

NPG CO. TRANSELECTRICA SA

Quarterly report
January - September 2024



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REPORT ON ECONOMIC AND FINANCIAL ACTIVITY

A NPG CO. "TRANSELECTRICA" SA

in accordance with the provisions of Article 69 of Law no.24/ 2017 on the capital market and Regulation no.5/ 2018 issued by the Financial Supervisory Authority (ASF)

for the period ending September 30, 2024

Report date:	November 14, 2024
Name of trading company:	NPG CO TRANSELECTRICA SA, a company managed in a dual system
Headquarters:	Bucharest, Olteni Str. no. 2 - 4, sector 3, Postal Code 030786
Phone/fax number:	021 303 5611/ 021 303 5610
Code with the ONRC:	13328043
Number with the RC:	J40/ 8060/ 2000
LEI code (Legal Entity Identifier)	254900OLXOUQC90M036
Date of Company establishment:	31.07.2000/ OUG 627
Share capital:	RON 733.031.420, subscribed and paid in
Regulated market on which the securities issued are transacted:	Bucharest Stock Exchange, Premium category
Main characteristics of the issued securities:	73.303.142 shares with a nominal value of RON 10 /share, in dematerialized form, registered, ordinary, indivisible, freely tradable since 29.08.2006 under the symbol TEL
Market value:	RON 2.653.573,40 (RON 36,20 /share on 30.09.2024)
Accounting standard applied:	Order of the Minister of Public Finance no.2844/2016 for the approval of the International Financial Reporting Standards accounting regulations, based on International Accounting Standard 34 - "Interim Financial Reporting"
Auditing:	The quarterly financial statements as of 09/30/2024 are unaudited. The amounts as of December 31, 2023 are audited by the external financial auditor.

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

RESPONSIBLE PERSONS' STATEMENT

To the best of our knowledge, the condensed separate interim financial statements as at and for the nine-month period ended September 30, 2024 have been 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 International Financial Reporting Standards, as amended and supplemented, based on International Accounting Standard 34 - "Interim Financial Reporting" and give a true and fair view of the financial position and profit and loss account of NPG CO. Transelectrica SA.

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

Bucharest, October 31, 2024

**Ștefăniță
MUNTEANU**
Chairman of the Directorate

**Florin-Cristian
TĂTARU**

**Directorate
Member**

**Victor
MORARU**

**Directorate
Member**

**Cătălin-Constantin
NADOLU**

**Directorate
Member**

**Cosmin-Vasile
NICULA**

**Directorate
Member**



Key figures 9M 2024 vs 9M 2023

KEY FIGURES

FINANCIAL HIGHLIGHTS

RON	6,171	mn	▲	87%	Revenues
				y/y	
RON	695	mn	▲	44%	EBITDA
				y/y	
RON	410	mn	▲	99%	Net profit
				y/y	
TWh	38.32		▲	2.3%	Charged energy volume**
				y/y	

OPERATIONAL

2.14%	*	▼	-0.26	pp	Grid losses
			y/y		
31.68		▲	3%		Transported energy***
TWh			y/y		

INVESTMENTS

RON	434	mn	▲	48%	Acquisition of tangible and intangible assets
				y/y	
RON	536	mn	▼	- 2%	Fixed assets recorded in the accounts (commissioning)
				y/y	

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

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

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

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



Financial data

Summaries of financial results as of September 30, 2024 are presented in the tables below. The financial results as at 9M 2024 are unaudited and the expanded version of the financial results for the same period is presented in the Appendices to this Report.

Separate statement of profit or loss				
[RON mn]	9M 2024	9M 2023	Δ*	Δ (%)
	1	2	3=1-2	4=1/2
Charged energy volume [TWh]	38.32	37.44	0.9	2.3%
ALLOWED PROFIT ACTIVITIES				
Operating revenues	1,745	1,504	241	16%
Transmission and other revenues on the electricity market, of which:	1,555	1,458	96	7%
<i>Regulated tariff</i>	1,200	1,137	63	6%
<i>Other revenues on the electricity market</i>	166	66	99	n/a
<i>Interconnection</i>	189	255	(66)	(26%)
Other revenues	190	45	145	n/a
Operating expenses	(1,058)	(931)	(127)	(14%)
System operating expenses	(508)	(470)	(39)	(8%)
Repairs and maintenance expenses	(84)	(72)	(12)	(16%)
Personnel expenses	(286)	(243)	(43)	(18%)
Other expenses	(179)	(147)	(33)	(22%)
EBITDA	687	573	114	20%
Depreciation	(263)	(252)	(11)	(4%)
EBIT	424	320	103	32%
ZERO PROFIT ACTIVITIES				
Operating revenues	4,426	1,805	2,621	145%
System services revenues	413	273	140	51%
Balancing market revenues	4,013	1,532	2,481	162%
Operating expenses	(4,418)	(1,894)	(2,523)	(133%)
System services expenses	(406)	(363)	(43)	(12%)
Balancing market expenses	(4,012)	(1,532)	(2,480)	(162%)
EBIT	8	(90)	98	109%
ALL ACTIVITIES (WITH PROFIT ALLOWED AND ZERO-PROFIT)				
Operating revenues	6,171	3,308	2,862	87%
Operating expenses	(5,476)	(2,826)	(2,650)	(94%)
EBITDA	695	483	212	44%
Depreciation	(263)	(252)	(11)	(4%)
EBIT	432	231	201	87%
Net finance result	16	3	13	n/a
EBT - Profit before income tax	448	234	214	91%
Income tax	(38)	(27)	(10)	(37%)
Net profit	410	207	204	99%

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

**Energy market (ITC, reactive energy, Grid losses sales, energy exchanges, emergency energy assistance to neighboring)

Separate statement of financial position				
[RON mn]	9M 2024	2023	Δ	Δ (%)
	1	2	3=1-2	4=1/2
Non-current assets				
Tangible assets	5,590	5,416	175	3%
Assets representing rights of use under a lease - buildings	8	14	(6)	(43%)
Intangible assets	301	282	18	7%
Financial assets	86	86	-	0%
Total	5,985	5,798	187	3.2%
Current assets				
Inventories	51	51	-	1%
Trade and other receivables	2,361	2,116	245	12%
Profit tax recoverable	900	519	381	73%
Cash and cash equivalents	3,312	2,686	626	23%
Total	9,297	8,484	813	10%
Total assets	5,627	5,190	437	8%
Shareholders' Equity				
Non-current liabilities	529	519	10	2%
Long term deferred revenues	14	32	(18)	(56%)
Long term borrowings	-	6	(6)	(100%)
Other loans and assimilated debts - Non-current building lease liabilities	362	360	2	1%
Other non-current liabilities	905	918	(12)	(1%)
Total				
Current liabilities	2,623	2,242	381	17%
Trade and other liabilities	24.5	24.5	(0.0)	(0.2%)
Short-term borrowings	9	9	-	1%
Other loans and assimilated debts - Current building lease liabilities	94	100	(6)	(6%)
Other current liabilities	14.6	0.42	14.2	n/a
Tax on profit to be paid	2,765	2,376	389	16%
Total	3,670	3,294	377	11%
Total liabilities	9,297	8,484	813	106%

Separate statement of cash flows				
[RON mn]	9M 2024	9M 2023	Δ	Δ (%)
Net cash from operating activities	803	646	157	24%
Net cash used in investing activities	(376)	(171)	(205)	(120%)
Net cash used in financing activities	(47)	(145)	99	68%
Net increase/decrease in cash and cash equivalents	381	330	50	15%
Cash and cash equivalents as at January 1st	519	315	204	65%
Cash and cash equivalents at the end of the period	900	645	255	39%

OPERATIONAL RESULTS

I. Volume of tariffed energy

In 9M 2024, the total amount of electricity priced for electricity market services (38.32 TWh) increased by 2.3% compared to the same period in 2023 (the difference between the two periods was 0.9 TWh).

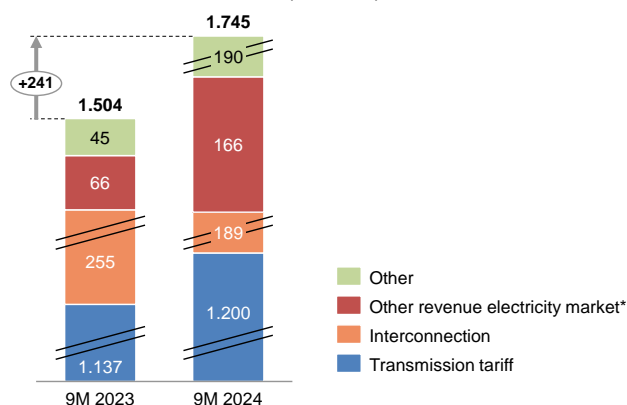
Allowed profit segment

Operating income



The segment of **activities with profit allowed** recorded a 16% increase in revenues (RON 1,745 million in 9M 2024 compared to RON 1,504 million in 9M 2023) mainly due to the increase in revenues from the regulated tariff, in the context of the increase in the quantity of energy priced (+2.3%), revenues from Grid Losses transactions, revenues from emergency energy assistance to neighboring, Grid losses anticipatory tariff income and the recording of some conjunctural revenues, stemming from the winning of the lawsuit with NAFA, sentence 6169/2023, sent to the Company in May 2024.

Operating income from operating profit allowed activities
(mil RON)



* ITC, reactive energy, Grid losses transactions, energy exchanges, emergency energy assistance

The increase in revenues from transmission and other energy market revenues (RON 1,555 million in 9M 2024 compared to RON 1,458 million in 9M 2023) was mainly influenced by the increase in the quantity of electricity, as well as by the tariff approved by ANRE, which led to an increase in **revenues from regulated tariff** by RON 63 million (+6%) compared to the same period of the previous year.

Between January-September 2024, **the revenues from interconnection capacity allocation** decreased from RON 255 mil in 9M 2023 to RON 189 mil in 9M 2024.

The market for the allocation of interconnection capacity is fluctuating, with prices changing according to demand and the need of electricity market participants to purchase interconnection capacity.

Thus, the decrease during the period under review was influenced by the supply and demand pricing model.

The implicit allocations, where capacity and energy are provided simultaneously, are strongly influenced by changes in the price of electricity on the European power exchanges.

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

On June 8, 2022, the Core FB MC (Core Flow-Based Market Coupling) project went live, thus initiating the day-ahead flow-based market coupling in the Core capacity calculation region. The Flow-Based Market Coupling mechanism optimizes 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, Austria, Belgium, Croatia, France, Germany, Hungary, Luxembourg, the Netherlands, Poland, Romania, Slovakia and Slovenia).

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 June 5, 2019 on the internal electricity market, as a source of financing investments for the modernization and development of interconnection capacity with neighboring 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".

Revenues from Inter TSO Compensation (ITC) amounted to RON 22.7 million in 9M 2024, higher (RON +13.3 million) compared to the same period in 2023 when they amounted to RON 9.5 million and mostly originate from the programmed exchanges of electricity with the countries considered perimeter of the mechanism, namely Ukraine and Republic of Moldova.

