Delta SRL, Solek Project Omega SRL, Clean Energy Alternativ SRL and Solar Electric Curtişoara SRL.*

- *Sets 8 October 2018 as the substantive date for the continuation of the proceedings.*

With the right to appeal within 7 days from the date of communication, through the Insolvency Proceedings Bulletin. Delivered in open court today, 18 July 2018. Document: Judgement: 1196/18.07.2018.

By Decision no 766/03.12.2018, the Court of Appeal Pitesti cancelled the amount of 28,013,984.83 - representing the obligation entered by the Company in the Creditors' List (Case no. 1396/90/2016).

In these circumstances, the Company included the amount of 22,188 related to the support scheme in the sundry debtors account, analysed separately - ANRE, with an impact on the net position of the support scheme.

The amount of 22,188 represents the amount receivable from CET Govora related to the support scheme (in the amount of 25,557), corrected by the bonus withheld by the Company in accordance with Article 17 paragraph. 5 of ANRE President Order no. 116/2013, in the amount of 3,369.

On 25.03.2022, by Government Decision no. 409/2022, it was adopted the amendment and completion of Government Decision no. 1215/2009 on establishing the criteria and conditions necessary for the implementation of the support scheme for the promotion of high efficiency cogeneration based on the useful heat energy demand. Thus, the period of application of the support scheme is extended until 2033, exclusively for producers who fulfil the conditions for access to the extended support scheme.

The financial closure of the support scheme is also extended and will take place in the first half of 2034.

Other receivables

As at 30 June 2024, other receivables amounting to 393.469 include mainly:

➤ sundry debtors (**199.779**), of which:

- late payment penalties calculated for bad debtors, totalling 95,560 (of which 35,146 are penalties related to the support scheme). The highest late payment penalties were recorded by customers: Romelectro (39.781), RAAN (16.901), CET Govora (9.607), Electrocentrale Bucureşti (9.409), OPCOM (3.633), Total Electric Oltenia (3.289), Pet Communications SRL (3.093), Multiservice G&G SRL (2.162), Petprod (1.894), ISPE Proiectare şi Consultanţă (1.068). Impairment adjustments have been recognised for penalties calculated for late payment of receivables from operating activities;

The attached notes are integrant part of these consolidated interim financial statements

- compensation due by suppliers for non-delivery of electricity: Arelco Power (988), Enol Grup (2,541) and Next Energy Partners (8,395). Impairment adjustments have been recognised for compensation due from suppliers from operating activities;
 - the receivable to be recovered from OPCOM representing the VAT related to the contribution in kind to the capital of the subsidiary in the amount of 4,517.
- deferred expenses in the amount of **10.378** mainly represented by: domestic and international contributions (3,807), annual ANRE contribution for 2024 (1,181), taxes and duties for 2024 (1,835), insurance policies (595), rent and maintenance of office building (747) and others;
- other social debts in the amount of **2.167** representing sick leave paid by the employer to the employees and to be recovered from the National Health Insurance House, in accordance with the legislation in force.

Advances to suppliers

As at 30 June 2024, the advances paid to suppliers are represented by debtor suppliers for services rendered in the amount of **325.021** and mainly represent amounts from transactions related to the price coupling mechanism (ICP - *Interim Coupling Project*, SIDC - *Single Intraday Coupling* and SDAC - *Single Day-ahead Coupling*) (277,618 - for ICP and SDAC and 45,599 - for SIDC).

The implementation of the price coupling mechanism started on 19 November 2014, when the 4 Market Market Coupling (4MMC) project, which envisages the merging of the PZU (Next Day Market) electricity markets in Romania, Hungary, the Czech Republic and Slovakia, entered the operational phase. On 17 June 2021, the Interim Coupling project was launched, which is the coupling of the day-ahead markets of the 4MMC countries with those of Poland, Austria and Germany.

Under the day-ahead price coupling mechanism, the power exchanges shall, on the basis of auctions, match day-ahead electricity transactions taking into account the interconnection capacity made available by the TSOs through which the implicit allocation of interconnection capacity is realised. CNTEE Transelectrica SA, as an OTS, transfers electricity, both physically and commercially, to the neighbouring OTS (MAVIR-Hungary) and manages the congestion revenues on the respective interconnection (art. 139 of ANRE Order no. 82/2014), and in relation to OPCOM SA it has the quality of an Implicit Participant in the Day-Ahead Market.

As Transfer Agent and Implicit Participant, CNTEE Transelectrica SA has the commercial task of settling the energy traded between OPCOM SA and MAVIR.

On 19 November 2019, the 2nd wave of the European Single Intraday Market Coupling (SIDC) was launched, with the first deliveries on 20 November. Seven countries - Bulgaria, Croatia, the Czech Republic, Hungary, Poland, Romania, Slovenia, Croatia, Bulgaria, the Czech Republic, Hungary, Poland, Romania and Slovenia - have joined the fourteen countries - Austria, Belgium, Denmark, Estonia, Finland, France, Germany, Latvia, Lithuania, the Netherlands, Norway, Portugal, Spain and Sweden - already operating a coupled scheme since June 2018.

The single intra-domestic market coupling mechanism ensures that bids and offers from market participants in a bidding area are continuously matched with bids and offers from within their own bidding area and from any other bidding area where cross-border capacity is available.

As Transfer Agent, CNTEE Transelectrica SA has the commercial task of settling the energy traded between OPCOM SA, MAVIR and IBEX.

28 October 2021 marks the start of the new successful SDAC Single Day-ahead Coupling, the result of the cooperation between the Designated Electricity Market Operators (DSOs) and the Transmission System Operators (TSOs) of Bulgaria and Romania, respectively IBEX EAD, OPCOM SA, ESO EAD and CNTEE Transelectrica SA. The aim of the SDAC is to create a single pan-European cross-border energy market for the day ahead. An integrated day-ahead market increases the overall efficiency of trading by promoting effective competition, increasing liquidity and allowing more efficient use of generation resources across Europe.

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

The launch of the Flow Based Market Coupling in the Core region on 08 June 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 recoverable

VAT to be recovered (203.230) – amount related to the amounts for the period March - June 2024. Up to the date of this report, the Company has collected from the State the amount of 59,469, representing value added tax claimed for refund for the month of March 2024.

Adjustments for impairment of trade receivables, doubtful trade receivables and other doubtful receivables

Group's policy is to recognise impairment adjustments for loss of value amounting to 100% for customers in litigation, insolvency and bankruptcy and 100% of trade and other receivables not collected in a period of more than 180 days, except for outstanding receivables generated by the support scheme. The Group also carries out an individual analysis of trade and other outstanding trade and other receivables.

The largest impairment adjustments at 30 June 2024, calculated for trade receivables and related penalties, were recorded for: Romelectro (39,785), JAO (30,020), CET Govora (24,645), Arelco Power (14,788), Total Electric Oltenia SA (14,186), Romenergy Industry (13,513), Elsaco Energy (9,276), RAAN (8,517), OPCOM (8,487), Next Energy Partners (8,395).

The Group has taken the following measures to recover the impairment-adjusted receivables: legal action, registration in the creditor's estate, etc.

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include balances of cash, demand deposits and deposits with original maturities of up to 90 days from the date of inception that have an insignificant exposure to the risk of changes in fair value and are used by the Group for the management of short-term liabilities.

As at 30 June 2024 and 31 December 2023, cash and cash equivalents are as follows:

	30 june 2024	31 december 2023
Current bank accounts and deposits of which:	541.183	526.748
<i>a) current accounts at banks and deposits current activity</i>	210.627	90.081
<i>b) current accounts at banks and restricted deposits, of which</i>	330.555	436.667
- cash and deposits from high efficiency cogeneration	201.745	295.063
- cash of revenues from the allocation of interconnection capacities used for network investments	14.265	47.393
- cash from the connection fee	56.889	57.387
- European funds	54	87
- other restricted accounts (energy market guarantees and dividends)	57.602	36.737
Cash desk	162	151
Other cash equivalents	70	0
Total	541.415	526.900

7. EQUITY

In accordance with the provisions of GEO no. 86/2014 on establishing some reorganisation measures at the level of central public administration and amending and supplementing some normative acts, on 20 February 2015 the transfer of 43,020,309 shares from the account of the State of Romania in the administration of the General Secretariat of the Government to the account of the State of Romania in the administration of the Ministry of Economy, Trade and Tourism was registered in the Company's Shareholders' Register.

Based on the provisions of Article 2 of GEO no. 55/19 November 2015 on the establishment of some reorganisation measures at the level of central public administration and amending some normative acts,

the Ministry of Economy, Trade and Business Environment Relations (MECRMA) was established by reorganising and taking over the activities of the Ministry of Economy, Trade and Tourism, which was dissolved, and by taking over the activities and structures in the field of small and medium enterprises and business environment from the Ministry of Energy, Small and Medium Enterprises and Business Environment.

In accordance with the provisions of GD no. 27/12 January 2017 on the organisation and functioning of the Ministry of Economy, the Company operated under the authority of the Ministry of Economy until 5 November 2019.

Pursuant to the Government Emergency Ordinance (GEO) no. 68/2019 for the establishment of certain measures at the level of central public administration and for amending and supplementing certain normative acts, published in the Official Gazette no. 898/06.11.2019, as of 6 November 2019, the exercise of rights and fulfilment of obligations arising from the status of shareholder of the State in the National Electricity Transmission Company "Transelectrica" - S.A. is carried out by the General Secretariat of the Government.

On 14.11.2019, the Central Depository S.A. registered the transfer of 43,020,309 shares (representing 58.69% of the share capital) issued by CNTEE Transelectrica SA, from the account of the Romanian State through the Ministry of Economy to the account of the Romanian State represented by the Government through the General Secretariat of the Government, as a result of the implementation of the provisions of Government Emergency Ordinance no. 68/06.11.2019 on establishing some measures at the level of central public administration and amending and supplementing some normative acts.

On 30 June 2024, the shareholders of CNTEE Transelectrica SA are: The Romanian State represented by the General Secretariat of the Government holding 43,020,309 shares (58.69%), the privately managed pension fund NN with 4,007,688 shares (5.47%), PAVAL HOLDING with 4,753,567 shares (6.49%), other shareholders Legal Entities with 16,533,437 shares (22.55%) and other shareholders Individuals with 4,988,141 shares (6.80%).

At the end of each reporting period, the fully subscribed and paid-up share capital of the Company in the amount of 733,031,420 is divided into 73,303,142 ordinary shares with a nominal value of 10 RON/share and corresponds to that registered with the Trade Register Office.

The shareholder structure at 30 June 2024 and 31 December 2023 is as follows:

Actionar	30 june 2024		31 december 2023	
	Number of shares	% of the share capital	Number of shares	% of the share capital
Shareholder	43.020.309	58,69%	43.020.309	58,69%
Romanian State by MECRMA	16.533.437	22,55%	16.231.423	22,14%
Other legal person shareholders	4.753.567	6,49%	4.753.567	6,49%
PAVAL HOLDING	4.007.688	5,47%	4.007.688	5,47%
NN Group NV	4.988.141	6,80%	5.290.155	7,21%
Other natural person shareholders	73.303.142	100,00%	73.303.142	100,00%

The increase in equity as at 30 June 2024 compared to 31 December 2023 was mainly due to the recognition in retained earnings of the net profit amounting to 266.562 realised as at 30 June 2024.

8. DEFERRED INCOME

Upfront revenues are mainly represented by: the connection fee, other investment subsidies, non-refundable European funds received from the Ministry of European Funds, as well as revenues from the use of interconnection capacity.