As of July 01, 2024, Ukraine joined the ITC mechanism and will no longer be considered a perimeter country. As a result, only trade with the Republic of Moldova will be taken into account. In general, Romania is a paying country under the mechanism, but exceptionally, monthly settlements may also be recorded.

The increase in these revenues is driven by:

- *Modification of the tariff for trade with perimeter countries*, as of 15.06.2023, from 1.2 EUR/MWh to 3 EUR/MWh, which led to an increase in revenues compared to the same period last year.
- Energy exchanges recorded in 9M 2024 with both perimeter countries (Ukraine and the Republic of Moldova), in contrast to the similar period in 2023, when exchanges were only with the Republic of Moldova.

Revenues from energy trading for own technological consumption (grid losses) were mainly obtained from the sale of surplus energy resulting from the difference between the long and medium term forecast and the short term forecast on the Intradilution Market managed by OPCOM and from the difference between the forecast grid losses and the grid losses actually realized on the Balancing Market.

In 9M 2024, the Company recorded higher energy trading revenues for grid losses compared to the same period of 2023, i.e. + RON 50.8 mil.

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

The revenues obtained from transactions on the Balancing Market were significantly higher than those realized in the same period of the previous year, given the very high prices recorded on the Balancing Market, as well as the fact that the imbalances recorded for grid losses were in the opposite direction to those of the system, which led to the purchase of energy at a negative price.

This trend was more pronounced in the first half of the year, but in July and August (the last months for which settlement on the balancing market is finalized), a decrease in revenues was observed.

Emergency energy assistance to neighboring

In the period January-September 2024, revenues from emergency energy assistance to neighboring amounted to RON 61.2 million, compared to RON 19.3 million in January-September 2023. Thus, in 9M 2024, emergency energy assistance to neighboring was granted to Ukraine as a result of the damage to the energy infrastructure in this country as a result of armed conflicts and to Serbia as a result of accidental shutdowns of groups in this country.

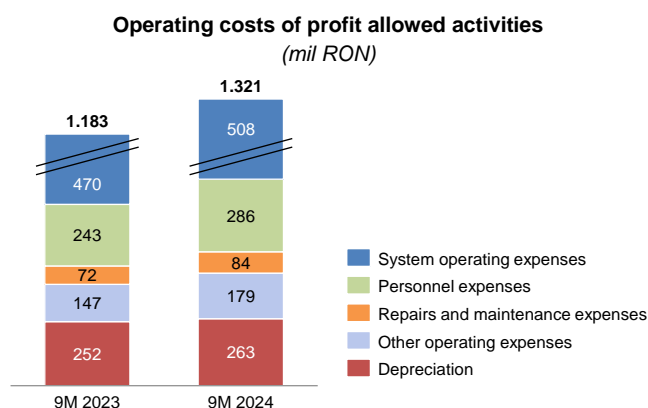
Income from capitalization of own technological consumption (Grid losses anticipatory tariff income)

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

Thus, in 9M 2024, the Company recorded Grid losses anticipatory tariff income in the amount of RON 49.3 million, representing additional grid losses calculated as the difference between the net cost of grid losses acquisition and the cost of grid losses included in the regulatory tariff, for the period from January 1 to September 30, 2024.

Operational expenditure

In the segment of **activities with profit allowed**, expenses (including depreciation and amortization) increased by 12% (RON 1,321 million in 9M 2024 compared to RON 1,183 million in 9M 2023), mainly influenced by the increase in expenses related to system operation, personnel expenses and other expenses.



Grid losses: In the period January-September 2024, the costs of energy purchase to cover own technological consumption amounted to RON 434 mil, 15% higher (RON +57 mil) compared to 9M 2023, mainly due to a number of aspects:

- Due to its characteristics, the grid losses in the Electricity Transmission Grid (ETG) is strongly dependent on weather conditions, on the structure of electricity production and consumption at national level, on the distribution of electricity flows in the internal transmission grid and on the interconnection lines with neighboring power systems, and its value is very little to not controllable in an interconnected and coupled regional power market;
- Following the provisions of GEO no. 153/2022 amending and supplementing GEO no. 27/2022, NPG CO. Transelectrica SA purchased electricity to

cover 75% of the quantity of the grid losses forecast validated by the Centralized Electricity Purchase Mechanism (MACEE). For 50% of the validated needs, the energy was purchased through annual allocation, at a regulated purchase price of 450 lei/MWh. For the remaining energy requirements, monthly allocations were made at the price of 450 lei/MWh and 400 lei/MWh respectively (from April 1, 2024).

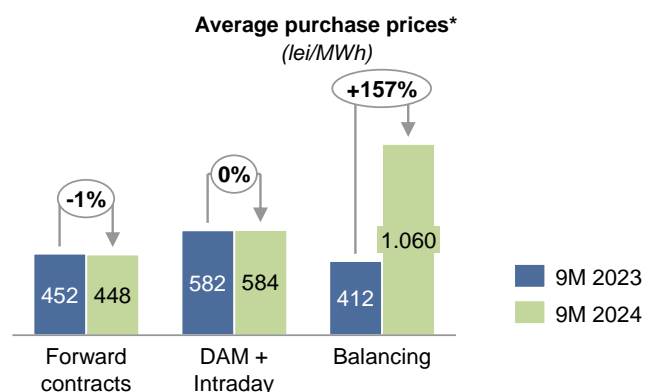
- as of 01.04.2024, the mechanism of centralized purchase of electricity MACEE was amended by GEO no. 32/2024, in the following sense:
 - *reducing the regulated purchase price to 400 lei/MWh;*
 - *removing the obligation for producers to participate in the mechanism;*
 - *changing the period of application of the mechanism from 31.03.2025 to 31.12.2024;*
 - *allowing other producers with production capacities below 10MW to participate in the mechanism.*

As a result, starting with the August monthly allocations, the amount allocated for grid losses coverage through MACEE has been close to zero. The required energy was purchased through bilateral contracts and from DAM.

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

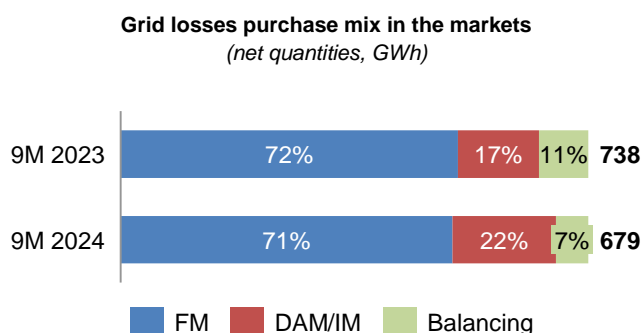
- The changes introduced by GEO 32/2024 led to a gradual exit from the support scheme and a return to competitive market mechanisms. As a result, starting with the monthly allocations for the month of August, the amount allocated for grid losses coverage through MACEE was almost zero. The required energy was purchased through bilateral contracts and from DAM;
- The accelerated growth of installed capacity at prosumers (from about 420 MW at the beginning of 2023 to about 1500 MW at the beginning of 2024), together with the increasing share of wind and solar energy, led to a decrease in the first months of 2024 of energy prices on short-term markets.
- The price of DAM is highly dependent on weather conditions (drought, rainfall, extreme events) and European market prices. The Day-ahead market is an unpredictable market with a high degree of volatility, with prices increasing by as much as 30-40% in a week;
- As of July 01, 2024, a number of amendments to the Regulation on Terms and Conditions for Balancing Parties, in line with the requirements of the European Codes, came into force, which led to very high prices in the Balancing Market. These prices have a high

degree of volatility and uncertainty and can vary widely. As a result, the costs resulting from covering the energy shortfall in this market were about twice as high compared to the same period in 2023.



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

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



The average net price of energy purchased across all markets in 9M 2024 was 11% higher than the price in the same period in 2023.

Grid losses expenses transit RED (acc. to ANRE decision)

In 9M 2024, in the composition of expenses related to the system operation in 9M 2024, there were expenses related to grid losses for additional transits of electricity from the networks of distribution concessionary operators at the voltage level of 110kV (for the quota allocated to the OTS) in the amount of RON 12.8 million. For the year 2024, by ANRE decisions no. 2642/14.11.2023 and no. 2643/14.11.2023, the forecast amounts of grid losses and the corresponding costs related to additional transits of electricity from the 110 kV electricity grids for the year 2024 were approved for Distribuție Energie Oltenia S.A. and E-Distribuție Dobrogea S.A.

Expenditure with Inter TSO Compensation (ITC)

In the period January-September 2024 these expenses were lower by RON 37.3 million compared to the same period of the previous year. They are established within the framework of the mechanism of compensation/dispensation of the effects of utilization of the transmission electricity grid (ETG) for electricity

transits between TSOs that have joined this mechanism within ENTSO-E.

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

From the category "**Other costs**" (an increase of RON 33 million in the analyzed periods) those that had an impact in the analyzed period are:

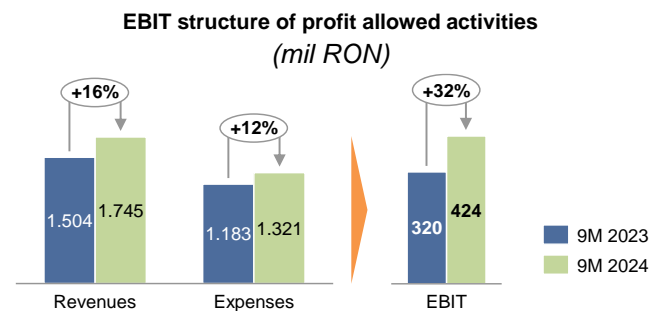
- the growth of the following:
 - expenses with consumables with RON +11 mil,
 - expenses with energy and water RON +2,8 mil,
 - expenses with other services performed by third parties RON +16 million,
 - expenses on fixed assets RON +4 mil,
 - expenses with provisions and impairment adjustments RON + 1 mil
- reduction of certain items of - expenses, such as: taxes, duties and similar charges, other operating expenses not deductible for tax purposes.

Depreciation expenses show an increase of RON 11 million, mainly influenced by the recording of depreciation and amortization of tangible and intangible assets (RON +7.6 million), calculated at the revalued value of assets as at December 31, 2023, correlated with the commissioning of investment works and the acceptance of assets.

At the same time in 9M 2024 the expenses with amortization of intangible assets- grid losses additional intangible assets in the amount of RON 54.4 mil and shows an increase compared to 9M 2023 (RON +3.6 mil). The additional costs with the purchase of electricity realized in the period from January 1, 2022 to March 31, 2025, in order to cover own technological consumption, compared to the costs included in the regulated tariffs, are capitalized quarterly, and the assets resulting from the capitalization are depreciated over a period of 5 years from the date of capitalization.

Allowed profit operating result

Activities with profit allowed recorded a positive result in the amount of RON 424 mil in 9M 2024 up from the result in the amount of RON 320 mil achieved in 9M 2023, as operating revenues increased by RON RON 241 mil, correlated with an increase in expenses (including depreciation) by RON 138 mil.



Zero profit segment

The segment of **zero-profit activities** recorded a significant increase in **revenues** (+ RON 2,621 million) from RON 1,805 million in 9M 2023 to RON 4,426 million in 9M 2024, mainly driven by the increase in revenues on the balancing market (+ RON 2,481 million) due to the prices recorded at the balancing market level, concomitant with the appreciation of revenues from technological system services (+ RON 140 million), at the tariff approved by ANRE, compared to the same period of the previous year, in the context of a 2.3% increase in the quantity.

The **zero-profit activities** segment also recorded a significant increase in **costs** (+RON 2,523 million) driven by the increased amount of expenses on the balancing market.

Balancing market revenues/expenses were more than 2 times higher in 9M 2024 compared to 9M 2023.

The balancing market was mainly influenced by the following elements:

- The accelerated increase in installed capacity at prosumers, from around 420 MW at the beginning of 2023 to around 1500 MW at the beginning of 2024, which, in terms of impact on the system, corresponds to a reduction in consumption;
- Lack of control/monitoring at the level of the funder for the production of the prosumers they have in their portfolio and little concern for estimating/adjusting the prosumers' production forecasts in relation to the contractual position;
- the low degree of adjustment of the production of renewable energy producers with the net contractual position (we mention here also producers receiving green certificates, based on the provisions of Law 220/2008);
- a sharp increase in supply prices in the balancing market (positive upwards and negative downwards respectively), with an impact on the marginal prices recorded in particular for energy activated for secondary balancing, and for energy activated on the tertiary market, which falls rapidly in situations of strong excess production;
- in the conditions of a predominantly surplus system, a high volume of selections at the balancing market is

recorded at the level of the balancing market, respectively significant negative prices in the Balancing Market, which determines, on the one hand, important revenues for the generators that offered negative prices at the power reduction, respectively considerable costs for the PREs that recorded positive imbalances;

- the evolution of contractual imbalances registered at the level of electricity suppliers on the balancing market;
- hydraulic evolution
- the evolution of electricity production and consumption.

We also mention that as of July 01, 2024 the ANRE Order on the approval of the terms and conditions for balancing, ANRE Order no. 127/08.12.2021 for the approval of *the Regulation on the terms and conditions for balancing service providers and frequency stabilization reserve providers and the Regulation on the terms and conditions for balancing parties* and for the amendment and repeal of some orders of the President of the National Energy Regulatory Authority published in the Official Gazette no. 1196 of December 17, 2021, with subsequent amendments and additions.

For the period after 2024 the most important elements that will have a significant impact on the evolution of the balancing market are:

- *the regional and European context of electricity market developments,*
- *ANRE's regulatory framework to adjust the functioning of the balancing market,*
- *the evolution of consumption and the impact of prosumers on the electricity market,*
- *precipitation and temperature forecasts,*
- *the evolution of solar and wind production,*
- *hydraulic evolution,*
- *the evolution of national electricity production and consumption,*
- *behavior of market participants,*
- *the evolution of contracting in pre-balancing markets.*

Revenues from system services increased by 51% compared to the same period last year (RON 413 million in 9M 2024 compared to RON 273 million in 9M 2023), driven by the increase in the amount of electricity delivered to consumers (+2.3%) in the context of the tariff approved by ANRE for these services.

The purchase of system services/balancing capacity is carried out by the Company from producers in order to ensure the maintenance of the level of operational reliability of the NES and the quality of the transported electricity at the parameters required by the technical standards in force.

These services are contracted out:

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

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

In 9M 2024, the contracting of system services/balancing capacity in regulated regime was carried out only for reactive energy, according to ANRE Decision no. 1078/2020, being provided by Electricity Production Company in Hydropower Plants "Hidroelectrica" SA.

The amount of **spending on system services/balancing capacity** in 9M 2024, showed an increase (+12%) compared to the same period in 2023.

The value of the costs of purchasing system services/balancing capacity was mainly determined by the following factors:

- in accordance with the provisions of Article II of ANRE Order no.18/30.05.2024, for a period of 3 months, in accordance with Regulation 2019/943 of the European Parliament and of the Council of June 5, 2019, in the period 01.06.2024-31.08.2024, the purchase of balancing capacity services for frequency stability contracted by the Company is carried out as follows:
 - at a maximum price of 82.30 lei/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 lei/hMW for the fast tertiary regulation reserve on boost/reset reserve with manual activation on boost;
 - at a maximum price of 16.38 lei/hMW for the fast tertiary dimming reserve/manually activated frequency restoration reserve at manual dimming.
- in accordance with the provisions of art. I, point 3 of ANRE Order no.18/30.05.2024, as of 01.09.2024 the maximum prices are no longer applicable, and the tender procedure is organized at Transelectrica SA level on the basis of the offer price.

ANRE Order no. 127/08.12.2021 for the approval of *the Regulation on the terms and conditions for balancing service providers and frequency stabilization reserve providers and the Regulation on the terms and conditions for balancing parties* defines the new types of reserves to be purchased by the Company, in accordance with the requirements of the European codes.

These are the Frequency Stabilizing Reserve (symmetrical band), the Frequency Reset Reserve with automatic and manual activation and the Replacement Reserve.

These reserves will be qualified as standard reserves, based on ANRE Order no. 89/2021 on the approval of the technical qualification for the provision of system services.

On the balancing capacity market, in line with the balancing market trend for the first 9 months of 2024, the following were found:

- a steep increase in the purchase price of the Fast Tertiary Reserve - power curtailment. Thus, there were increases in the purchase price of the reserve from 9.82 lei/hMW to values up to 250 lei/hMW (purchase price for the Fast Tertiary Reserve - power reduction registered on 20.04.2024).
- The same trend was observed for the Secondary Reserve between January and June 2024.
- in the period June-August 2024, the purchase prices of balancing capacities RRFa, RRFm, for increasing and reducing power, were maintained at the level of the prices regulated by the provisions of Article II of the Order of the President of ANRE no.18/30.05.2024, with prices below the maximum limit imposed by the authority.
- in September 2024, with the elimination of the capped prices, in accordance with the provisions of Article II of the Order of the President of ANRE no.18/30.05.2024, there was an upward trend in the purchase price for RRFa for increasing and reducing power and RRFm for reducing power (according to the annex of the price evolution for September 2024).

For the last quarter of 2024, we make the following clarifications:

- the amount of balancing capacity reserves (RRFa, RRFm, up-raising and derating) actually purchased will be adjusted by the DEN depending on the results of the analysis of the operation of the NES over time horizons closer to the operating day.
- the price development trend on the balancing capacity market will be upward, taking into account the price development for the period September - October 2024.
- we estimate that a significant impact on the evolution of the costs for the purchase of system services through daily and directional auctions, at Transelectrica level, will be the ANRE's regulatory framework on the electricity market, the evolution of prices on the balancing market as well as the regional and European context of the evolution of the electricity market.

Zero profit operating result

EBIT generated by **zero-profit activities** recorded a positive result in 9M 2024 in the amount of RON 8 mil, up by + RON 98 mil compared to the negative result realized in 9M 2023.

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

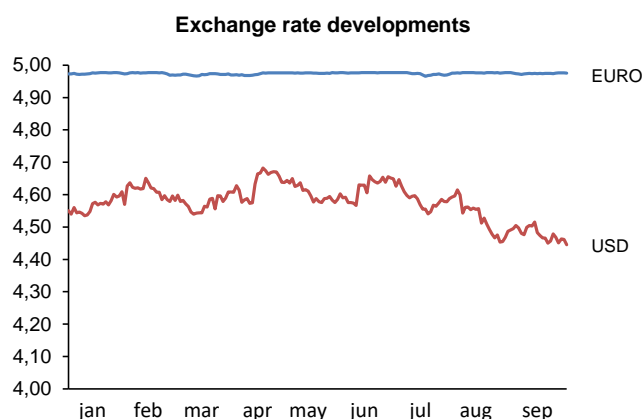
The surplus/deficit of income over the costs of carrying out this activity shall be calculated by tariff schedule periods.

I. Financial Result

The net financial result recorded in 9M 2024 in the amount of RON 16 million, compared to the profit of RON 3 million in the same period last year, was mainly influenced by the receipt of dividends from the subsidiary OPCOM SA in the total amount of RON 14.6 million, the increase in interest income received during the period under review, as well as the exchange rate evolution of the national currency against foreign currencies in which the Company has bank loans to finance investment programs (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.

The evolution of the RON/EUR and RON/USD exchange rate in 9M 2024 is shown in the following graph:



II. Company gross profit (EBT)

Total operating revenue

Total operating revenues realized in 9M 2024 appreciated by 87% compared to the same period of the previous year (RON 6,171 million in 9M 2024 compared to RON 3,308 million in 9M 2023), in the

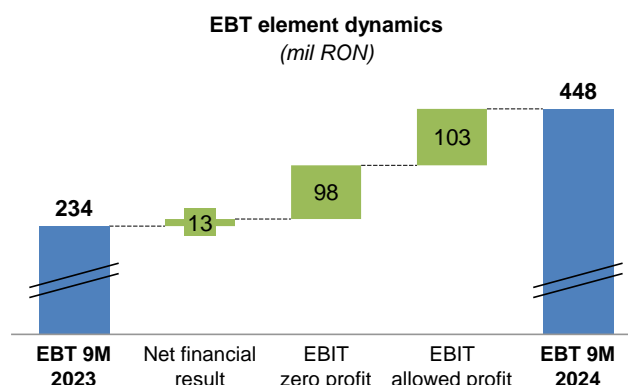
context of the significant impact of revenues from zero-profit activities.

Total operational expenditure

The total operating expenses (including depreciation and amortization) incurred in 9M 2024 increased by 86% compared to the same period last year by RON 5,739 million in 9M 2024 compared to RON 3,078 million in 9M 2023 on the back of significant impact of increase in expenses from zero-profit activities.

The gross result recorded a higher value in the period under review, from RON 234 million in 9M 2023 to RON 448 million in 9M 2024, mainly due to the increase in the tariffed volume of energy at the tariffs approved by ANRE, income from grid losses transactions, income from emergency energy assistance to neighboring RON +42 million, grid losses anticipatory tariff income (non-monetary) + RON 47 million, other operating income + RON 98 million (mainly due to the recording of contingent income from compensation, fines and penalties as a result of legal recovery, according to Civil Decision no. 6169/2023, communicated to the Company on May 15, 2024).

The dynamics between the result recorded at 9M 2024 compared to 9M 2023, broken down by the constituent components of the result, are shown in the following graph:



III. Net result

The gross result influenced by the corporate income tax in the amount of RON 38 mil resulted in a net result at the end of Jan-Sep 2024 in the amount of RON 410 mil, up from 9M 2023 when it was RON 207 mil, the influence mainly due to the profit allowed activities.