At 30 June 2024, the statement of **deferred income** is as follows:

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	30 june 2024	Of which: current part at 30 june 2024	31 december 2023	Of which: current part at 31 december 2023
Deferred revenues – allocation of the interconnection capacity	7.940	7.940	1.054	1.054
Deferred revenues – European funds	1.165	1.165	839	839
Connection fee funds	293.537	7.060	317.657	9.062
European funds	222.283	3.435	194.200	4.198
Other subsidies	21.065	992	21.504	985
Total	545.990	20.592	535.254	16.138

Developments in **short-term income advances** from January to June 2024 are as follows:

	30 june 2024	31 december 2023
Opening balance 1 january	16.138	39.520
Cash in advance related to interconnection capacity	44.661	214.514
Proceeds from European funds	326	422
Transfer of long-term deferred revenues	(2.758)	(7.414)
Revenues from the use of interconnection capacities	(37.774)	(229.686)
Revenues from European funds	-	(1.217)
Balance on the end of period	20.592	16.138

Developments in **long-term income advances** from January to June 2024 are as follows:

	30 june 2024	31 december 2023
Opening balance 1 january	519,115	439,028
Connection subsidies	22,616	231,303
Non-reimbursable funds	29,959	(18,410)
Non-refundable funds to be repaid	-	-
Transfer from short term deferred revenues	(52,276)	(153,505)
Subsidies wich resumed into revenues	5,984	20,698
Balance on the end of period	525,398	519,116

9. Loans

• Long-term loans

At 30 June 2024, the amount of long-term borrowings has decreased compared to 31 December 2023 mainly due to repayments under existing loan agreements.

At 30 June 2024 and 31 December 2023, the balances of long-term borrowings from credit institutions are as follows:

Description	30 june 2024	31 december 2023
BEI 25709	17,973	23,952
BEI 25710	25,949	31,942
Total non-current loans from credit institutions, of which:	43,922	55,893
Less: Current portion of non-current borrowings	(23,999)	(23,987)
Total non-current loans net of current instalments	19,923	31,906

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The long-term portion of the loans will be repaid as follows:

	30 june 2024	31 december 2023
From 1 to 2 years	18,965	12,011
From 2 to 5 years	957	19,895
More than 5 years	-	-
Total	19,923	31,906

The Group has not hedged its foreign currency obligations or interest rate risk exposures.

All long-term borrowings outstanding at 30.06.2024 bear fixed interest rates.

- **Short-term loans**

Short-term loans are itemised as follows:

	30 june 2024	31 december 2023
Current portion of non-current borrowings	23,999	23,987
Short-term bank loans	-	-
SMART credit lines	5,060	7,072
Interest related to the non-current and current loans	418	541
Total împrumuturi pe termen scurt	29,476	31,600

- **Borrowing for current activity**

On 30.03.2022, Transelectrica entered into credit agreement no. **C624 with Banca Comercială Română** for a period of 12 months for the financing of the bonus support scheme for high efficiency cogeneration, in the form of overdraft, in the amount of RON 175,000, with an interest rate calculated based on the ROBOR 1M reference rate, plus a margin of 0% and a commission of 0.088%.

On 04.01.2023, Transelectrica entered into Additional Deed no. 1 to the credit agreement no. C624 concluded with Banca Comercială Română, with the purpose of extending the purpose of the credit line and to cover temporary working capital needs and extending the validity of the agreement by 12 months (from 30.03.2023 to 30.03.2024).

On 27.03.2024, Transelectrica entered into Additional Deed no. 2 to the credit agreement no. C624 concluded with Banca Comercială Română, with the purpose of extending the validity of the agreement by 12 months (from 30.03.2024 to 30.03.2025).

The credit line is secured by:

- chattel mortgage on the bank account opened with the bank;
- chattel mortgage on the receivables resulting from the contracts on the contribution for high efficiency cogeneration concluded with Electrica Furnizare SA, Enel Energie SA, Enel Energie Muntenia SA, EON Energie Romania SA.

At 30 June 2024 the credit line is not drawn down.

On 10 March 2022, Transelectrica entered into loan agreement no. **C588 with Banca Transilvania** for a period of 12 months to finance the Company's working capital in the amount of RON 200,000 with an interest rate calculated on the basis of the ROBOR 1M reference rate, plus a margin of 0.05%.

The credit agreement in the amount of 200 million RON has the following structure:

- 175 million RON - revolving credit line used to cover the temporary working capital needs for the timely payment of the Company's overdue obligations, with a utilisation period of 12 months, until 09.03.2023;
- 25 million RON in the form of a ceiling for the issuance of letters of guarantee, with a period of issuance of letters of guarantee of 12 months, until 09.03.2023 and a validity of letters of guarantee of 24 months.

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On 09.05.2022, Transelectrica entered into Additional Deed no. 1 to the credit agreement no. C588 entered into with Banca Transilvania, with the purpose of extending the validity of the credit line to 24 months (credit line utilisation until 08.03.2024).

On 16.06.2022, Transelectrica entered into Additional Deed no. 2 to the credit agreement no. C588 concluded with Banca Transilvania, with the purpose of increasing the ceiling for the issuance of letters of guarantee from RON 25 million to RON 40 million (utilisation of the ceiling until 09.03.2023).

On 19.04.2023, Transelectrica entered into Additional Deed no. 3 to the credit agreement no. C588 entered into with Banca Transilvania, with the purpose of amending the guarantee agreements.

On 07.03.2024, Transelectrica entered into Additional Deed no. 4 to the credit agreement no. C588 concluded with Banca Transilvania, with the purpose of extending the validity of the credit line to 12 months (credit line utilisation until 09.03.2025).

The credit line is secured by:

- chattel mortgage on the bank account opened with the bank;
- chattel mortgage on the claims resulting from the contract on the provision of electricity transmission and system service concluded with Electrica Furnizare SA.

At 30 June 2024 the credit line is not drawn down.

- *SMART credit lines*

In November 2021, SMART SA contracted a new revolving credit line facility from Banca Românească in the amount of RON 12 million to finance the current activity and refinance the credit line held with Libra Internet Bank for a period of 12 months maturing on 23 November 2022.

On 22 November 2022, the Branch increased the ceiling of the credit line by 3 million lei up to a total amount of 15 million lei and extended its maturity by 12 months, the next maturity being on 22.11.2023.

Currently the Subsidiary has a credit for multi-product ceiling - single-company with a ceiling of 21 million lei contracted on January 9, 2024, through which it took over and extended the credit line with a revolving ceiling of 15 million lei valid until November 22, 2024, to which was added a non-cash ceiling of 6 million lei for the issuance of bank guarantee letters valid until November 20, 2026.

As at 30 June 2024, 5,060 were drawn on the credit line.

10. a. TRADE AND OTHER PAYABLES

As at 30 June 2024 and 31 December 2023, trade and other payables are as follows:

	30 june 2024	31 december 2023
Providers - electricity market	2,378,889	1,340,922
Asset providers	139,305	177,264
Providers of other activities	25,447	43,799
Amounts due to employees	15,247	14,809
Other liabilities	747,728	624,156
Total	3,306,617	2,200,950

As at 30 June 2024 and 31 December 2023, the outstanding energy market liabilities amounting to 2,378,889 and 1,340,922, respectively, are structured as follows:

	30 june 2024	31 december 2023
Providers - electricity market, of wich:		
-providers - operational activity	761,359	591,456
-providers - balancing market	1,596,983	617,379
-providers- bonus type support	20,547	132,087
scheme to promote high efficiency cogeneration		
Total	2,378,889	1,340,922

The attached notes are integrant part of these consolidated interim financial statements

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. At 30 June 2024, their share of total energy suppliers of the Company is 87.18%.

The increase in the "liabilities related to operating activity" balance in the period analysed was influenced by the supply and demand pricing model for electricity market coupling. The implicit allocations, where capacity and energy are provided simultaneously, have been strongly influenced by changes in the price of electricity on European power exchanges.

The increase in the "balancing market liabilities" balance was driven by an 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 "debts related to the support scheme" to suppliers (producers) was determined both by the decrease in the amount 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 the enforceable civil decisions no. 806/20.05.2024 (case no. 28460/3/2017) and no. 898/03.06.2024 (case no. 3694/3/2016) rendered by the Bucharest Court of Appeal.

As at 30 June 2024, there are payment obligations to suppliers (producers) in the amount of 3,368,966 (CET Govora SA), representing the monthly cogeneration bonus and the ante overcompensation for 2015. The amounts representing the Company's debts related to the support scheme to CET Govora have been withheld for payment on the basis of Art. 17 para. 5 of ANRE President's Order no. 116/2013, as the supplier (producer) has payment obligations towards the Company under the bonus support scheme.

The company requested from the supplier (producer) that did not pay the overcompensation invoices, the agreement to carry out the mutual debt compensation at their minimum level through the Institute of Management and Informatics (IMI) that manages all the information received from taxpayers in a unitary manner, based on the provisions of G.D. no. 773/2019.

CET Govora did not agree with this way of settling mutual claims and debts, which is why the Company has applied and continues to apply the provisions of Article 17 para. 5 of ANRE President's Order no. 116/2013 for the approval of the Regulation on the establishment of the manner of collection of the contribution for high efficiency cogeneration and payment of the bonus for electricity produced in high efficiency cogeneration: "where the producer has not paid in full to the support scheme administrator the resulting payment obligations in accordance with the provisions of this Regulation, the support scheme administrator shall pay the producer the difference between the value of the invoices issued by the producer and the producer's payment obligations in respect of the support scheme, with an explicit mention of the amounts concerned on the payment document" and withheld from payment the amounts of the support scheme due.

CNTEE Transelectrica SA has entered into an agreement with CET Govora SA for the set-off and instalment payment of the amounts representing the receivables from the overcompensation for 2011-2013 and the undue bonus for 2014 (Agreement No C 135/30.06.2015 and Additional Deed No 1/04.08.2015). The duration of the Agreement was 1 year (period July 2015-August 2016) and provided for the Company's right to calculate and charge penalties during the payment instalment period.

On the basis of the Agreement, the Company's receivables from CET Govora SA were offset against the debts to CET Govora SA, represented by the cogeneration bonus for the period May 2014 - October 2015 withheld by applying the provisions of Article 17 paragraph 5 of the Order of the President of ANRE no. 116/2013 and the provisions of the Agreement, in the amount of 40,508.

Following the suspension in court, by Civil Judgement no. 3185/27.11.2015, of ANRE Decision no. 738/28.03.2014, which established the amount of overcompensation for the period 2011-2013, CET Govora SA has no longer complied with the obligations assumed by the Agreement. As of 9 May 2016, general insolvency proceedings were opened for CET Govora. Taking into account the provisions of Law no. 85/2014 - the Insolvency Law, the Company has suspended, as of 9 May 2016, the application of the provisions of Article 17.5 of the Order of the President of ANRE no. 116/2013 for the approval of the Regulation on the establishment of the procedure for the collection of the contribution for high efficiency cogeneration and the payment of the bonus for electricity produced in high efficiency cogeneration and pays the cogeneration bonus due to CET Govora on a monthly basis. By Civil Decision No 2430/05.10.2016, the High Court of Cassation and Justice admitted the appeal lodged by ANRE against

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Civil Judgement No 3185/27.11.2015, partially quashed the contested judgement and rejected the request for suspension filed by CET Govora. Thus, as of 05.10.2016, the effects of ANRE Decision no. 738/28.03.2014 are no longer suspended, taking full effect.

Under these circumstances, the Company applies the provisions of Article 17 paragraph 5 of ANRE Order no. 116/2013 for mutual debts and claims arising after the insolvency proceedings, in the sense of withholding the bonus due to CET Govora SA up to the amount of the amounts related to the support scheme not paid to the Company.

The decrease in the **"fixed assets suppliers"** balance at 30 June 2024 compared to 31 December 2023 was due to payments falling due.

Amounts owed to **"suppliers other activities"** are mainly represented by amounts owed for services rendered by third parties not yet due, which have decreased since 31 December 2023.

At 30 June 2024, the Group has no outstanding debts to suppliers (state budget, local budget or other public institutions).

The structure of liabilities recorded under **"other liabilities"** is as follows:

	30 june 2024	31 december 2023
Various creditors	339,915	312,095
Client-creditors	330,926	247,531
Dividends to pay	305	193
Other liabilities	76,582	64,337
Total	747,728	624,156

- "Sundry creditors", amounting to **339.915** as at 30 June 2024, represent mainly:
 - the net position of the support scheme for high efficiency cogeneration, debt position, totalling 326.725. The net position of the support scheme is the difference between:
 - the amount of the contribution to be collected from the suppliers of electricity consumers, the amount of overcompensation for high-efficiency cogeneration of electricity and heat production, the undue bonus to be collected from producers, in accordance with ANRE decisions, and
 - the amount of the cogeneration bonus, the pre-compensation and the unallocated bonus to be paid to high-efficiency cogeneration producers, beneficiaries of the support scheme, on the other hand
 - 13.151 solution study contracts for connection to the RET,
- "Customer creditors" as at 30 June 2024 amount to **330.926**, of which 328,675 represent amounts received in advance under transactions related to the price coupling mechanisms, ICP (Interim Coupling Project), SIDC (Single Intraday Coupling), SDAC (Single Day-ahead Coupling) and FBMC (Flow Based Market Coupling), from OPCOM (174,231), IBEX (144,978), MAVIR (8,786), Bursa Romana de Mărfuri (647) and JAO (33).
- At 30 June 2024, dividends due to shareholders of the Company and unpaid amount to **305**. These amounts are available to shareholders via the paying agent.
- "Other payables" totalling **76.582** are mainly represented by guarantees of good payment of the electricity market contracts concluded by CNTEE Transelectrica SA in the amount of 47.875, VAT not recoverable during the reporting period in the amount of 27.196 and other.

10.b DATORII LEASING

At 30 June 2024, the **liability for property, plant and equipment related to rights of use of leased assets - buildings**, in accordance with IFRS 16 - Leases, is as follows:

	30 june 2024	31 december 2023
Liabilities - leasing, short term	9.487	9.253
Liabilities - leasing, long term	2.537	7.073
Total	12.024	16.326

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At 30 June 2024, the **liability for property, plant and equipment related to rights of use of leased assets - buildings**, in accordance with IFRS 16 - Leases, amounts to 12.024, of which:

- short-term debt: 9.487
- long-term debt: 2.537.

11. PROVISIONS

As at 30 June 2024 and 31 December 2023, the statement of provisions is as follows:

	30 june 2024	31 december 2023
Provisions for litigations	26,016	25,983
Provisions for mandate contracts	36,554	40,491
Other provisions	749	717
Total	63,320	67,191

The provisions for litigation outstanding at 30 June 2024, amounting to 26.016, are mainly represented by the provisions set aside for the following litigations:

- *Case no. 36755/3/2018 - plaintiff Conaid Company SRL (17.216) - more details on this case are set out in Note 19 - Litigation and Contingencies.*
- *File no. 15561/3/2022 - claimant SMART SA (4.467) - more details on this file are set out in Note 19 - Litigation and Contingencies.*
- *File no. 3083/3/202020 - complainant NUCLEARELECTRICA SA (1.473)*

On 26.06.2020, Nuclearelectrica sued the Company for the payment of 1,290,533 RON representing the negative imbalance and 182 RON, legal interest.

After several adjournments of the case (26.06.2020, 16.10.2020, 11.12.2020), for various reasons, at the deadline of 22.12.2020, the Court ordered the Company to pay the plaintiff the amount of 1,290,533 RON, as compensatory damages, to pay the amount to be updated with the inflation rate from 27.09.2018 and until the date of actual payment, the payment of the amount of RON 182 representing legal penalty interest calculated from 27.09.2018 until 31.01.2020, as well as the further payment of the legal penalty interest, calculated from 01.02.2020 until the date of actual payment. It also ordered the defendant to pay to the plaintiff the sum of 23 RON by way of legal costs, consisting of stamp duty. Dismissed the defendant's claim for costs as unfounded. Subject to appeal within 30 days of notification. (Decision 2698/2020 22.12.2020).

CNTEE Transelectrica SA has lodged an appeal. In the sitting of 25.11.2021, the Bucharest Court of Appeal admits the appeal. Partially amends the civil judgment under appeal to the effect that: The action is dismissed as unfounded. Upholds the order of the Court of First Instance dismissing as unfounded the defendant's claim for costs. Orders the respondent-claimant to pay to the respondent-appellant the sum of EUR 20,591.66 as costs of the appeal. With appeal within 30 days from the date of the communication, the appeal application to be filed at the Bucharest Court of Appeal - Section VI Civil.

Ruled by making the solution available to the parties by the court registry, today, 25.11.2021. Document: Decision 1927/2021 25.11.2021.

Nuclearelectrica lodged an appeal, which was stayed pending the outcome of the action for annulment of the order. Term 12.10.2022.

Under Article 413 para. (1), paragraph 1 of the Civil Procedure Code, suspends the judgement of the appeal lodged by the appellant-claimant Societatea Națională Nuclearelectrica S.A. against the civil decision no. 1927/A/25.11.2021, rendered by the Bucharest Court of Appeal - Section VI Civil, until the final resolution of case no. 2659/2/2020, pending before the High Court of Cassation and Justice - Administrative and Tax Litigation Section. Definitive.

"Provisions for agency contracts" amounting to 36.554, as at 30 June 2024, represent:

- the variable component related to the OAVT packages allocated and not valorised during the terms of office executed in the period 2013-2017, for executive and non-executive directors;
- the remuneration representing the variable component, the non-competition indemnity and that of the remaining gross monthly fixed allowances until the end of the term of office for the members of the

The attached notes are integrant part of these consolidated interim financial statements

Supervisory Board/Management Board who are dismissed, i.e. until 2024.

"Other provisions" amounting to 749 mainly represent untaken holidays.

12. OTHER TAXES AND SOCIAL INSURANCE CONTRIBUTIONS

At 30 June 2024 and 31 December 2023, other taxes and social security liabilities comprise:

	<u>30 june 2024</u>	<u>31 december 2023</u>
Contribution to the social security funds	14,495	19,202
Payable VAT	1,837	1,991
Salary tax	2,730	3,463
Other tax payable	3,042	1,391
Total	22,105	26,047

As at 30 June 2024, the Group has accrued liabilities for social security contributions, payroll and other taxes, which were due and payable in July 2024.

13. Corporate income tax

The Group's current and deferred income taxes are determined at a statutory rate of 16%.

The income tax expense for 30 June 2024 and 30 June 2023, is presented as follows:

	<u>30 june 2024</u>	<u>30 june 2023</u>
Income tax	18,432	24,820
Deferred income tax	1,073	(6,474)
TOTAL	19,504	18,346

14. OPERATING REVENUES

The tariffs approved by ANRE for the services provided on the electricity market for the first semester of 2024 and the first semester of 2023 are as follows:

	<u>Average tariff for transmission services</u>	<u>Average tariff of system services</u>
Order No 15/29.05.2024 for the period from 01 June to 30 June 2024	-	12,84 ^{*)}
Order No 116/20.12.2023 for the period 01 January - 31 May 2024	-	9,17
Order No 109/20.12.2023 for the period 01 January - 30 June 2024	31,67 ^{**)}	-
Order No 67/25.05.2023 for the period 01 June - 30 June 2023	-	6,64
Order No 144/21.12.2022 for the period from 01 January to 31 May 2023	-	7,73
Order No 28/29.03.2023 for the period 01 April - 30 June 2023	31,20	-
Order No 33/23.03.2022 for the period 01 January - 31 March 2023	28,10	

^{*)} 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 that entered into force on 01 January 2024, in accordance with the provisions of the regulatory framework issued by ANRE;

^{**)} The tariff for the transmission service of 31.67 RON/MWh, in force as of 01 January 2024, includes the main component of 30.41 RON/MWh and the component related to the additional costs with CPT of 1.26 RON/MWh (ANRE Order no. 109/2023).

The quantity of electricity delivered to consumers in the first half of 2024 and the first half of 2023 is as follows:

	<u>30 june 2024</u>	<u>30 june 2023</u>
Quantity of electricity delivered to consumers (MWh)	25,402,341	24,971,219

NPG TRANSELECTRICA SA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2024
(All amounts are presented in thousand RON, unless otherwise indicated)

The operating revenues realised in the first half of 2024 and the first half of 2023 are as follows:

	30 june 2024	30 june 2023
Transmission revenues	800,889	747,507
Revenues from the allocation of interconnection capacities	101,900	180,919
Revenues from reactive energy	758	7,242
Inter TSO Compensation (ITC) revenues	11,632	1,983
Revenues from transactions with own technological consumption	70,100	21,406
Total revenues from electricity transmission	985,278	959,057
Revenues from system services	251,393	189,197
Emergency energy assistance to neighboring	60,302	3,553
Total revenues from system services	311,695	192,751
Revenues on the balancing market	3,229,089	1,017,616
Income from other benefits and other operating income	145,403	31,281
Grid losses anticipatory tariff income	23,866	-
Other revenues	169,269	31,281
Total revenues	4,695,331	2,200,704

Transmission revenues

Revenues from the transmission service recorded an increase in H1 2024 compared to H1 2023 of 53,381, determined both by the increase in the average tariff for the transmission service approved by ANRE (see the table on tariffs approved by ANRE for the period analysed, presented above), and by the increase in the quantity of electricity delivered to consumers by 1.73%, i.e. by 431,122 MWh.

Revenues from the allocation of interconnection capacities

Revenues from interconnection capacity allocation showed a decrease in H1 2024 compared to H1 2023, amounting to 79,018, corresponding to the level of utilisation of available interconnection capacity by electricity market traders.

The market for the allocation of interconnection capacity is volatile, with prices fluctuating according to demand and the need of electricity market participants to purchase interconnection capacity. Thus, the fall over the period analysed was influenced by the supply and demand price formation model. The implicit allocations, where capacity and energy are provided simultaneously, are strongly influenced by changes in the price of electricity on European exchanges.

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 borders with Moldova and Ukraine are explicit - only transmission capacity is tendered, 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 8 June 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).

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

Since November 2019, the 2nd wave of the European Single Intraday Market Coupling (SIDC) has been launched. The single intra-domestic market coupling mechanism ensures that bids and offers from market participants in a bidding area are continuously matched with bids and offers from within their own bidding area and from any other bidding area where cross-border capacity is available. Thus, explicit intra-Serbian tenders are only on the border with Serbia, while on the borders with Bulgaria and Hungary they are implicit (within the framework of the CIS).

The use of the net revenues from the allocation of interconnection capacity is carried out in accordance with the provisions of ANRE Order no. 171/2019 and Regulation (EU) 2019/943 of 5 June 2019 on the internal electricity market, as a source of financing investments for the modernisation and development of interconnection capacity with neighbouring systems.

Extending market coupling has the effect of making energy prices uniform across Europe, which is also one of the main objectives of Regulation (EU) 2015/1222 "establishing guidelines on capacity allocation and congestion management".

Inter TSO Compensation (ITC) revenues

Revenues from the application of the ITC mechanism come mostly from scheduled exchanges of electricity with the countries considered as perimeter countries of the mechanism, namely Ukraine and the Republic of Moldova. In general, Romania is a paying country under the mechanism, but exceptionally, monthly settlements can also be recognised as income.

Thus, in the first half of 2024, the income recorded following the application of the ITC mechanism showed an increase of 9,649 compared to the first half of 2023, due to:

- change in the tariff for trade with perimeter countries from 15.06.2023, from EUR 1.2/MWh to EUR 3/MWh, which led to an increase in revenues compared to the same period last year;
- the significant increase in energy exchanges recorded in the analysed period of 2024 with both perimeter countries (Ukraine and Republic of Moldova), in contrast to the similar period of 2023, when exchanges were only with the Republic of Moldova.

Revenues from transactions with own technological consumption (OTC)

Revenues from energy trading for CPT were mainly derived from the sale of surplus energy, resulting from the difference between the long and medium term forecast and the short term forecast on the Intra-Dil market managed by OPCOM and, respectively, from the difference between the forecast CPT and the CPT actually realised on the Balancing Market. These revenues were significantly higher in H1 2024 compared to H1 2023 by 48,694.

In the structure of these revenues, transactions on the Intra-Domestic Market were lower than in the previous year, as a large part of the required CPT 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 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 mechanism;
- changing the period of application of the mechanism from 31 March 2025 to 31 December 2024;
- allowing other producers with production capacities below 10MW to participate in the scheme.