FINANCIAL POSITION

I. Non-current assets

Non-current assets recorded in the first 9 months of 2024 compared to December 2023, an increase in the amount of RON 187 million, mainly due to the increase in the value of tangible assets (RON +175 million).

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

Assets related to rights to use leased assets - buildings represent the right to use the premises leased by the Company in the Platinum office building, in accordance with IFRS 16 - Leases. As of 01.10.2020 the lease agreement valid for a period of 5 years entered into force.

As at September 30, 2024, the net book value of the right to use the premises leased by the Company in the Platinum office building is RON 8 million.

Intangible assets

Intangible assets in progress as at September 30, 2024 show a balance of RON 32.7 million represented by projects in progress, of which the most significant are:

- Metering and data management system for electricity metering on the wholesale market - RON 21.4 million;
- Replacement of hardware components, upgrade and development of specific applications of the Balancing Market Platform - II DAMAS, Component Purchase of migration and upgrade services for specific

applications of the Balancing Market - RON 7,6 million;
- MARI platform development - RON 2 mil.

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

Thus, capitalized costs are amortized over a period of 5 years from the date of capitalization and are remunerated at 50% of the regulated rate of return approved by the National Energy Regulatory Authority, applicable over the amortization period of those costs and are recognized as a separate component.

As at September 30, 2024, additional Grid losses anticipatory tariff income in the amount of RON 49.3 million was recorded, representing additional costs of electricity purchase to cover own technological consumption compared to the cost recognized in the tariff.

The carrying amount of intangible assets resulting from the capitalization of the additional grid losses amounted to RON 265 million.

II. Current assets

Current assets as at September 30, 2024 (RON 3,312 million) increased by 23% compared to December 31, 2023 (RON 2,686 million), mainly due to the increase in cash and cash equivalents and receivables.

Trade receivables show an increase of 4% compared to December 31, 2023 (RON 1,824 million at September 30, 2024 compared to RON 1,746 million at December 31, 2023). The most important developments were:

- customers from operating activity which, due to the volume of transactions resulting from the coupling of energy markets, generated a higher balance of receivables from operating activity (RON 1,216 million as at September 30, 2024 compared to RON 1,005 million as at December 31, 2023).
- customers - balancing market which, due to the decrease in the volume of transactions on the balancing market in the third quarter of 2024 compared to the fourth quarter of 2023, also led to a decrease in the balance of customers in contracts concluded for this type of activity (RON 464 million as of September 30, 2024 compared to RON 594 million as of December 31, 2023).

The main outstanding customers on the electricity market are represented by MAVIR, OPCOM, IBEX, Ciga Energy SA, Electrica Furnizare SA, Hidroelectrica, RAAN, JAO, Cinta Energy SA, PPC ENERGIE SA. Their share is 63,01 % of total trade receivables.

- customers - support scheme, which decreased by 2% (- RON 3 million), mainly due to the decrease in the amount invoiced for the collection of the monthly contribution.

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

As of September 30, 2024, the Company has receivables receivable in the amount of RON 141 million, represented by invoices issued related to the bonus support scheme for the promotion of high efficiency cogeneration, of which mainly:

- overcompensation for 2011-2013 in the amount of RON 76.70 million, respectively from RAAN - RON 63.46 million and CET Govora SA - RON 13.23 million;
- undue bonus for 2014 in the amount of RON 3.91 million, respectively from RAAN - RON 1.98 million, and CET Govora - RON 1.93 million;
- undue bonus for 2015 in the amount of RON 0.56 million, respectively from CET Govora - RON 0.53 million, Interagro - RON 0.03 million;
- undue bonus for 2020 in the amount of RON 0.52 million from Donau Chem;
- uncollected contribution for cogeneration from suppliers of electricity consumers in the amount of RON 20.9 million, respectively from Transenergo Com - RON

5.9 million, Petprod - RON 4.4 million, Romenergy Industry - RON 2.7 million, RAAN - RON 2.4 million, UGM Energy - RON 1.5 million, CET Govora - RON 0.9 million, KDF Energy - RON 0.6 million, etc.

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

Other receivables as of September 30, 2024, amounting to 244 have recorded an increase of 14% mil RON and mainly include:

- sundry debtors (RON 159 million), of which:
 - late payment penalties calculated for defaulting customers, amounting to RON 93 million (of which RON 35.15 million are penalties related to the support scheme).

The highest late payment penalties were recorded by customers: Romelectro (RON 39.8 million), RAAN (RON 17 million), CET Govora (RON 9.6 million), Electrocentrale Bucharest (RON 9.4 million), OPCOM (RON 3.6 million), Total Electric Oltenia (RON 3.3 million).

- compensation owed by suppliers for non-delivery of electricity: Arelco Power (RON 0.99 million), Enol Grup (RON 2.54 million) and Next Energy Partners (RON 8.39 million).
- the receivable to be recovered from OPCOM representing the VAT related to the contribution in kind to the share capital of the subsidiary in the amount of RON 4.52 million.

- Deferred expenses in the amount of RON 5.7 million mainly represented by domestic and international contributions (RON 1.9 million), insurance policies (RON 1.3 million), taxes and fees (RON 1 million) and others;
- other social claims in the amount of RON 1.7 million representing sick leave paid by the employer to employees, amounts to be recovered from the National Health Insurance House, according to the legislation in force.

Advances to suppliers paid as at September 30, 2024 represented by debtor suppliers for services rendered in the amount of RON 279 million increased

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

The balance represents mainly amounts from transactions related to the price coupling mechanism (for ICP - Interim Coupling Project and SDAC - Single Day-ahead Coupling the amount of RON 230 million and for SIDC - Single Intraday Coupling the amount of RON 47 million).

The kick-off of the successful SDAC Single Day-ahead Coupling SDAC Single Day-ahead Coupling took place on October 28, 2021 and is the result of the cooperation between the Designated Electricity Market Operators (DSOs) and the Transmission System Operators (TSOs) of Bulgaria and Romania, namely IBEX EAD, OPCOM SA, ESO EAD and Transelectrica. The aim of the SDAC is to create a single pan-European cross-border day-ahead energy market.

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

The launch of Flow Based Market Coupling in the Core region on 08 June 2022 represented the transition from ICP - Interim Coupling Project to FBMC - Flow Based Market Cuupling, optimizing the European electricity market for 13 countries: Austria, Belgium, Croatia, Czech Republic, France, Germany, Hungary, Luxembourg, the Netherlands, Belgium, Croatia, the Czech Republic, Germany, Hungary, the Netherlands, Poland, Romania, Slovakia, Slovenia, and the Netherlands.

Within the FBMC project, Transelectrica has the role of both Shipper (Transfer Agent) and CCP - Central Counterparty. As CCP, the Company has the task of transferring the financial flows generated by the electricity flows as a result of the coupling process.

VAT to be recovered in the amount of RON 224 million related to the tax returns for the period June-September 2024, of which up to the date of this report, the amount of RON 57 million has been collected, representing the value added tax claimed for refund for June 2024.

Impairment adjustments outstanding at September 30, 2024, calculated for trade receivables and related penalties, amount to RON 209 million. The highest recorded are for Romelectro (RON 39.8 million), JAO (RON 30 million), CET Govora (RON 24.6 million), Arelco Power (RON 14.8 million), Total Electric Oltenia SA (RON 14.2 million), Romenergy Industry (RON 13.5 million), Elsaco Energy (RON 9.3 million), RAAN (RON 8.5 million), OPCOM (RON 8.5 million), Next Energy Partners (RON 8.4 million).

Liabilities

Long-term liabilities in the amount of RON 905 million as at September 30, 2024 decreased by 1% compared to the amount recorded as at December 31, 2023, which was RON 918 million.

Interest-bearing liabilities

At September 30, 2024, the amount of long-term borrowings decreased from December 31, 2023 primarily due to repayments under existing loan agreements. The amount of short-term borrowings also remained constant. As of September 30, 2024, the lines of credit for current operations were not utilized.

Between January-September 2024, **current liabilities** increased by 16%, from RON 2,376 million at December 31, 2023 to RON 2,765 million at September 30, 2024, mainly due to an increase in trade and other payables.

Impact on the evolution of trade debts:

- **suppliers on the energy market** which increased by RON 219 million and recorded a balance amounting to RON 1,560 million at September 30, 2024 compared to RON 1,341 million at December 2023.

This was mainly influenced by:

- the increase in *the balance of liabilities related to operating activities* by RON 218 million was influenced by the supply and demand pricing model for electricity market coupling. The implicit allocations, in which capacity and energy are simultaneously provided for, were strongly influenced by changes in the price of electricity on the European power exchanges.

The suppliers on the electricity market are mainly represented by MAVIR, Hidroelectrica SA, OPCOM, IBEX, CIGA Energy SA, Joint Allocation Office, S Complexul energetic Oltenia SA, Electrica Furnizare SA, CINTA Energy SA, Electrocentrale București. At September 30, 2024, their share of total energy suppliers is 87.98%.

- *the increase in the balance of the "liabilities related to the balancing market"* by RON 110 million was mainly due to the increase in the volume of transactions recorded on the balancing market in the third quarter of 2024 compared to the fourth quarter of 2023.

- *the decrease in the debts related to the support scheme to suppliers (producers)* by RON 109 million was determined both by the decrease in the value of the monthly bonus for high efficiency cogeneration in September 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 of the Bucharest Court of Appeal.

- **suppliers of fixed assets** decreased by RON 38 million due to the payments due,
- **Suppliers other activities** also decreased by RON 15 million, being mainly represented by the category of payables related to services rendered by third parties not yet due.
- **"Other liabilities"** increased by RON 208 million, from a balance of RON 637 million at December 31, 2023 to RON 845 million at September 30, 2024.

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

- *sundry creditors* in the amount of RON 424.8 million (increased by RON 113 million compared to December 31, 2023) are mainly represented by the net position of the support scheme for high efficiency cogeneration, debt position (RON 407.5 million), contracts for solution studies for connection to ETG (RON 13 million), royalty Q3 2024 (RON 1.6 million),
- *Customer creditors* as of September 30, 2024 in the amount of RON 337 million (increased by RON 91 million compared to December 31, 2023) and mainly represent amounts received in advance in transactions related to price coupling mechanisms in the amount of RON 326,4 million (*ICP-Interim*

Coupling Project, SIDC-Single Intraday Coupling, SDAC-Single Day-ahead Coupling, FBMC-Flow Based Market Coupling), but also from OPCOM (RON 172.6 million), IBEX (RON 46 million), MAVIR (RON 106.6 million), Bursa Romana de Mărfuri (RON 0.8 million) and JAO (RON 0.03 million)

- *the liability for fixed assets related to the rights of use of leased assets - buildings*, in accordance with IFRS 16 - Leases, amounted to RON 8.7 million,
- *other payables* in the amount of RON 74 million are mainly represented by guarantees of good payment of electricity market contracts concluded by Transelectrica in the amount of RON 57 million and VAT not chargeable during the reporting period in the amount of RON 16 million.