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

Revenues from system services

Revenues from system services recorded an increase in H1 2024 compared to H1 2023 of 62,196, determined both by the increase in the tariff approved by ANRE for these services (see the table on tariffs approved by ANRE for the period analysed, presented above), and by the increase in the quantity of electricity delivered to consumers by 1.73%, i.e. by 431,122 MWh.

In H1 2024, system services revenue was lower by 49,564 compared to the system services procurement expenditure realised.

For the activity of system services, the specific regulatory framework contains regularisation mechanisms to ensure that any excess or shortfall of revenues over or in relation to the level of expenditure necessary to carry out that activity is offset. Thus, according to ANRE's regulations, the surplus/deficit of income compared to the recognised costs resulting from this activity is to be compensated by ex-post tariff correction (negative/positive correction) applied by ANRE in the tariff in the years following the one in which the respective surplus/deficit was recorded. The surplus/deficit of income over the costs of carrying out this activity shall be calculated by tariff programme periods.

Revenues from Emergency energy assistance to neighboring

In the first half of 2024, disaster aid totalling 60,302 was granted to Ukraine, as a result of the damage to its energy infrastructure caused by armed conflicts and to Serbia, due to the accidental shutdown of groups in that country.

Revenues on the balancing market

The revenues realised on the balancing market recorded a significant increase in H1 2024 compared to H1 2023, amounting to 2,211,473, mainly due to the following:

- the accelerated increase in installed capacity at prosumers, from around 420 MW at the beginning of 2023 to around 1,500 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 who are beneficiaries of green certificates, based on the provisions of Law no. 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;
- the evolution of electricity production and consumption;
- the evolution of the output of power stations on trial.

Grid losses anticipatory tariff income

According to Art. III of GEO no. 119/2022 amending and supplementing GEO no. 27/2022 on the measures applicable to end customers in the electricity and natural gas market in the period 1 April 2022 - 31 March 2023, and amending and supplementing some normative acts in the energy sector, and approved by Law no. 357/13.12 . 2022, for the licensed economic operators, providers of electricity transmission services, the additional costs for the purchase of electricity incurred in the period 1 January 2022 - 31 March 2025, in order to cover their 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.

Accordingly, as at 30 June 2024, the Company has recognised CPT capitalisation income of 23,866, representing additional CPT calculated as the difference between the net CPT acquisition cost and the CPT cost included in the regulatory tariff, for the period 01 January to 30 June 2024.

Income from other benefits and other operating income

Income from other services and other operating income increased in the first half of 2024 compared to the first half of 2023 by 114.122, mainly due to the recording of income from indemnities, fines and penalties as a result of the legal recovery, in accordance with Civil Judgement no. 6169/2023, handed down on 20

December 2023 by the ICCJ - Administrative and Tax Litigation Section and communicated to the Company on 15 May 2024, of amounts (additional payment obligations established by Tax Assessment Decision no. F-MC 439/30.06.2017) enforced in 2017 by ANAF, based on enforceable title no. 13540/22.08.2017.

15. SYSTEM OPERATING EXPENSES AND BALANCING MARKET EXPENSES

The expenses realised in H1 2024 compared to H1 2023 are as follows:

	<u>30 june 2024</u>	<u>30 june 2023</u>
Expenses on own technological consumption	296,081	261,205
Congestion expenses	107	88
Expenses for the electricity consumption in RET substations	25,568	25,456
RED transit OTC expenses (ANRE decision)	12,840	-
ITC expenses (Inter TSO Compensation)	20,605	20,321
Total system operating expenses	355,201	307,070
Expenses regarding system services	300,957	230,735
Balancing market expenses	3,229,286	1,017,157
Total	3,885,443	1,554,962

Expenditure on own technological consumption

These represent expenses for the purchase of electricity on the free electricity market, i.e. the Centralised Bilateral Contracts Market (PCCB), the Day-ahead Market (PZU), the Balancing Market (PE) and the Intra-day Market (PI) to cover own technological consumption (CPT) in the transmission electricity network (RET).

Technological own consumption expenditure was higher by 34,876 in H1 2024 compared to H1 2023, taking into account a number of aspects as follows:

- due to its characteristics, the Technological Own Consumption (TOC) in the Electricity Transmission Grid (ETG) is strongly dependent on weather conditions, the structure of electricity production and consumption at national level, the distribution of electricity flows in the internal transmission grid and on the interconnection lines with neighbouring power systems, and its value is very little to not controllable in an interconnected and coupled regional energy market;
- following the provisions of GEO no. 153/2022 amending and supplementing GEO no. 27/2022, CNTEE Transelectrica SA purchased electricity to cover 75% of the quantity related to the CPT 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 will be reduced to 400 RON/MWh for energy contracted from 1 April 2024 (in accordance with GEO no. 32/2024);
- the accelerated increase in installed capacity at prosumers (from about 420 MW at the beginning of 2023 to about 1,500 MW at the beginning of 2024), together with the increasing share of wind and solar energy, have led to a decrease in energy prices on the 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.

Congestion expenses

In the first half of 2024, there were 107 congestions. With the simultaneous unavailability of the 400 kV Bradu - Braşov and 400 kV Țânțăreni - Sibiu Sud power lines, which are located in the south - north direction of the SEN, and a very high transit of electricity through Romania from the south - east of Europe to the centre - north of Europe, as a result of transactions on the European electricity market, high production in wind power plants and scorching temperatures, it was necessary to select units in the southern part of Romania (Oltenia and Dobrogea areas) for power reduction in order to manage network congestion. The 400 kV Bradu - Braşov power line has been taken out of service to remove a tree fallen

on the line, cut by unknown persons. The 400 kV Țânțăreni - Sibiu South power line has been put back into operation, after the completion of the line inspection.

Expenses for the electricity consumption in RET substations

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

These expenses increased by 111 in H1 2024 compared to H1 2023.

RED transit OTC expenses (ANRE decision)

In the first half of 2024, CPT expenses related to additional transits of electricity from the networks of concessionary distribution operators at the 110kV voltage level (for the quota allocated to the OTS) were recorded in the amount of 12,840.

By ANRE Decisions no. 2642/14.11.2023 and no. 2643/14.11.2023, the forecast CPT quantities and the corresponding costs for additional transits of electricity from the 110 kV electricity grids for 2024 were approved for Distribuție Energie Oltenia S.A. and E-Distribuție Dobrogea S.A.

Inter TSO Compensation (ITC) expenses

ITC expenditure represents the monthly payment obligations/collection rights for each TSO. They are established under the mechanism of compensation/dispensation of the effects of the use of the transmission electricity network (RET) for electricity transits between TSOs of the countries that have joined this mechanism of ENTSO-E. In H1 2024, these expenses were 284 higher than in the same period of the previous year.

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.

Expenses regarding system services

System services are purchased by the Company from producers in order to ensure the maintenance of the level of operational safety of the SEN and the quality of the electricity transported at the parameters required by the technical standards in force, based on the needs established by the National Energy Dispatching (organisational unit within the Company) responsible for ensuring the stability and safety of the SEN operation.

Expenditure on system services increased by 30.43% in H1 2024 compared to H1 2023, i.e. by 70,222.

The purchase of system services is carried out both in a competitive regime through daily auctions, in accordance with the provisions of Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019, and in a regulated regime, based on ANRE Decisions (in the case of reactive energy reserves).

In the first half of 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.

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 5 June 2019, in the period 01.06.2024-31.08.2024, the purchase of balancing capacity services for frequency stability contracted by CNTEE Transelectrica SA is carried out as follows:

- at a maximum price of 82.30 RON/hMW for the secondary regulating 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 regulating reserve on boost/reset reserve with manual activation on boost;
- at a maximum price of 16.38 RON/hMW for the fast tertiary dimming reserve/manually activated frequency restoration reserve at manual dimming.

We point out that, in line with the trend observed in the balancing market, there has been a steep increase in the purchase price of the Fast Tertiary Reserve - power curtailment from April 2024. Thus,

there were increases in the purchase price of the reserve 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 ANRE President's Order no. 18/30.05.2024, the price trend has been contracting, with prices below the maximum limit imposed by the authority.

For the next period of 2024, it is estimated that a significant impact on the evolution of the costs for the purchase of system services through daily and directional auctions, at the level of CNTEE Transelectrica SA, will be the evolution of the ANRE's regulatory framework for the electricity market, as well as the regional and European context of the evolution of the electricity market.

Balancing market expenses

The balancing market expenses realised in H1 2024 showed an increase of 217.48% as compared to the similar period of 2023, i.e. by an amount of 2,212,129. These expenses result from the notifications/realisations of the participants on this market and are significantly influenced by the evolution of electricity production and consumption at national level, the European context of the electricity market evolution and the way contracting is realised on the markets prior to the balancing market.

16. DEPRECIATION AND AMORTIZATION

	30 june 2024	30 june 2023
Expenses with the depreciation of the tangible and intangible fixed assets	139,179	132,003
Expenses with the depreciation of the intangible fixed assets – inclusiv Grid Losses	35,595	33,853
Expenses with the depreciation of the assets related to the rights of use of the leased assets	4,333	4,455
Total	179,106	170,310

Depreciation of tangible and intangible fixed assets in the amount of 139,179 represents the depreciation recorded in the first half of 2024, calculated at the revalued amount of the assets at 31 December 2023, correlated with the commissioning of the investment works and the acceptance of the assets.

Expenses with the amortisation of intangible assets - additional CPT in the amount of 35,595 were recorded in accordance with the provisions of OMF no. 3900/2022 on the approval of accounting specifications in application of the provisions of Article III of GEO no. 119/2022 for the amendment and completion of *GEO no. 27/2022 on the measures applicable to end customers in the electricity and natural gas market in the period from 1 April 2022 to 31 March 2023, as well as for the amendment and completion of some normative acts in the energy sector.*

According to Article III of GEO no. 119/2022 approved by Law no. 357/13.12.2022 with subsequent amendments and additions, for licensed economic operators, providers of electricity transmission services, the additional costs of electricity purchase incurred in the period from 1 January 2022 to 31 March 2025, in order to cover their own technological consumption, compared to the costs included in the regulated tariffs, are capitalised on a quarterly basis, and the assets resulting from the capitalisation are depreciated over a period of 5 years from the date of capitalisation.

Intangible asset amortisation expense recognised under IFRS 16 in the amount of 4,333 (the Group partly operates in leased office premises). In accordance with *IFRS 16 - Leases*, the right to use the premises leased by the Company in the Platinum office building in Platinum str. Olteni nr. 2-4, also for the two leases of subsidiars, as an asset valued at the level of the rent to be paid until the end of the lease. The asset recognised in accordance with IFRS 16 is depreciated at the level of the monthly rent and is recorded under the indicator 'depreciation and amortisation expense on tangible and intangible assets'.