Provisions decreased by RON 7 million, from RON 65 million at December 31, 2023 to RON 58 million at September 30, 2024.

III. Equity capital

Shareholders' equity increased mainly due to the recognition in retained earnings of the net profit amounting to RON 410 million realized at September 30, 2024. Thus, equity at September 30, 2024 amounted to RON 5,627 million compared to RON 5,190 million at December 31, 2023.

SHARE DEVELOPMENT

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

The year 2024 started with a trading price of 29.80 lei/share, opening the way towards the maximum price of the period of 48.60 lei/share recorded on 20.08.2024, which generated a maximum return to shareholders of about 63%.

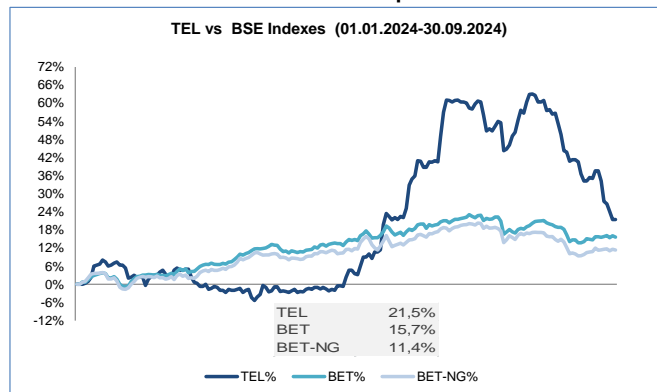
The final price of the period brought TEL shares a market capitalization of RON 2,654 million.

The variation of TEL shares' return against the BET has oscillated during the period under analysis and since June 5, 2024, it has recorded a positive evolution against the BET with a maximum increase of 43 p.p. between August 19-20, 2024, above the BET return.

The return on equities at the end of the analyzed period was 6 p.p. above the BET return.

The trading of TEL shares during the first nine months of 2024 on the Romanian stock market registered 22,632 transactions with an average number of 120 transactions/day and 2,419,900 shares traded, with a total value of RON 123,204 thousand.

TEL share development



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

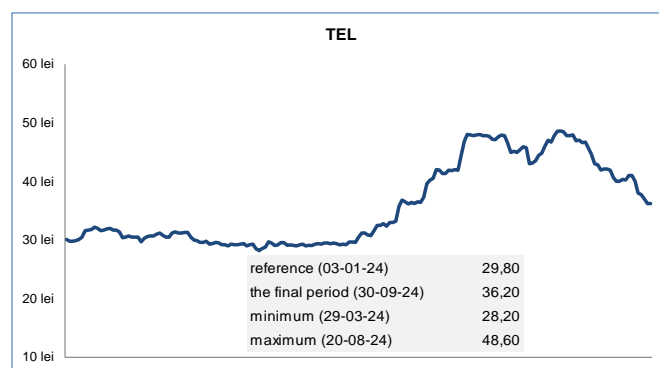
- the BET index (Bucharest Exchange Trading - the benchmark index of the capital market reflecting the evolution of the 20 most liquid companies listed on the regulated market of the BVB),
- the BET-NG index (Bucharest Exchange Trading Energy & Related Utilities - sector index that reflects the evolution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

The Bucharest Stock Exchange launched on July 29, a new index, Bucharest Exchange Trading Energy, Utilities and Financials (BET-EF), dedicated to the best-represented sectors of activity in the capital market, energy, utilities and financials (excluding investment funds), of which Transelectrica is a part.

According to the latest periodic adjustment date recorded on 06.09.2024, TEL shares have a weight of 1.72% in the BET index, 3.21% in the BET-NG index and 2.28% in the BET-EF index.

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

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



MAIN RISKS AND UNCERTAINTIES

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

Risk management implies, first of all, the most accurate definition of the objective limits between which the Company is willing to accept the volatility of risk and its impact on profitability, the concrete level of risk to which the activity is exposed and the adoption of measures to eliminate or reduce risk in order to optimize results.

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

The Company periodically and systematically analyzes the risks related to the performance of its own activities, annually elaborating *the Register of identified risks*, *risk tracking sheets*, *risk alert forms* (for newly emerging risks), the *Plan for the implementation of control measures*, in order to limit the possible consequences of these risks, in accordance with the legal provisions.

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

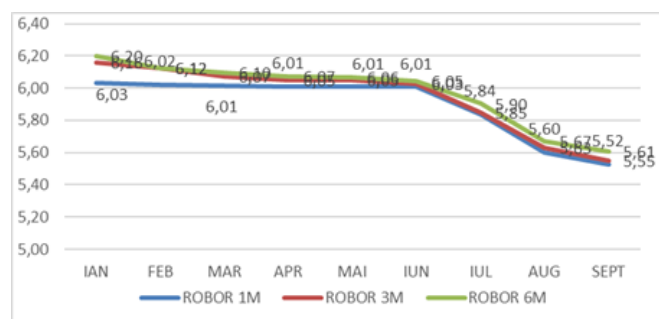
The principal financial risks that the Company may encounter in the conduct of its business are summarized below:

➤ interest rate fluctuation

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

In the short term, Transelectrica has contracted a line of credit to finance the bonus support scheme for high efficiency cogeneration, with a variable interest rate calculated based on the ROBOR 1M reference and another line of credit to finance the Company's working capital, with an interest rate calculated based on the ROBOR 1M reference rate. As at September 30, 2024 both lines of credit were undrawn.

Interest rates on the national money market have been on a downward trend over the past 3 months, amid excess liquidity in the banking system, coupled with lower demand for loans and tighter credit supply conditions.



➤ exchange rate variation

Currency risk expresses a probability of incurring losses from international commercial contracts or other economic relations (depreciation of RON vs. currencies), due to changes in the exchange rate between the conclusion of the contract and its maturity.

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

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

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

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

At the same time, if in the July-August period the exchange rate experienced a period of depreciation, in September we find ourselves in a situation in which the exchange rate appreciated, influenced by a number of economic, social and political factors. We observe a strong correlation between interest rates, inflation and the exchange rate, thus the interest rate fell in the analyzed interval leading to a depreciation of the national currency.

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

➤ **provisions in the grant agreements**

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

Some financing facilities also have penalty clauses in case of early repayment.

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

- **Credit risk:** a financial loss due to the inability or refusal of a contractual partner to fulfill its contractual obligations. This risk arises mainly from trade receivables. During the period under review no problems were encountered in the relationship with customers, invoices being collected on time or with small insignificant delays.
- **the risk of non-recovery of amounts of money as a result of the enforcement of the guarantee instruments underpinning the guarantee of the**

advances received by the Executing Agents in the framework of the investment projects.

Causes that could contribute to the risk: the existence of banking or insurance companies offering guarantee services without having the financial capacity to honor their obligations under the guarantee instruments issued.

By monitoring the rating of the financial institutions with which the Company has established business relationships, this risk did not materialize during the period under review.

- **Regulatory risk:** national and international regulatory policy risk specific to the sector.

The Regulatory Committee of ANRE unanimously approved the regulated rate of return on invested capital (RRR) applied to the approval of tariffs for transmission and distribution of electricity and natural gas for the fifth regulatory period. This, expressed in real terms, before tax, is 6.94%.

➤ **risk of non-compliance with legal requirements**

The Company's liquidity could be affected by penalties caused by non-compliance reported during periodic control activities by the authorized bodies (NAFA, CCR, MFP, etc.). This risk did not materialize during the period under review.

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

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

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

In the period July-September, thanks to the solutions found and the timely measures taken, the Company met its financial obligations as due.

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

- **the risk of a deterioration of the credit rating** as a result of worsening financial indicators, the

macroeconomic and political climate and/or worsening financial performance of the Company.

This risk reflects a complex of factors, with a potential effect on the increase in financing costs on the credit market, which may significantly affect the Company in view of a possible need for capital to be attracted to finance the investment plan under the ETG 2024-2033 Development Plan.

On August 29, 2024, Moody's rating agency reconfirms the Company's 2023 rating (Baa3, stable outlook), which implies a low risk of default and a strong ability to meet its financial commitments.

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

However, there is a risk that the rating agencies could downgrade Romania (the Company's rating is heavily dependent on the sovereign rating).

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

The company attaches great importance to analyzing the risk environment and early identification of possible risks that may arise in the future as well as the use of early warning systems.

The company does not limit itself to dealing with the consequences of events that might occur, but adopts a reactive management style, implementing preventive measures, taken in advance, aimed at mitigating the occurrence of possible risks.

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

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

- **the risk of non-recovery of amounts of money as a result of the execution of the guarantee instruments underpinning the guarantee of the advances received by the Executing Agents in the framework of the investment projects.**

Causes that could contribute to the risk: the existence of banking or insurance companies offering guarantee services without having the financial capacity to honour their obligations under the guarantee instruments issued.

By monitoring the rating of the financial institutions with which the Company has established business relationships, this risk did not materialize during the period under review.

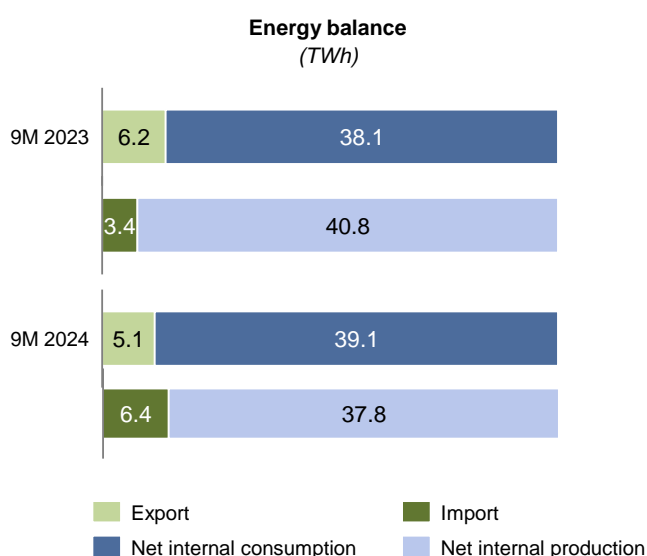


Operational data

NES ENERGY BALANCE

Analyzing the evolution of the components of the energy balance in January-September 2024 compared to the same period in 2023, there is an increase of 3% in net domestic consumption¹ and a decrease of 7% in net energy production.

Cross-border physical exports recorded a decrease of 18% in 9M 2024 compared to the same period in 2023, while imports recorded an increase of 86%.



Electricity consumption in the first 9 months of 2024 saw increases, with values ranging from 0.51% in February to 7.45% in June, the months of April, August and September saw slight decreases, with values ranging from 0.87% in August to 1.96% in September 2024.

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

At the opposite pole, the 7.45% increase in June was also influenced by temperature, with the national average of 22°C recording a positive temperature anomaly compared to the monthly norm of 3.1°C (the 1991-2020 monthly norm is 18.9°C).