17. PERSONNEL EXPENSES

	<u>30 june 2024</u>	<u>30 june 2023</u>
Personnel expenses	238,154	202,267
- of which expenses for employees' salaries	<u>209,134</u>	<u>173,386</u>

The total staff expenses realised in Q2 and H1 2024 show an increase compared to the same period of the previous year, mainly due to the increase in some expense items such as: staff salary expenses, social expenses, expenses related to the directors' contract and other committees and commissions, insurance and social protection expenses, as well as the reversal to income of part of the provisions made for dismissed executive and non-executive directors, representing the variable component relating to the packages of OAVTs allocated and not utilised during the terms of office executed in the period 2013-2017 and compensation provided for in the mandate contracts concluded in 2020 for the period 2020-2024, together with the payments made on the basis of enforceable court judgments received by the Company.

ii) Number of employees

On 30 June 2024 and 30 June 2023, the number of employees with individual employment contracts of indefinite duration is as follows:

Number of employees	<u>30 june 2024</u>	<u>30 june 2023</u>
Transelectrica SA	2.027	2.033
Smart SA	593	588
Teletrans SA	<u>234</u>	<u>225</u>

18. OTHER OPERATING EXPENSES

	<u>30 june 2024</u>	<u>30 june 2023</u>
Other expenses with services provided by third parties	67,766	56,068
Postal and telecommunication expenses	620	555
Expenses on rents	3,511	3,241
(Revenues)/ Expense net for impairment adjustments for current assets	365	(870)
Other expenses	<u>15,496</u>	<u>5,461</u>
Total	<u>87,759</u>	<u>64,455</u>

In H1 2024, these expenses increased by 23,304 compared to H1 2023, mainly due to the variation in certain expense items such as:

- the increase of some expenditure items, namely: civil protection and security costs, costs related to the implementation of pan-European codes, staff training costs, costs related to goods, costs related to energy purchased for administrative consumption, etc.;
- the reduction of certain items of expenditure, such as: expenditure on taxes, duties and similar charges, other non-deductible operating expenses for tax purposes, etc.;
- the recording of expenses related to the OAVTs paid on the basis of enforceable court judgements (performance bonus related to the OAVT Certificates granted to former executive and non-executive and non-valorised members, remuneration under the mandate contracts concluded in the period 2013-2017) and expenses paid on the basis of enforceable court judgements granted to former executive and non-executive members who were dismissed, representing compensation provided for in the mandate contracts concluded in 2020, for the period 2020-2024;
- the recording of expenses with fines and penalties representing, mainly, late payment penalties to Regia Autonomă pentru Activități Nucleare, according to the civil decision no. 806/20.05.2024 rendered by the Bucharest Court of Appeal - Section VI Civil in case no. 28460/3/2017 and civil decision no. 898/03.06.2024 rendered by the Bucharest Court of Appeal - Section VI Civil in case no. 3694/3/2016;

- the recording of adjustments for the impairment of receivables (ROMELECTRO SA, OPCOM SA, etc.), adjustments for the impairment of inventories, as well as the reversal to income of adjustments for the impairment of current assets (ROMELECTRO SA, CET GOVORA SA, etc.), respectively adjustments for the impairment of inventories, etc.

19. NET FINANCIAL RESULT

	30 june 2024	30 june 2023
Interest revenues	3,634	2,691
Revenues from exchange rate differences	1,744	22,729
Other financial revenues	14,693	1,505
Total financial revenues	20,072	26,925
Interest expenses	(1,744)	(2,543)
Expenses from exchange rate differences	(2,248)	(22,278)
Other financial expenses	(206)	(342)
Total financial expenses	(4,198)	(25,163)
Net financial result	15,874	1,762

As at 30 June 2024, the Group recorded a net financial result (profit) in the amount of 15,874, higher by 14,112 compared to the same period of the previous year. This was mainly influenced by the dividends received from the subsidiary OPCOM SA in the total amount of 14,650, the increase in interest income received during the period under review, as well as the evolution of the exchange rate of the national currency against the foreign currencies in which the Company has bank loans to finance investment programmes (Euro).

The level of exchange rate income and expenses was mainly influenced by the volume of transactions related to the market coupling business segment in conjunction with the evolution of the exchange rates of the national currency against the euro.

At 30 June 2024, totalling 1,744 (interest expense), the amount of 261 represents the interest calculated on fixed assets related to the rights of use of leased assets - buildings, in accordance with IFRS 16 - Leases.

The national currency exchange rates on 30 June 2024 compared to 30 June 2023 are as follows:

Moneda	30 june 2024	30 june 2023
Lei / Euro	4.9771	4.9634

20. DISPUTES AND CONTIGENCIES

➤ *Disputes in progress*

Management regularly reviews the situation of ongoing disputes and, and after consulting with legal representatives decides the need to create/cancel provisions for the amounts involved or their introduction into financial statements.

Taking into account the existing information, the Group's management believes there are no significant ongoing disputes in which the Group is a defendant, except for the following:

- **REGIA AUTONOMĂ PENTRU ACTIVITĂȚI NUCLEARE (RAAN)**

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

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

On 14.06.2016, bankruptcy proceedings were ordered against RAAN.

CNTEE Transelectrica SA filed an objection to the supplementary table of claims, which was the subject of file no. 9089/101/2013/a152 against the debtor RAAN, as the judicial liquidator did not enter a claim in the amount of 78,096,209 RON on the grounds that "it does not appear as being due in RAAN's accounting records." Moreover, the judicial liquidator considered that the request to enter the amount of 78,096,209 RON in the table was submitted late, as it related to the period 2011 - 2013, which is why the statement of claim should have been submitted at the time of the opening of the insolvency proceedings, namely on 18 September 2013. Within the legal time limit, an appeal to the Supplementary Table of Claims was filed, the Mehedinți Tribunal accepting the evidence of the accountant's expert's report. By Judgment 163/20.06.2019, the solution of the Mehedinți Tribunal is: The plea of forfeiture is allowed. The main action and the related appeal are allowed in part. Orders the defendant to pay to the claimant the amount of 16,950,117.14 RON, a claim arising in the course of the proceedings, ordering its entry in the table of creditors established against the debtor RAAN with this amount. Dismisses the remainder of the related claims. Under Article 453 para. 2 C. pr. civ. orders the defendant to pay the applicant 1,000 RON costs. Subject to appeal. Delivered in open court. Document Decision 163/20.06.2019. Transelectrica appealed within the legal deadline. At the trial date of 06.11.2019, the Craiova Court of Appeal dismissed Transelectrica's appeal as unfounded. Final decision. Decision 846/06.11.2019.

In the bankruptcy case of RAAN registered under No **9089/101/2013**, CNTEE Transelectrica SA was entered in the creditor's estate with the following claims: 2,162,138.86 RON + 16,951,117.14 RON.

Date to continue the procedure for the collection of claims, the realisation of assets and the performance of other liquidation operations: **03.10.2024**.

RAAN and Transelectrica are also involved in 2 other cases at various stages of judgement, as follows:

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.

• **CURTEA DE CONTURI**

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 no. **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** was filed 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 **26 May 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.

- **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**.

- **CONAID COMPANY SRL**

In 2013 Conaid Company SRL sued CNTEE for its unjustified refusal to sign an addendum to the connection contract or a new connection contract and requested compensations for the expenses incurred up to that date amounting to 17,419,508 Lei and for unrealised profits in 2013-2033 amounting to 722,76 mil EUR. To date the Company has not concluded an addendum to the connection contract because the suspensive terms included in the contract were not complied with by Conaid Company SRL. A new connection contract should have been concluded by 11 March 2014, expiry date of the technical connection endorsement. File **5302/2/2013** was found on the docket of the High Court of Cassation and Justice, Section of Administrative and Fiscal Disputes, and pertained to an obligation to issue an administrative deed; law court stage – appeal and hearing term on 09.12.2015. On this term the High Court of Cassation and Justice admitted in principle the appeals and set a hearing term of such appeals, for the main issue, on 08 April 2016. Panel 4 was entrusted to summon the parties.

Case judgement was deferred to 17.06.2016, when the court postponed pronouncement to 29.06.2016, when it pronounced Ruling 2148/2016 whereby it decided as follows: "It denies the exceptions invoked by the recurrent-Plaintiff SC Conaid Company SRL by means of the judiciary administrator RVA Insolvency Specialists SPRL and by the recurrent-defendant the National Power Grid Company Transelectrica SA. It admits the appeal filed by the defendant National Power Grid Company Transelectrica SA against the hearing conclusion of 18 February 2014 and civil ruling 1866 of 11 June 2014 pronounced by the Appeal Court Bucharest, Section VIII of Administrative and Fiscal Disputes. It cancels the contested conclusion

and partly the ruling and refers the case to Bucharest Tribunal, Section VI Civil to settle the Plaintiff's case in contradiction with the National Power Grid Company Transelectrica SA. It maintains the other ruling provisions as regards the Plaintiff's suit against the National Regulatory Authority in the Energy domain. It denies the appeals filed by Plaintiff SC Conaid Company SRL by means of the judiciary administrator RVA Insolvency Specialists SPRL and by the intervenient SC Duro Felguera SA against civil ruling 1866 of 11 June 2014, pronounced by the Appeal Court Bucharest, Section VIII of Administrative and Fiscal Disputes. It denies the appeal filed by the defendant National Power Grid Company Transelectrica SA against the hearing conclusion of 25 March 2014, pronounced by the Appeal Court Bucharest, Section VIII of Administrative and Fiscal Disputes; final". It was pronounced at public hearing on 29 June 2016.

The file was registered under no. 12107/3/2017 on the docket of Bucharest Tribunal. The Tribunal's civil sentence 4364/23.11.2017 admitted the exception of inadmissibility and denied the request as inadmissible. It also denied the intervention request on the Plaintiff's behalf. Appeal right granted within 30 days from notification. The appeal was filed to the Appeal Court Bucharest, Section VI Civil and the court clerk office notified it on 23.11.2017.

On 02.11.2018 on the docket of Bucharest Tribunal, Section VI Civil new summons were filed by Conaid Company SRL under file **36755/3/2018**, by which the Plaintiff requested the court to compel Transelectrica SA to "repair the prejudice caused to the Plaintiff as a result of the defendant's culpable non-execution of obligations in quantum of 17,216,093.43 Lei, consisting of actual damage incurred and unrealised benefit, provisionally estimated at 100 thousand Euro. Taking into account the unjustified refusal of Transelectrica SA to conclude and sign an addendum to Contract C154/27.04.2012, and in case the instance deem in formal terms the Plaintiff's obligation of suspensive terms cannot be considered as fulfilled, such non-execution is owed to the exclusive guilt of Transelectrica SA, as the defendant prevented the compliance with the terms".

On the 15.10.2019 term it denied as groundless the exceptions of absence of active processual capacity and absence of interest. It joined the exception of prescription to the main issue; appeal right on the same date with the main issue. It was pronounced by placing the settlement to the parties' disposal by means of the court clerk.

It established the term on 26.11.2019 to continue investigating the case and summon the parties; appeal right on the same date with the main issue. It was pronounced by placing the settlement to the parties' disposal by means of the court clerk.

It was deferred in order to bring the expertise evidence and a new term was established on 21.01.2020.

On 21.01.2020 the case was deferred provide the expertise and the next term was established on 31.03.2020.

On the 31.03.2020 term the settlement in brief was: Lawfully suspended according to article 42 para 6 from the Decree 195/2020 of Romania's president instituting the emergency state on Romanian territory, during the entire emergency period.

After several deferrals, at the hearing of **03.01.2024** the TMB admits the exception of the limitation of the material right to action, invoked by the statement of defence. Dismisses the claim as time-barred. With appeal within 30 days from the communication. Decision 4/03.01.2024.

- **REȘIȚA MUNICIPALITY**

File no. **2494/115/2018*** - file no. **2494/115/2018****, registered with the Caras Severin Court of Caras Severin, has as its object the application for summons, by which the plaintiff Municipality of Resita requests that the defendant Transelectrica SA be ordered to pay the amount of 17,038,126.88 RON representing land rents for the years 2015, 2016, 2018, 2019, 2020, 2021, 2022 and 2023, plus legal penalty interest from the due date until actual payment.

Settlement in brief: It admitted the exception of territorial incompetence for Caras Severin Tribunal. It declined the settlement competence of the request filed by Plaintiff Resita City through the mayor in contradiction with defendant CNTEE Transelectrica SA in favour of Bucharest Tribunal. No appeal according to article 132 para 3 Civil Procedural Code. It was pronounced at public hearing on 11 March 2019. Document: Ruling 313/11.03.2019.

On the hearing term of 25.10.2019 the exception is admitted of territorial incompetence of Bucharest Tribunal. It declined the settlement competence of this case in favour of Caras-Severin Tribunal. It ascertains the occurrence of a negative competence conflict between Bucharest Tribunal and Caras-

Severin Tribunal. It suspended the case and referred the file to the High Court of Cassation and Justice, in order to settle the negative competence conflict. No appeal was granted. Ruling 2376/25.10.2019.

On the 16.07.2020 term the High Court of Cassation and Justice issued ruling 1578 and established the case settlement competence in favour of Caras Severin Tribunal, Section I civil.

File **2494/115/2018****. Hearing: 22.03.2021 at the Court of Caras Severin. Settlement: Suspends the judgment of the summons filed by Plaintiff Resita City through the Mayor in contradiction with the defendant National Power Grid Company Transelectrica SA pertaining to claims, according to article 413 para (1) pt. 1 Civil Procedural Code. Appeal granted during the entire judgment suspension, to the higher instance.

The case was suspended until the final decision in case no. 3154/115/2018* of the Court of Caras Severin.

At the hearing on 19.01.2023, the summary judgment is as follows: Dismiss the plea of stamp duty exception of the request as the defendant does not have the necessary standing to rely on the method of determining the stamp duty. Dismiss the plea of untimeliness of the request to amend the summons. Adjourns the discussion of the plea of res judicata until the date on which the decision of the High Court of Cassation and Justice in Case No 3154/115/2018** is delivered in full. Postpones the ruling on the requests for evidence consisting of the defendant's cross-examination and the expert's report. Adjourns the case and sets term on 02.03.2023.

At the hearing on **02.03.2023**, the short answer is as follows: suspends the proceedings on the claim for damages brought by the plaintiff Municipality of Resita against the defendant National Power Transmission Company "Transelectrica" SA, concerning claims. With right of appeal for the duration of the stay of proceedings.

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

At the term of 06.06.2024, the court rejects the request for postponement made by the plaintiff Municipality Reșița, to adjourn the judgement of the case, due to the absence of the expert's report to 27.06.2024 for when the parties have a term in knowledge on the basis of art. 229 of the Civil Procedure Code, through authorised representatives.

At the term of 27.06.2024, the court orders the communication to the expert of a copy of the notes of the hearing, on pages 172-174, submitted by the defendant Compania Națională de Transport al Energiei Electrice "Transelectrica" SA. Orders the communication to the expert of a copy of the clarifications submitted by the plaintiff Municipality Reșița following the request made by the expert. Adjourn the hearing of the case, due to the absence of the expert's report, to **19.09.2024**, for when the parties have a term of hearing on the basis of art. 229 of the Code of Civil Procedure.

- **ANAF**

In 2017 a general fiscal audit was completed that had started in Transelectrica SA on 14.12.2011, control targeting the interval December 2005 – December 2010.

The general fiscal audit began on 14.12.2011 and ended on 26.06.2017, date of the final discussion with Transelectrica SA.

When the audit has ended ANAF – DGAMC established additional fiscal obligations payable by the Company, namely income tax and VAT, as well as accessory fiscal liabilities (interest/delay indexations and penalties) with respect to technological system services (STS) invoiced by energy suppliers, considered non-deductible after the fiscal audit.

In accordance with the taxation decision F-MC 439/30.06.2017 in total sum of 99,013, ANAF – DGAMC established additional fiscal liabilities payable by the Company, amounting to 35,105, as well as accessory fiscal ones (interest/delay indexations and penalties), amounting to 63,908.

ANAF's Tax inspection report mainly records the following additional payment liabilities: corporate tax amounting to 13,727 plus accessories, owed for a number of 123 unused invoices identified as missing (they were destroyed in the fire that broke out the night of 26-27 June 2009, at the business office in the Millennium Business Centre from 2-4, Armand Calinescu Street, Bucharest 2, where the company carried out its activity), documents under special regime.

These invoices were subject to a dispute with ANAF, the latter sending a tax inspection report on 20

September 2011 which estimated the amount of collected VAT for a number of 123 unused invoices identified as missing.

The Company filed contestation against Taxation Decision F-MC 439/30.06.2017 within the legal term according to OG 92/2003 on the Civil Procedural Code.

ANAF issued the enforcement title 13540/22.08.2017 based on which the additional payment liabilities were executed as established under the Taxation Decision F-MC 439/30.06.2017.

The Company requested cancellation of the enforcement title 13540/22.08.2017 from the Appeal Court, under file **7141/2/2017**. Settlement in brief: it admitted the exception of material incompetence of the Appeal Court Bucharest, SCAF. It declined the material competence of case settlement in favour of Law Court of Bucharest 1; no appeal granted. It was pronounced at public hearing on 08.02.2018. Document: Ruling 478/2018 of 08.02.2018.

After such declination of competence file **8993/299/2018** was registered on the docket of Law Court of Bucharest 1 whereby the Company contested the enforcement performed according to the enforcement title 13540/22.08.2017, based on the Taxation Decision F-MC 439/30.06.2017.

After the Company's contestation of the fiscal administrative deed Decision F-MC 439/30.06.2017 ANAF notified the Company Decision 122/13.03.2018 whereby it rejected as groundless the contestation filed by CNTEE Transelectrica SA, such decision being received on 16.03.2018, after submitting the summons under file 1802/2/2018.

Settlement in brief: It admitted the judgment suspension request filed by the contestor. In accordance with article 413 para (1) pt. 1 of the Civil Procedural Code it suspended judgment until final settlement of file 1802/2/2018, on the docket of the Appeal Court Bucharest, Section VIII Administrative and Fiscal Disputes. Appeal right was granted during the entire suspension; appeal to be submitted to the Law Court Bucharest 1. Document: Conclusion - Suspension 17.04.2018.

File **1802/2/2018** is on the Appeal Court docket whereby the Company contested the administrative fiscal Decision F-MC 439/30.06.2017.

On the 06.11.2018 session term the court admitted the administration of the expertise evidence, in the accounting - fiscal specific domain.

At CAB's hearing term on 21.07.2020 pronouncement was deferred.

On 30.07.2020 the case was resumed on the docket for additional explanations.

At the 20.10.2020 term it admitted in part the request with the following settlement in brief: the suspended requests were partly admitted, Ruling 122/13.03.2018 was partly cancelled with respect to settling the contestation filed against the Taxation Decision F-MC 439/30.06.2017 issued by the National Agency of Fiscal Administration, General Directorate Settling Contestations; Taxation Decision F-MC 439/30.06.2017 issued on 12.07.2017 issued by the National Agency of Fiscal Administration, General Directorate Managing Large Tax Payers; Taxation Decision F-MC 439/30.06.2017 issued by the National Agency of Fiscal Administration, General Directorate Managing Large Tax Payers, and the Fiscal Inspection Report F-MC 222 concluded on 30.06.2017, which were used as grounds in issuing the taxation decision, meaning that:

- it removed the obligation to pay the profit tax amounting to 18,522, the VAT amounting to 5,695 and fiscal accessories pertaining to such main fiscal debits in quantum of 48,437, and the fiscal liabilities established for the 349 fiscal invoices of special regime found as missing from the Plaintiff's management;
- it cancelled the non-deductible nature of 27,002 in the calculation of taxable income, which represent system technological services invoiced by electricity suppliers, considered as non-deductible after the fiscal audit, and it compelled payment of the main fiscal liabilities and accessories associated to such amount;
- it cancelled the non-deductible nature of 344 in the calculation of taxable income, representing "services for weeds removal" and it compelled payment of main fiscal receivables and accessories related to such amount;
- it cancelled the non-deductible nature of 230,685 in the calculation of taxable income, representing expenses with promotional and protocol products and the payment liability of main fiscal receivables related to such amount;

The attached notes are integrant part of these consolidated interim financial statements

- it cancelled the non-deductible nature of VAT in quantum of 46 associated to 344 representing “weeds removal services” and the payment liability of main fiscal receivables related to such amount;
- it cancelled the non-deductible nature of VAT in quantum of 38 associated to 231, representing expenses with promotional and protocol products and the payment liability of main fiscal receivables and accessories related to such amount;
- it cancelled the mention regarding the obligation of the Transmission Branch Sibiu within CNTEE Transelectrica SA to register 577 as taxable revenue on 30.06.2010 at the latest, date when the verified unit was accepted to be recorded in the creditors’ table by such amount, mention regarding the nature of taxable revenue when calculating the profit for 577 in accordance with the provisions of article 19 para 1 from Law 571/2003 on the Fiscal Code, with later amendments and additions, corroborated with pt. 23 let. d of GD 44/2004 including the Methodological Norms to apply Law 571/2003; the chapter regarding the income tax, namely Chapter VII Accounts operation of Order 3055 / 29 October 2009 approving the Accounting Regulations complying with European directives and the payment liability of main fiscal receivables and accessories related to such amount;
- in the Minutes it cancelled the ascertainment with respect to “determining the deductible value added tax to a lower value than that registered by the Plaintiff, thus resulting a difference in sum of 13” (annex 15), and the payment liability of main fiscal receivables and accessories related to such amount;
- it cancelled the payment liability of delay penalties which have a sanctioning juridical regime, calculated for more than 6 months from the beginning date of fiscal inspection with respect to the main fiscal liabilities maintained by the law court in this ruling, as established by Taxation Decision F-MC 439/30.06.2017 issued on 12.07.2017 by the the National Agency of Fiscal Administration, General Directorate Managing Large Tax Payers, Taxation Decision F-MC 439/30.06.201 issued by the the National Agency of Fiscal Administration, General Directorate Managing Large Tax Payers and Decision 122/13.03.2018 on settling the contestation filed against the Taxation Decision F-MC 439/30.06.2017 issued by the National Agency of Fiscal Administration, General Directorate Settling Contestations.

It maintained the other provisions of Decision 122/13.03.2018 on settling the contestation filed against the Taxation Decision F-MC 439/30.06.2017 issued on 12.07.2017 by the the National Agency of Fiscal Administration, General Directorate Managing Large Tax Payers and Taxation Decision F-MC 439/30.06.2017 issued by the the National Agency of Fiscal Administration, General Directorate Managing Large Tax Payers. It denied the other suspended requests as groundless. It denied as groundless the request to grant law court expenses consisting of the stamp judiciary fee. It compelled the defendants to jointly pay the Plaintiff the law court expenses amounting to 4,000 Lei, representing fee for the execution of accounting-fiscality expertise, proportional to the request admittance. **Appeal right granted within 15 days from communication, to be submitted to the Appeal Court Bucharest. Ruling 382/20.10.2020.**

The parties filed an appeal in March 2022.

On 12.04.2022, the Bucharest Court of Appeal defers the case to **10.05.2022**, in order to give the Plaintiff the opportunity to take cognizance of the content of the statement of defence.

At the hearing of 24.05.2022, CAB rejects as groundless the application for clarification and supplementing of the operative part. The application for rectification of the material error is granted in so far as it states that the amounts of money in respect of the 349 tax invoices, as set out in the contested tax decision, are to be stated to be correct by way of principal and ancillary tax liabilities. Orders that the material error be corrected by removing the incorrect name of the applicant from the contested ruling. Appeal within 15 days of notification.

The parties appealed. The case is in the filter procedure at the ICCJ. Term on **13.12.2023**.

On 13.12.2023, the ICCJ stayed its ruling, on 20.12.2023 the court admitted the appeals filed by the plaintiff Transelectrica, the defendant General Directorate for the Administration of Large Taxpayers and the defendant National Agency for Tax Administration against the civil judgment no.382 of 20 October 2020, delivered by the Bucharest Court of Appeal - Administrative and Tax Litigation Section VIII. Partially

quashed the judgment under appeal and, on appeal: dismissed the application for annulment of the decision on the resolution of appeal No 122/13.03.2018 and of the Tax Decision No. F-MC 439/30.06.2017 with regard to: - the non-deductibility of expenses in the amount of 343,629.91 lei, representing "weed removal services" and related VAT; - the non-deductibility of expenses in the amount of 230.685, representing the value of goods of a promotional and protocol nature and the related VAT; - the obligation to pay penalties for late payment which have a penalty legal regime, calculated for a period of more than 6 months from the date of commencement of the tax inspection. fixed the amount of the costs to which the defendants were jointly and severally liable at the sum of 6,000 lei, representing the fee for the expert's report in the field of accounting and taxation. Maintained the other provisions of civil judgment no. 382 of 20 October 2020. Maintained the appeals filed by the plaintiff Transelectrica and the defendant Direcția Generală de Administrare a Marilor Contribuabili against civil judgment no. 134 of 24 May 2022, delivered by the Bucharest Court of Appeal - Administrative and Tax Litigation Section VIII. Partially quashed civil judgment No 134 of 24 May 2022 and, on remittal: granted in part the application for clarification and supplement to the operative part of civil judgment No 382 of 20 October 2020, brought by the applicant Transelectrica. It ordered to supplement the operative part of the civil judgment no.382 of 20 October 2020 with the following: - annulled also the Tax Inspection Report no. . F-MC 222/30.06.2017 insofar as it annulled the Tax Decision no. F-MC 439/30.06.2017; - annulled the main tax obligations established for 2005 and the related accessory ones, as the right of the tax body to establish such obligations was time-barred; - annulled the tax administrative acts regarding the non-deductibility of the expenses with the benefit share of SMART. Removed the references to the amounts of corporation tax and ancillary charges annulled in respect of the 349 tax invoices from both the judgment correcting the material error and the main judgment. Maintained the other provisions of civil judgment No 134 of 24 May 2022. ordered the appellants - defendants to pay to the appellant - plaintiff Transelectrica the sum of 200 lei as costs of the appeal. Definitive. Ruling 6169/20.12.2023.