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

PRODUCTION MIX

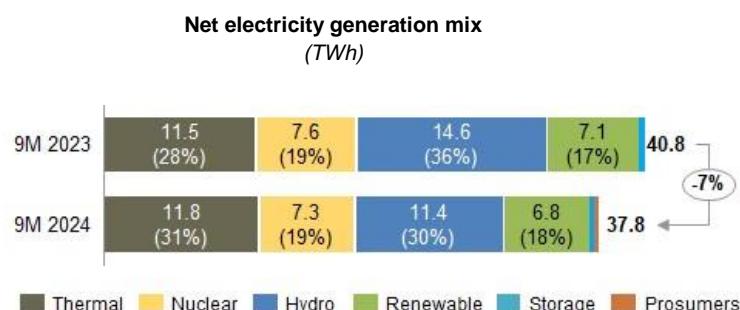
In terms of production mix, in the period January - September 2024 compared to the same period of 2023, there was an increase of 2% in the Thermo component, while the Nuclear, Hydro and Renewables components decreased by 4%, 22% and 4% respectively.

Since the third quarter of 2023, battery generation has been included in the generation mix, which at the end of September 2024 totaled 10.3 GWh.

The net energy produced for July, August does not include the value for prosumers. Also for September the values for storage, renewables and hydro are provisional and the value for prosumers is not included.

Energy supplied by prosumers is net, their internal consumption is not included.

Analyzing the weights of the components of the net production mix for the period January - September 2024, it can be observed that the largest share, 31%, is represented by the Thermo component followed by the Hydro component 30%, while the energy produced from renewable and nuclear sources have a share of 18% and 19% respectively.



NATIONAL PRODUCTION PARK

In 9M 2024, the installed capacity in thermo-source power plants decreased by about 3%, from 5,630 MW installed as of September 30, 2023, to 5,447 MW installed as of September 30, 2024.

On October 01, 2024, the gross installed capacity in the NES totaled 18,509 MW, with the following structure by primary energy sources: coal - 2,762 MW (1,909 MW net), hydrocarbons - 2,715 MW (2,275 MW net), nuclear - 1,413 MW (1,300 MW net), hydro - 6,638 MW (6,312 MW net), wind - 3,082 MW (3,022 MW net), photovoltaic - 1,762 MW (1,673 MW net), biomass - 137 MW (125 MW net). The data presented reflect generation capacities that have a commercial license.

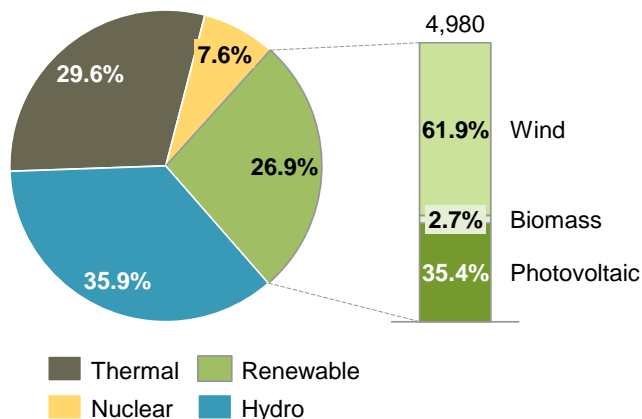
Production units on probation are not included in this report.

As for the installed capacity in storage facilities, as of 15.10.2024 this totaled 82.44 MW, of which 73.24 MW qualified for the provision of system services, the difference being in facilities (batteries) connected mainly in power plants, not qualified for participation in the Balancing Market. The energy available to be injected into the system is 158 MWh.

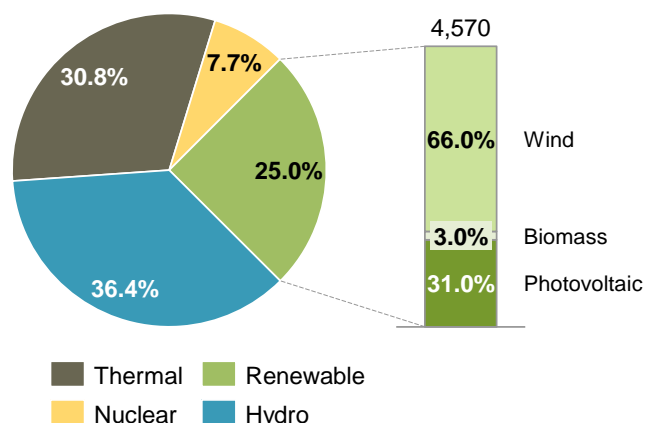
As for the situation regarding the installed capacity of electricity capacity from renewable sources belonging to prosumers on 01.08.2024, it amounted to 1,981.08 MW.

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

Installed capacity 9M 2024 (18.509 MW. gross value)



Installed capacity 9M 2023 (18.255 MW. gross value)



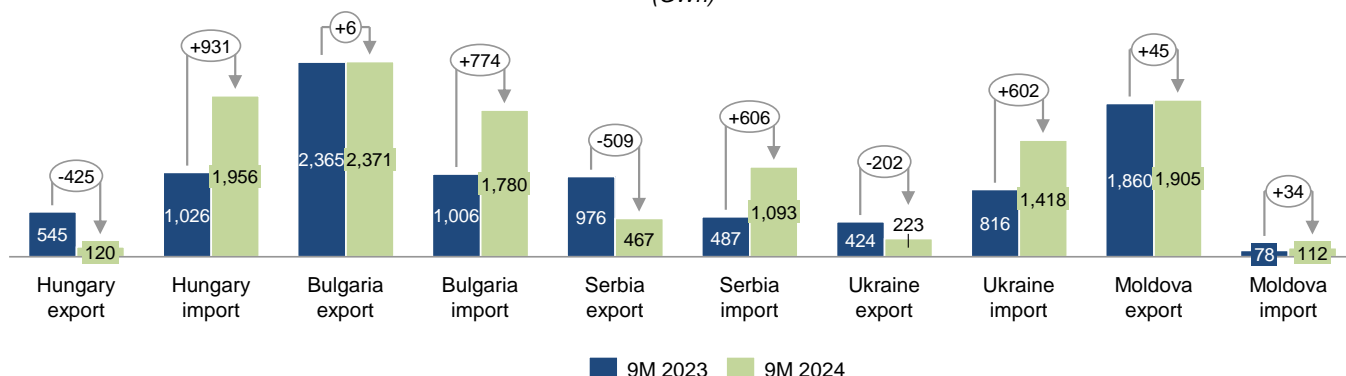
CROSS-BORDER FLOWS

The distribution of **the physical** import/export flows on the interconnection lines between January - September 2024 and January - September 2023 is as follows:

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

Specifically, compared to January-September 2023, physical export flows decreased on the borders with Serbia (-52% -509GWh), Hungary (-78% -425GWh) and Ukraine (-48% -202GWh) and increased on the borders with Bulgaria (+0.3% +6GWh) and Moldova (+2% +45GWh). The physical flows of both import and export on each border are presented below:

Physical flows (GWh)



In terms of trade flows, 9M 2024 compared to 9M 2023 showed an increase of about 59% in import trade and a decrease of 18% in energy transited.

Compared with the third quarter of 2023, there was an increase of about 52% in import trade and a 28% decrease in energy transited, against the backdrop of lower hydroelectricity compared with last year at this time of year and domestic electricity consumption

which, with the exception of July, did not vary much compared with the same period in 2023.

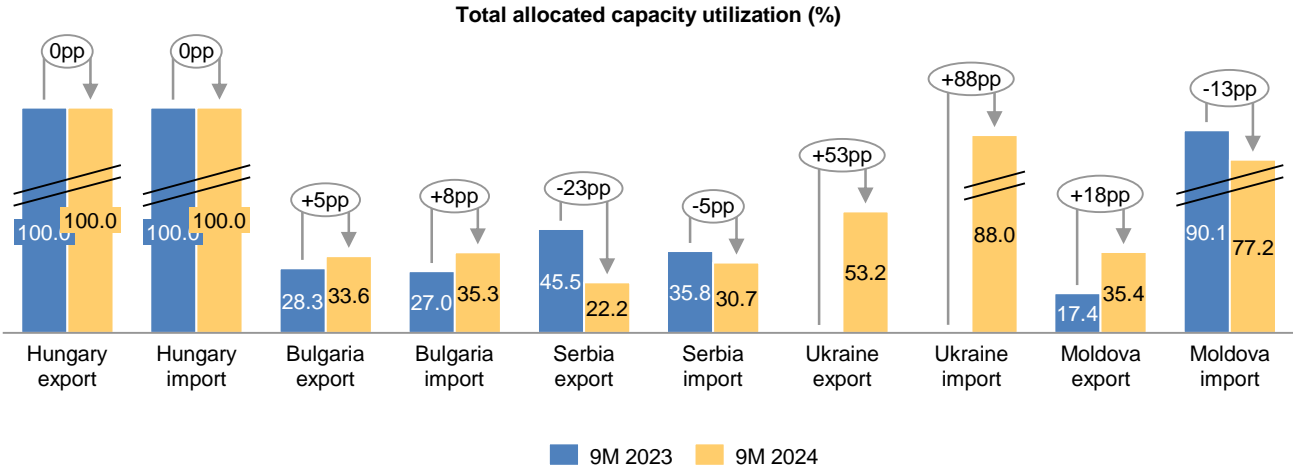
Trade includes the amount of electricity imported and exported as a result of Transelectrica S.A.'s participation as an operational member in the European Imbalance Netting (IGCC) platform, starting December 17, 2021.

On July 01, 2024, at 00:00, the RFP-TEL frequency - exchange power regulating block belonging to Transelectrica S.A., was updated in terms of the activation of RRFa type reserves, their activation being carried out in the order of merit of the prices offered by the participants, with the optimization cycle at 4 seconds.

With this update, Transelectrica, the Romanian Transmission and System Operator, complies with the legal obligations established by the European Commission Regulation (EU) 2017/2195 of August 2, 2017 establishing a guideline for the operation of the Electricity Transmission Grid (Article 21), being

technically ready to join the European balancing platform for the automatically activated frequency restoration reserve, PICASSO.

On the border with Hungary, the utilization rate is 100%, both import and import, as short-term auctions are implicit (capacity and energy are allocated simultaneously), and as of January 2023, the long-term auctions have completely switched from the Physical Capacity Rights allocation mechanism to the Financial Capacity Rights allocation mechanism (capacity allocated in the annual and monthly auctions is no longer a physical right that can be used by the participant, but only a financial right of the participant).



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

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

OWN TECHNOLOGICAL CONSUMPTION

Due to its characteristics, the Grid Losses in the Electricity Transmission Grid (ETG) is strongly dependent on weather conditions, on the structure of electricity production and consumption at national level, on the distribution of electricity flows in the internal transmission grid and on the interconnection lines with neighboring power systems, its value being very little to not controllable in an interconnected and coupled regional energy market.

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

GRID LOSSES EVOLUTION FACTORS

In January 2024 the Grid Losses decreased compared to January 2023 by 10.1% as a result of the favorable distribution of generation and more favorable physical import/export flows on the interconnection lines on the borders with Ukraine, Hungary and Bulgaria that led to reduced transmission of distant energy to the sources, as well as weather conditions characterized by lower precipitation amounts, which led to lower corona losses. The percentage of losses relative to energy

entering the ETG decreased from 2.62% in 2023 to 2.25% in 2024.

Energy entered into the account increased by 4.6% in January 2024 (180.7 GWh) compared to the same period in 2023, as a result of a 3.35% (107.7 GWh) increase in energy received from producers connected to the ETG and a 76.6% (226 GWh) increase in energy received from imports, as energy received from DERs decreased by 39.5% (153 GWh).

In February 2024 Grid Losses decreased compared to February 2023 by 6.5% as a result of more favorable physical import/export flows on the interconnection lines on the borders with Ukraine, Hungary and Bulgaria that led to reduced transmission of energy away from sources, and favorable weather conditions characterized by lower precipitation amounts, which led to lower corona losses.

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

Energy entered into the meter increased by 4.4% (154.5 GWh) in February 2024 compared to the same period in 2023, as a result of a 2.36% (67.4 GWh)

increase in energy received from ETG connected generators and a 39.8% (126.2 GWh) increase in energy received from imports, as energy received from DERs decreased by 12.2% (39.1 GWh).

In March 2024 the Grid Losses decreased compared to March 2023 by 3.4%, mainly as a result of increased energy entering the ETG contour, but also unfavorable weather conditions characterized by higher precipitation amounts, which increased the corona losses.

The percentage of losses relative to energy entering the ETG decreased from 2.57% in 2023 to 2.24% in 2024.

Energy entered into the meter increased by 11.2% (367.5 GWh) in March 2024 compared to the same period in 2023, as a result of a 9% (235.4 GWh) increase in energy received from ETG-connected generators and a 43.6% (161.2 GWh) increase in energy received from imports, as energy received from DERs decreased by 10.1% (29.5 GWh).

In April 2024 Grid Losses decreased compared to April 2023 by 9.9% as a result of favorable generation distribution and more favorable physical import/export flows on the interconnection lines on the borders with Ukraine, Hungary and Moldova that led to reduced transmission of distant energy to sources, as well as weather conditions characterized by lower precipitation amounts, which led to lower corona losses.

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

In May 2024 Grid Losses decreased compared to May 2023 by 0.2% as a result of more favorable physical import/export flows on the interconnection lines on the borders with Ukraine, Hungary and Moldova that led to reduced transmission of distant energy to sources, and slightly more favorable weather conditions in areas with high density of transmission lines, characterized by lower precipitation amounts, which led to lower corona losses.

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

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

The percentage of losses relative to energy entering the ETG decreased from 2.69% in 2023 to 2.21% in 2024. The energy entered into the meter increased by 3% (64.4 GWh) in June 2024 compared to the same period in 2023, as a result of a 95.2% (377.6 GWh) increase in energy received from imports, while energy received from ETG-connected generators decreased by 4.4% (108 GWh) and energy received from DERs decreased by 48.5% (205.2 GWh).

In July 2024 Grid Losses increased compared to July 2023 by 9%, as a result of increased energy entering the ETG and disadvantageous physical import/export flows on the interconnection lines on the borders with Bulgaria and Serbia, which led to increased transmission of energy away from sources. The percentage of losses relative to energy entering the ETG increased from 1.91% in 2023 to 1.92% in 2024.

The energy entered into the meter increased by 8.4% in July 2024 (297.1 GWh) compared to the same period in 2023, as a result of a 90.79% (467 GWh) increase in energy received from imports, while energy received from ETG connected generators decreased by 2.04% (56.0 GWh) and energy received from DERs decreased by 44.23% (113.9 GWh).

Weather conditions were characterized by lower precipitation amounts, which resulted in lower corona losses.

In August 2024 the Grid Losses decreased compared to August 2023 by 21.5% as a result of lower energy entering the ETG and more favorable physical import/export flows on the interconnection lines on the borders with Ukraine and Hungary, which led to reduced transmission of energy away from the sources, and more favorable weather conditions characterized by lower precipitation amounts, which led to lower corona losses. The percentage of losses relative to energy entering the ETG decreased from 2.15% in 2023 to 1.71% in 2024.

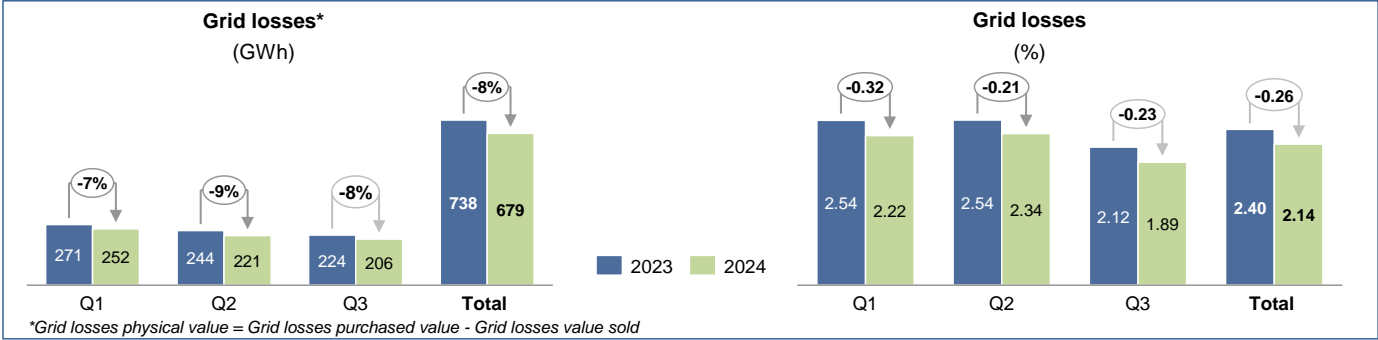
Energy entering the meter decreased by 0.9% (32.3 GWh) in August 2024 compared to the same period in 2023, as a result of an 11.1% (315 GWh) decrease in energy received from ETG-connected generators and a 31.1% (54.6 GWh) decrease in energy received from DERs, as energy received from imports increased by 58.1% (337.2 GWh).

In September 2024 Grid Losses decreased compared to September 2023 by 9.6%, mainly as a result of more favorable physical import/export flows on the interconnection lines on the borders with Bulgaria, Ukraine, Hungary and Moldova, which led to reduced transmission of distant energy to sources. The percentage of losses relative to energy entering the ETG decreased from 2.31% in 2023 to 2.05% in 2024.

Energy entered into the meter increased by 1.9% (64.8 GWh) in September 2024 compared to the same period

in 2023, as a result of a 42.8% (221.7 GWh) increase in energy received from imports, as energy received from DERs decreased by 5.6% (10.5 GWh) and energy received from ETG-connected generators decreased by 5.4% (146.4 GWh).

Weather conditions were unfavorable, characterized by higher precipitation amounts, which resulted in increased corona losses.



Conclusions

For the first quarter of 2024 as a whole the Grid Losses in the ETG decreased by 7% compared to the same period in 2023, mainly as a result of more favorable physical flows on the interconnection lines on the borders with Ukraine, Hungary and Bulgaria and favorable weather conditions in the first two months characterized by lower amounts of precipitation, which led to a reduction in the corona losses. Relative to the energy entering the ETG contour the losses decreased from 2.54% to 2.22%.

Overall in the second quarter of 2024 Grid Losses in ETG decreased by 9% compared to the same period in 2023, mainly as a result of more favorable physical flows on the interconnection lines on the borders with Ukraine and Hungary, which led to reduced transmission of energy away from the sources, and more favorable weather conditions characterized by lower amounts of precipitation, which led to reduced corona losses. Relative to the energy entering the contour losses decreased from 2.54% to 2.34%.

Overall in the third quarter of 2024 Grid Losses in the ETG decreased by 8% compared to the same period in 2023, mainly as a result of more favorable physical flows on the interconnection lines on the borders with Ukraine, Hungary and Moldova, and more favorable weather conditions in the first two months under review, characterized by lower amounts of precipitation, which led to a reduction in the corona losses. Relative to the energy entering the contour, losses decreased from 2.12% to 1.89%.



FIXED ASSETS RECORDED IN THE ACCOUNTS

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

The value of tangible assets recorded in the accounts in January-September 2024 amounted to RON 536 million (RON 544 million in the same period of 2023), a decrease by RON 8 million.

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

- Transition to 400 kV of the axis Porțile de Fier - Reșița - Timișoara - Săcălaz - Arad - Stage I - 400kV power line s.c. Porțile de Fier - (Anina) - Reșița - RON 160.7 million;
- Connection of 400 kV Isaccea - Varna OHL și 400 kV Isaccea - Dobrudja OHL in station 400 kV Medgidia Sud, Etapa I - Extinderea Stației 400 kV Medgidia Sud – RON 96,7 mil;
- Upgrading of the 220/110/20kV Baru Mare 220/110/20kV Station - RON 73,8 mil;

- Refurbishment of 220/110 kV Filești Station - RON 49.6 million;
- Arefu 220/110/20 kV station modernization - RON 31 million;
- Upgrading of the 400/110 kV Pelicanu Station - RON 17.2 million;
- Relocation of the 220 kV and 400 kV networks - Urechești - Domnești, Țânțăreni - Bradu, Bradu - Brașov, Bradu - Stupărei and Bradu - Târgoviște for the Craiova - Pitesti Express Road, section 4 - RON 16.9 million;
- Extension of the 400 kV Gura Ialomiței station with two cells: 400 kV Cernavodă 2 and 3 OHL - RON 12,6 mil;
- Metering and data management system for electricity metering on the wholesale market - RON 12, mil;
- Procurement and installation of 21 monitoring systems for transformer units in NPG CO. Transelectrica SA stations - RON 10.8 million;
- Relocation of the 220 kV and 400kV networks for the construction of the Braila- Galati express road - RON 10.1 million;
- 220 kV diversion Ampoi- Alba Iulia area OHL - RON 7.7 million.

TANGIBLE AND INTANGIBLE ASSETS

Purchases of tangible and intangible assets in the first 9 months of 2024 amounted to RON 433.7 million, an increase compared to the same period of 2023 when purchases amounted to RON 293.5 million.