Civil judgment no. 6169/2023, handed down on 20 December 2023 by the ICCJ - Administrative and Tax Litigation Division, was notified to the Company on 15 May 2024.

The company is involved in dispute against SMART subsidiaries as follows:

- **Case no.13751/63/2017 – Dolj Court**

Subject matter:

Transelectrica requested SMART to recover a claim in the amount of 16,465,585 lei. The file was established as a result of the control act of the Court of Accounts - Decision no. 41/24.03.2017. Merits solution: lack of expertise.

Status of the case: File put back on the roll with trial date: **02.09.2024.**

- **Case no.51633/299/2021 - Bucharest Court**

Subject matter:

SMART SA requested that Transelectrica be ordered to pay the sum of 118 thousand + VAT, representing "expenses for assistance services, incurred on behalf of the Company as well as the payment of unrealised benefits (legal interest).

Status of the case:

Ruling of the Court of Sector 3 Bucharest: Dismisses the claim as groundless. With right of appeal within 30 days of communication. Document: Decision 6134/2022 21.06.2022.

On 02.11.2022 SMART SA filed an appeal against the civil judgment no.6134/21.06.2022 pronounced by the Bucharest Sector 3 Court. The case was registered with the Bucharest Court. **Trial date: 11.09.2024**

- **Case no.15561/3/2022 - Bucharest Court**

Subject matter: SMART SA requested that Transelectrica be ordered to pay the sum of EUR 4.47 million for the performance of an administrative contract.

Status of the case: Trial date for judgment: **17.10.2024**

➤ **Others**

The Group is involved in significant litigation, notably for debt recovery (e.g.: Total Electric Oltenia SA, Regia Autonomă de Activități Nucleare, Energy Holding SRL, UGM Energy Trading SRL, CET Iași, CET Bacău, CET Govora, Nuclearelectrica, CET Brașov, Elsaco Energy SRL, Arelco Power SRL, Opcom, Menarom PEC SA Galați, Romelectro SA, Transenergo Com SA, ENNET GRUP SRL MULTISERVICE G&G S.R.L., ICCO Energ SRL and others).

The Group 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.

➤ **Contingencies**

At 30 June 2024, **contingent liabilities** amount to RON 36,762. They relate to disputes concerning claims representing additional costs following the increase in the minimum wage in the construction sector for investment contracts, of which we list the most significant:

- *File no. 20780/3/202020 - complainant ENERGOMONTAJ SA (7,092)*

The case concerns claims for additional costs relating to an increase in the minimum wage in the construction sector and an order to conclude an addendum to contract C54/2018.

The subject of the contract C54/2018 is the investment project - *Refurbishment of the 220/110 kV Craiova Nord 220/110 kV substation*.

At the court hearing on 24.04.2023, the summary judgment is: "Admit in part the application brought by the applicant Electromontaj SA against the defendant Transelectrica. Orders the defendant to pay the claimant the amount of EUR 802,886.12, exclusive of VAT, representing the additional costs incurred as a result of the increase of the minimum wage in the construction sector to the amount of 3,000 RON/month for the works carried out under Works Contract No C54/27.02.2018 for the period January 2019 - January 2021. Obliges the defendant to conclude an Additional Deed to the Works Contract no. C54/27.02.2018 with the object of updating the Contract price by the amount of 1,468,039.77 EURO, excluding VAT, representing the costs generated by the increase of the minimum wage in the construction sector to the amount of 3,000 RON/month as of 01.01.2019. Dismisses the remainder of the application as unfounded. Orders the defendant to pay the applicant the sum of 171,104.06 RON by way of costs. Subject to appeal within 10 days of notification. The appeal is filed with the Bucharest Tribunal, 6th Civil Department. Delivered by making the solution available to the parties through the court registry today, 24.04.2023. Document: Decision 1035/2023 24.04.2023."

Transelectrica has appealed.

At the term of 27.10.2023, the Bucharest Court of Appeal admits the appeal filed by the defendant-appellant Compania Națională de Transport al Energiei Electrice Transelectrica S.A. against the judgement no. 1035/24.04.2023, pronounced in case no. 20780/3/202020 by the Bucharest Tribunal - Section VI Civil. Amends the judgment under appeal in its entirety in the sense that it dismisses, as unfounded, the claim brought by the applicant Electromontaj S.A., against the defendant Compania Națională de Transport al Energiei Electrice Transelectrica S.A., as stated above. Orders the respondent-claimant Electromontaj S.A. to pay to the respondent-appellant Compania Națională de Transport al Energiei Electrice Transelectrica S.A. the amount of 39,787.82 RON as costs of the appeal. Dismisses, as unfounded, the appeal lodged by the appellant-claimant Electromontaj S.A. against the same judgment. Dismisses, as unfounded, the appellant-claimant's application for costs on appeal. Definitive.

ENERGOMONTAJ SA lodged an application for review and an appeal for annulment, and at the deadline of 12.01.2024: Dismisses, as unfounded, the request for rectification of material error made by the appellant-claimant Electromontaj S.A. Final.

- *File no. 25896/3/202020 - plaintiff Electromontaj Bucharest (10,000)*

The case concerns claims for additional costs related to the increase of the minimum wage in the construction sector for the investment contract C229/2015 - *Transition to 400 kV voltage of the axis Porțile de Fier - Reșița - Timisoara - Sacalaz - Arad /Overhead Power Line 400 kV Portile de Fier (Anina) - Reșița*.

Judgement date: 25.08.2022 - Expert report submission.

At the hearing on 25.08.2022, judgement was adjourned until 13.09.2022. On 13.09.2022, the TMB rejects the objections to the expert's report in the accounting speciality formulated by the defendant as unfounded. Admits the objections to the expert's report specialising in accountancy submitted by the applicant. The expert Cojocaru Mihaela Cojocaru will be addressed to respond to the objections and to submit her reply to the file. With appeal on the merits.

In the absence of the expert's report, the case is adjourned for the submission of the expert's report.

At the hearing on 16.05.2023, the court adjourned the case to 12.09.2023 to file a response to the expert's objections.

At the hearing on 12.09.2023, the court adjourned the case to 26.09.2023 and set a date for hearing on 07.11.2023. After several adjournments, at the date of 18.01.2024, the TMB dismissed the action as unfounded. Subject to appeal within 10 days of notification.

Electromontaj SA lodged an appeal and set a deadline for **13.09.2024**.

- *Case no. 27001/3/2021 - complainant Romelectro (3,523)*

The case concerns claims for additional costs related to the increase of the minimum wage in the construction sector for the investment contract C264/2017 - *Modernisation of 110 kV stations Bacău Sud and Roman Nord related to the 400 kV Moldova axis*.

The case is adjourned to 28.04.2023 due to the absence of the expert's report.

At the term of 23.06.2023, a date for the continuation of the trial on 06.10.2023.

At the term of 06.10.2023, a further term of 19.01.2024 is granted for the continuation of the trial.

At the term of 19.01.2024, the solution in brief is: Dismisses the application for suspension on the basis of Article 242 of the Code of Civil Procedure as unfounded. The Court sets 15.03.2024 for the continuation of the trial.

After several postponements, at the deadline of 05.04.2024, the TMB: partially admits the claim, obliges the defendant to pay the amount of 3,689,768.27 RON, as an adjustment of the price of the Works Contract no. C264/14.12.2017 for the labour related to the works remaining to be executed on 01.01.2019, as a result of the increase of the minimum wage in the construction sector to the amount of 3,000 RON/month. Obliges the defendant to conclude an Addendum to the Works Contract no. C264/14.12.2017 with the object of adjusting the Contract price by the amount of 3,689,768.27 RON, representing the labour cost of the works remaining to be executed on 01.01.2019, as a result of the increase of the minimum wage in the construction sector to the amount of 3,000 RON/month. Orders the defendant to pay in favour of the plaintiff late payment penalties of 0.02%/day, calculated on the principal debt, from 01.02.2019 until the principal debt is paid. The remainder of the application is dismissed as unfounded. Notes that the applicant has applied for separate costs. Subject to appeal within 30 days of notification.

At the deadline of 19.07.2024 CAB: Allow the appeal. Partially alters the judgment under appeal in so far as it dismisses as unfounded also the heads of claim which were upheld by the Court of First Instance. Upholds the remainder of the judgment under appeal. Orders ROMELECTRO SA to pay CNTEE Transelectrica SA the amount of 4,500 RON by way of costs on appeal. Dismisses as unfounded the respondent-appellant's application for costs on appeal. Definitive. Document: Decision 1074/19.07.2024.

- *Case no. 22368/3/2021 - complainant Romelectro (2,275)*

The file concerns claims for additional costs related to the increase of the minimum wage in the construction sector for the investment contract C260/2017 - *Upgrade of 110 and 400(220) kV installations in Focșani Vest substation*.

At the hearing on 24 June 2022, dismiss the application as unfounded. With appeal within 10 days of communication. The appeal is to be filed with the Bucharest Tribunal - 6th Civil Department. Document: Decision No 1555/2022.

Romelectro has appealed.

At the hearing on 29.02.2024, the CAB dismisses the appeal as unfounded. Definitive. Delivered by the clerk of the court, today, 29.02.2024. Document: Decision 358/2024 29.02.2024.

- *Case no. 30801/3/2021 - complainant Romelectro (2,271)*

The case concerns claims for additional costs related to the increase of the minimum wage in the construction sector for the investment contract C145/2018 - *Refurbishment of the 110 kV Medgidia Sud substation*.

At the meeting of 20.04.2022, the TMB solution is: "Consent to the evidence of expert accountancy with the following objectives:

- the expert to determine whether Romelectro fulfils the condition laid down in Article 66 of GEO 114/2018, i.e. whether 80% of Romelectro's turnover is realised from construction works, both in the year preceding the reference period (2018) and in the reference period (2019);

- the expert to calculate the cost difference generated by the increase in the salaries of the human resources actually employed by Romelectro in the realisation of the works related to Contract No C145/2018, during the reference period and the first two months prior to the reference period, respectively;

- a) Specify for each employee (human resource actually employed) whether his/her gross salary was below 3000 RON/month or higher in November and December 2018;

- b) When the HR salary was increased to 3000 RON/month;

- c) What is the difference between the previous salary and the salary imposed by GEO no. 114/2018;

- d) Whether between 01.11.2018 - 31.12.2018, Romelectro reduced the salaries of the human resources employed;

- e) Specify the actual cumulative cost difference in the actual aggregate cost difference in the salary of the human resources utilised by Romelectro in the actual performance of the works covered by Contract No C145/2018, for the reference period.

- the expert to determine, on the basis of the analytical estimates, the percentage, i.e. the amount by which Transelectrica has to adjust the price of Contract no. C145/2018 for the labour related to the works remaining to be executed on 01.01.2019, as a result of the legislative amendments introduced by GEO no. 114/2018 in the sense of increasing the minimum wage in the construction sector to the amount of 3000 RON/month;

- the expert to determine the days/months of delay in the execution of the works related to Works Contract No C145/2018 as a result of the financing problems encountered by Romelectro S.A. due to Transelectrica's refusal to pay the price at the adjusted value, respectively how the execution schedule was influenced by Transelectrica's failure to adjust the Contract price following the legislative changes introduced by GEO 114/2018 in the sense of increasing the minimum wage in the construction sector to the amount of 3000 RON/month.

Sets a date of 29 April 2022, at 9:00 a.m., for hearing the parties. At the term of 29 April 2022, the case is adjourned for the taking of evidence and adjourned to 14.10.2022.

After several adjournments of the trial of the case, at the term of 12.01.2024, the summary solution is: grants a term on 08.03.2024 to take cognisance of the content of the expert's report.

After several adjournments, at the deadline of 27.05.2024, the solution in brief: Dismisses the request of the defendant Transelectrica for the expert's report to be supplemented as unfounded. Admit the request for a new expert's report submitted by the plaintiff ROMELECTRO S.A. Instructs the expert to redo the expert's report. Instructs the expert to take into account all the documents provided by the parties, including the subcontracting agreements, when drawing up the new expert report. Sets the deadline for the submission of the expert's report on 18 October 2024, for when the parties will be summoned. Instructs the expert to submit the expert's report at least 10 days before the deadline of **18 October 2024**.

- *Case no. 8193/3/2022 - complainant Tempos Sev (2,437)*

The subject matter of the case is claims representing claims - OUG 114/2018 for contract C80/2018 - *Refurbishment of 220/110kV Hăşdat substation*.

The case is adjourned until 10 June 2022, and adjourned until 14.10.2022.

At the hearing on 14.10.2022, the judgement was adjourned to 21.10.2022. Solution: "Pursuant to Article 258 and Article 255 of the Civil Procedure Code, it authorises for both parties the production of documentary evidence and for the defendant it also authorises the production of evidence of the

applicant's cross-examination and of the accountant's expert's report. The Court orders that the accountant's expert's report shall have the objectives indicated by the defendant in its statement of defence, to which shall be added the additional objectives indicated by the defendant in the Note of Evidence filed at the hearing on 14 October 2022, as well as the objectives indicated by the plaintiff in the Notes of the hearing filed at the same hearing. Orders the applicant to file the documents requested by the defendant in the Note of 14 October 2022. The applicant is requested to file the reply to the interrogatory which was communicated with the statement of defence, under the signature of the legal representative, under penalty of application of the provisions of Article 358 of the Civil Procedure Code. Delivered today, 21.10.2022, by delivery of the judgment to the parties by the court registry." Judgment date 05.05.2023.

At the hearing on 05.05.2023, the case is adjourned and a date is set for 15.09.2023 for the taking of expert evidence.

After several adjournments, at the deadline of 14.06.2024, the solution in brief: In the absence of the expert's report, the case is adjourned to **18.10.2024**.

- *Case no. 8442/3/2022 - complainant Tempus Sev (1,429)*

The subject matter of the case is claims representing claims - GEO no. 114/2018 for contract C80/2018 - *Refurbishment of 220/110kV Hășdat substation*.

At the hearing on 16.09.2022, the plea of connectedness is allowed. Refers the case to the panel first responsible for dealing with case No 8193/3/2022, namely panel 12 of the Court of First Instance, in order to join case No 8442/3/2022 to case No 8193/3/2022. With appeal on the merits. Delivered, today, 16.09.2022, by the court registry making the solution available to the parties. Document: Final resolution (divestment) 16.09.2022.

Following the joinder of case no 8442/3/2022 with case no 8193/3/2022, as set out above, the issues to be discussed will be analysed in the first case (8193/3/2022).

- *Case no. 8440/3/2022 - complainant Tempus Sev (2,437)*

The subject matter of the case is claims representing claims - OUG 114/2018 for contract C80/2018 - *Refurbishment of 220/110kV Hășdat substation*.

At the hearing on 13.09.2022, the case was adjourned to 08.11.2022, for the taking of the evidence ordered.

At the hearing on 08.11.2022, the case is adjourned.

The case was put back on the docket and a deadline of 12.09.2023 was granted.

At the trial of 12.09.2023, the solution in brief: In order to give the defendant the opportunity to take cognisance of the pleadings filed, the case is adjourned to 07.11.2023.

After several adjournments, at the trial of 11.06.2024, the solution in brief: For the taking of expert evidence on construction, the case is adjourned to **10.12.2024**.

All amounts in cases involving claims for additional costs claimed by the claimants and covered by works contracts will be reflected in the value of the investments, if they are settled in court and invoiced by the respective partners, except for court costs and penalties set by the court.

- *Audit by the Court of Auditors of Romania*

As of 04 September 2023, the Court of Auditors , through the 6th Department, is carrying out a compliance audit mission at CNTEE Transelectrica SA. The scope of the audit being:

- a) contracting and procurement;
- b) salaries and other rights granted to the Company's staff.

The subject of the compliance audit is "the *situation, evolution and management of public and private state assets, as well as the legality of revenue realisation and expenditure for the period 2020-2022*" at CNTEE Transelectrica SA. The audit was completed in May 2024, but the final audit report has not been issued as of the date of these financial statements.

21. AFFILIATED PARTIES

i) *Affiliated parties – transactions with Company-owned Subsidiaries*

As of June 30, 2024 and June 30, 2023, the balances with the subsidiaries owned by the Company are detailed as follows:

Affiliated entity	Trade receivables		Trade liabilities	
	30 june 2024	31 december 2023	30 june 2024	31 december 2023
FORMENERG SA	-	-	-	-
OPCOM SA	238.366	137.025	247.177	170.044
TOTAL	238.366	137.025	247.177	170.044

Transactions carried out in the first semester of 2024 and the first semester of 2023 with its subsidiaries are detailed as follows:

Affiliated entity	Sales		Procurements	
	30 june 2024	30 june 2023	30 june 2024	30 june 2023
FORMENERG SA	-	-	-	2
OPCOM SA	734,626	407,817	1,090,556	2,163,844
TOTAL	734,626	407,817	1,090,556	2,163,846

ii) *Affiliated parties – transactions with other state-owned companies*

The Company is an entity with majority state capital, and the Company's activities are regulated by ANRE. In accordance with the Concession Agreement, an annual royalty is paid, calculated as 4/1000 of the value of the gross revenues achieved from electricity transport and transit operations, through the national transport systems, under the public ownership of the state (starting on November 12 2020).

iii) *Affiliated parties – companies where Company holds participations*

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

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

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

TSCNET (TSCNET Services GmbH)

It has been set up to serve Transmission System Operators (OTSS) in the Central-East-West European region (CORE region) for the coordinated implementation of the European network codes.

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

JAO (Joint Allocation Office)

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

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

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

22. FINANCIAL INSTRUMENTS

Credit risk

Credit risk is the risk that the Group incurs a financial loss as a result of the non-performance of contractual obligations by a customer or counterparty to a financial instrument. This risk arises mainly from trade receivables and cash and cash equivalents.

The treatment of counterparty risk is based on the Group's internal and external success factors. The external success factors - which have an effect on risk reduction in a systematic way are: decentralisation of the energy sector where generation, transmission, distribution and supply are distinct activities and the interface for the customer is the supplier, electricity trading on the Romanian market in two market segments: regulated market and competitive market. Internal success factors in the treatment of counterparty risk include: diversification of the customer portfolio and diversification of the number of services offered in the electricity market.

Financial assets that may subject the Group to collection risk are mainly trade receivables and cash and cash equivalents. The Group has put in place a number of policies to ensure that the sale of services is realised to customers with adequate collection, by including in commercial contracts their obligation to provide financial guarantees. The value of the receivables, net of allowances for impairment losses, represents the maximum amount exposed to collection risk.

The maximum exposure to collection risk at the reporting date was:

	Net value	Net value
	30 june 2024	31 december 2023
Financial assets		
Net trade receivables	2,564,203	1,618,509
Net other receivables and down payments to suppliers	632,088	282,484
VAT to recover	203,230	215,466
Cash and cash equivalents	541,415	526,900
Other financial assets	-	-
Total	3,940,936	2,643,359

The due date of the **receivables** (*net trade receivables*) at the date of the statement of financial position is shown below:

	Gross value	Adjustment of	Gross value 31	Adjustment of
	30 june 2024	depreciation	december 2023	depreciation 31
		30 june 2024		december 2023
Not reached to maturity	2.469.322	-	1.524.954	341
Due date exceeded 1 – 30 days	25	-	(231)	-
Due date exceeded 31 – 90 days	2.253	58	683	-
Due date exceeded 90 – 180 days	221	-	343	15
Due date exceeded 180 – 270 days	41	1	30.182	30.014
Due date exceeded 270 – 365 days	(1)	13	215	17
More than a year	220.713	128.299	192.521	99.771
Total	2.692.574	128.371	1.748.668	130.158

The due date of **other receivables** (*net other receivables, down payments to suppliers, VAT to recover*) at the date of the statement of financial position is shown below:

NPG TRANSELECTRICA SA
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(All amounts are presented in thousand RON, unless otherwise indicated)

	Gross value 30 june 2024	Adjustment of depreciation 30 june 2024	Gross value 31 december 2023	Adjustment of depreciation 31 december 2023
Not reached to maturity	804.388	342	470.348	1.842
Due date exceeded 1 – 30 days	3.746	6	11.004	-
Due date exceeded 31 – 90 days	1.929	1.826	16.377	347
Due date exceeded 90 – 180 days	1.617	1.515	493	16
Due date exceeded 180 – 270 days	27.059	23.782	202	35
Due date exceeded 270 – 365 days	297	17	835	1.770
More than a year	82.683	58.914	83.624	80.924
Total	921.720	86.401	582.884	84.934

Group's policy is to recognise impairment adjustments for loss of value amounting to 100% for customers in litigation, insolvency and bankruptcy and 100% of trade and other receivables not collected in a period of more than 180 days, except for outstanding receivables generated by the support scheme. The Group also carries out an individual analysis of trade and other outstanding trade and other receivables.

The largest impairment adjustments at 30 June 2024, calculated for trade receivables and related penalties, were recorded for: Romelectro (39,785), JAO (30,020), CET Govora (24,645), Arelco Power (14,788), Total Electric Oltenia SA (14,186), Romenergy Industry (13,513), Elsaco Energy (9,276), RAAN (8,517), OPCOM (8,487), Next Energy Partners (8,395).

The Group has taken the following measures to recover the impairment-adjusted receivables: legal action, registration in the creditor's estate, etc.

The evolution of the doubtful receivables impairment adjustments is analysed as follows:

	30 june 2024	31 december 2023
Opening balance 1 january	130.158	138.513
Recognition of adjustments for impairment	270	38.761
Reversal of adjustments for impairment	2.057	47.115
Balance on the end of period	128.371	130.158

The evolution of the adjustments for impairment of other doubtful receivables is analysed as follows:

	30 june 2024	31 december 2023
Opening balance 1 january	84,933	76,919
Recognition of adjustments for impairment	4,797	25,239
Reversal of adjustments for impairment	3,329	17,225
Balance on the end of period	86,401	84,933

Financial assets that may subject the Group to collection risk are mainly trade receivables and cash and cash equivalents. The Group has put in place a number of policies to ensure that the sale of services is realised to customers with adequate collection, by including in commercial contracts their obligation to provide financial guarantees. The value of the receivables, net of allowances for impairment losses, represents the maximum amount exposed to collection risk. The collection risk related to these claims is limited, as these amounts are mainly due from state-owned companies.

The cash is placed in financial institutions, which are considered to have minimal risk.

EVENIMENTE ULTERIOARE

• **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 Incorporation in force, the Company's Board of Directors

The attached notes are integrant part of these consolidated interim financial statements

convened the Extraordinary General Meeting of Shareholders on 12 August 2024, with the following agenda:

- Approval of the participation of the National Electricity Transmission Company "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 Extraordinary General Meeting of Shareholders of 12/13 August 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 Act 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.***

- ***Tariff for the purchase of system services***

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.

Thus, based on the provisions of the articles presented above, on August 1, 2024, Transelectrica is obliged to submit to ANRE, the intermediate verification for H1 2024 of important deviations from the forecast values of the cost and income situation.

Following this analysis, if it is found that in H1 2024 the provisions of Art. 22 and Art. 23 have been met again, ANRE will adjust the tariff accordingly starting on September 1, 2024.