At the same time, the balance of property, plant and equipment in progress according to the financial position as at September 30, 2024, in the amount of RON 840 million, is represented by the projects in progress, the most significant of which are listed below:

- 400 kV d.c. Gutinaș - Smârdan OHL - RON 265.7 million;
- Transition to 400 kV of the axis Porțile de Fier - Reșița - Timișoara - Săcălaz - Arad - Stage I - 400kV Overhead Power Line s.c. Porțile de Fier - (Anina) - Reșița - RON 137,6 mil;
- Increasing the transmission capacity of the 220 kV Stejaru - Gheorgheni - Fântânele OHL - RON 55.3 million;

- Connection to ETG of CEE 300 MW Ivești, CEE 88 MW Fălcu 1 and CEE 18 MW Fălcu 2 through the new (400)/220/110 kV station Banca - RON 46,9 mil;
- Increasing the operational reliability of the Argeș-Vâlcea network area, realization of the 400 kV Arefu Station and installation of a 400 MVA, 400/220 kV HV 400/220 kV - RON 45.5 million;
- Upgrading of the 400/110/20 kV Smârdan Station - RON 32.1 million;
- Upgrading of the 400/110 kV Pelicanu transformer station - RON 30.7 million;
- Isaccea 400 kV Station Upgrade - Stage II - RON 27.4 million;
- 220 kV OHL double circuit Ostrovu Mare - ETG Stage I + Stage II (H.CA nr.17/2007) - RON 26,8 mil;
- Station 400 kV Stâlpu - RON 20,1 mil;
- Metering and data management system for electricity metering on the wholesale market - RON 14.3 million;
- 110 kV Medgidia Sud 110 kV Station Upgrade - RON 13,8 mil;

ANNUAL INVESTMENT PROGRAM

The breakdown of investment expenditure as of September 30, 2024 by main chapters of the annual investment program is as follows:

No	Categories of expenditure	Scheduled*	Realized (mil RON)	
		(mil RON)	9M 2024	9M 2023
	Grand total (A+B)	580	456.46	293.8
A	Company's own expenses	513	427.5	259.4
B	Investments financed from the connection fee	67	28.9	34.4

* PAI 2024 revision A8

Thus, the degree of realization of the annual investment program as of September 30, 2024 is 78.7% compared to the Program in the Grand Total, and 83.3% compared to the Program in the Company's own expenses category.

The realized value of further investments amounts to RON 416.84 million and represents 97.5% of the Company's own investment expenditures realized in 2024.

The realized value of investments financed from the connection tariff is RON 28.92 million, corresponding to requests for the execution of network relocation works or connection to the network of some producers.

The investment program for 2024 was revised 8 times due to requests to introduce/remove some investment objectives, increase/decrease some expenditure amounts due to the pace of implementation of investment projects.

EUROPEAN FUNDS

Collaboration between Transelectrica and Polytechnic University of Bucharest

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

Transelectrica participates in the selection process initiated by the Polytechnic University of Bucharest for the establishment and operationalization of a Consortium for the creation of a complete professional route for technical education, where, together with UPB, it has submitted the application for funding for the implementation of the project **"Campus Dual Politehnica București"**.

After the submission in March 2023 of the funding application for the project "Campus Dual POLITEHNICA București", within the Call PNRR/2022/C15 / MEDU /I6/Program-pilot for the development of

The Company's development plan for the next 10 years includes a complex investment program, which aims to strengthen energy security, digitalization and implementation of the SMART GRID concept, which will generate, on the one hand, increased capacity for integration of renewable energy into the system and, on the other hand, increased interconnection capacity.

In terms of ETG's capacity to integrate new renewable generation units, the wind and solar potential of Dobrogea (South-East of the country) and Banat (South-West of the country) regions should be mentioned.

These regions, already congested, do not allow for the integration of new capacity, but taking into account the investments underway as well as those planned for these two regions alone, by 2027, there will be around 5,000 MW of additional capacity available.

CONTRACTUAL ISSUES

The most important investment contracts signed in 9 Months 2024 are:

- Power Quality Monitoring System - RON 37.82 million,
- 220/110 KV Calafat station modernization - RON 65,28 milion,
- Transition to 400 KV of the Porțile de Fier - Resita - Timisoara - Săcălaz - Arad axis, phase II: 400 KV OHL d.c. Resita - Timisoara - Săcălaz - RON 199.99 million.

regional consortia for dual education, on 11.05.2023, following the eligibility assessment, the project was declared admitted.

On 07.07.2023 the final list with the results of the qualitative assessment was published and the project remained on the first position. We mention that in the beginning of October 2023 the financing contract was signed and therefore the project implementation started.

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

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



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

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

In June 2024 continued the practical training for the 5 students of the 9th grade from the Technical College of Post and Telecommunications "Gheorghe Airinei" Bucharest. This completed the first school year in which the Company organized these practical training programs within the project.

In August 2024 was signed the Additional Act no. 2 to the "Partnership Contract for the establishment of the Consortium for Integrated Dual Education, Center of Expertise in the Bucharest-Ilfov Region", which amended the annex on the distribution of pupils and students for the internship programs between the project partners.

Modernization Fund

As regards the implementation of the 9 projects related to the Modernization Fund, in accordance with the provisions of the financing contracts, progress reports for the year 2023, as well as other categories of information requested by the Ministry (Notifications, requests for additional acts, reports related to public procurement procedures, etc.) were prepared and submitted to the Ministry of Energy.

In May 2024, a claim for reimbursement was submitted according to the schedule for submission of claims for the project *"Digitalization of the ETG by installing two online systems for Metering and management of electricity metering data on the wholesale market, and for Monitoring the quality of electricity"* in the amount of RON 8.602.106,45.

In August 2024, a reimbursement request was submitted according to the schedule for the submission of reimbursement requests for the project *"Upgrade to 400 kV of the Brazi Vest - Teleajen - Stâlpu axis"* in the amount of RON 1.975.252,10.

In September 2024, reimbursement claims were submitted according to the schedule for the following projects:

- *"Construction of a new 400 kV (d.c.) overhead power line Constanța Nord - Medgidia Sud, equipped with a single circuit" in the amount of RON 2.088,27*
- *"Construction of a new 400 kV overhead power line (1c) Gădălin - Suceava, including interconnection to NES" in the amount of RON 2.482.965,39*
- *"Optimization of the operation of the existing 400 kV OHL in the NES, used in interconnection and for power evacuation from the Cernavodă nuclear power plant and renewable energy plants in Dobrogea, by installing on-line monitoring systems (SMART GRID type)" in the amount of RON 2.414.052,08.*

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

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

The financing of this project was valid until 31.12.2023. As the conditions applicable to operations subject to phased implementation have been met, the Project has been included in the List of projects that can be phased and continued for financing in the Sustainable Development Program (SDP) 2021-2027.

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

The project is currently in the technical and financial evaluation phase.



REPowerEU plan

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

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

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

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

During this period, public procurement procedures are being carried out for the 3 sub-investments of the Investment.

Horizon Program

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

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

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

The ELECTRON project (rEsilient and seLf-healed EleCTRical pOwer Nanogrid), funded by the Horizon 2020 program of the European Union, continued its work during the third quarter of 2024 and was completed on 30.09.2024. The final evaluation of the project will be carried out on 25.11.2024 by the European Commission representatives.

The budget allocated to the Company is €245,000 and the amount collected so far for its involvement in the project is €145,775.

The CyberSEAS (Cyber Securing Energy data Services) **project**, funded by the Horizon 2020 program of the European Union, continued its work during the third quarter of 2024 and was completed on 30.09.2024. The final evaluation of the project will be carried out on 06.11.2024 by the European Commission representatives.

- The project is realized within a consortium of 26 partners, the budget allocated to Transelectrica is 217.235 euro.
- The amount received so far by the Company for its involvement in the project is € 129,254.

CARMEN project of common interest

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

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

- "Optimization of voltage regulation and power quality parameters by installing FACTS equipment in Gutinaş and Roşiori stations;
- "Modernization and increase of the transmission capacity of the 220 kV Fântânele – Ungheni OHL";
- "National Synchrophasor Platform, connected to the International Platform for Synchrophasor Data Exchange (IPDE);
- "Installations for the regulation of active power flows to limit congestion in the ETG".

Project Sheets for Modernization Fund financing

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

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

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

On 14.12.2023 was published the decision approving the grant from the Modernization Fund - C(2023) 9054 - for the "DigiTEL Green Pilot Project - Upgrading of the 220/110/20 kV Mostiștea station to a digital and low environmental impact station" (allocation **48.340.733,89 euro**). The financing contract between the Ministry of Energy and NPG CO. Transelectrica SA was signed on 20.02.2024 (C101/20.02.2024).

Confirmation of the DigiTEL Power Lines of the Future Pilot Project - OHL Optimization (allocation of EUR 64.068.257,62) priority investment from the European Investment Bank:

- In February 2024, the project fiche has been submitted to the Ministry of Energy for funding from the Modernization Fund for the above-mentioned project.

- In the first quarter of 2024, the European Investment Bank confirmed that this project is a priority investment, and on 12.06.2024, the Decision approving the grant of EUR 64,068,257.62 from the Modernization Fund - C(2024) 4190 was published, and the Financing Contract between the Ministry of Energy and Transelectrica will be signed in the third quarter of 2024.
- In June 2024 was published by the European Commission the Payment Decision approving the project "DigiTEL Power Lines of the Future Pilot Project - Transition of the 400 kV Isaccea-Tulcea West OHL from single circuit to double circuit" for financing from the Modernization Fund.
- In September 2024, the Financing Contract was signed between the Ministry of Energy and N.P.G. CO. Transelectrica S.A. for the financing through the Modernization Fund, for the project "DigiTEL Power Lines of the Future Pilot Project - Transition of the 400 kV Isaccea-Tulcea West OHL from single circuit to double circuit" P262/27.09.2024 (C880/27.09.2024), (allocation of RON 318,893,345.47).



Events

With regard to **the elements, events or factors of uncertainty that influenced the activity during the first 9 months of 2024**, the following can be mentioned:

- The volatile construction and energy materials markets and the current geopolitical context have led to a dramatic increase in prices,
- Long delays in the approval by the competent institutions of the draft normative acts regulating the transfer of the right of administration, on behalf of the Romanian state, of some land located in the corridor of the overhead power lines that Transelectrica is building.

Outlook 2024

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

- The approach to grant opportunities is two-pronged
 - *the ongoing monitoring process of grant funding opportunities launched by national and European funding authorities,*
 - *identification of funding opportunities which is carried out in correlation with the company's development priorities, as well as with the identified needs to support their implementation.*
- To continue a good inter-institutional collaboration with the Ministry of Investments and European

Projects, the Ministry of Energy, the Ministry of Economy, the General Secretariat of the Government and other governmental entities, in order to ensure the necessary legal framework for the implementation of projects of common interest and national importance that the company implements.

- Development of collaborative partnerships with EU TSOs by initiating innovative transnational projects in the company's fields of activity, aimed at strengthening human resources through exchange of experience and best practices.

THE COMPANY'S FINANCIAL INVESTMENTS

At the European level, the energy sector is in a process of transformation, emphasizing 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 that ensures a unified development at continental level but also allows adaptation to national specifications while pursuing the legitimate interests of the European states.

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

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

TSCNET (TSCNET Services GmbH)

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

By Resolution No. 9 of the EGMS of June 05, 2018, the Company's affiliation to the CORE Regional Security Coordination Center, TSCNET, was approved through participation in the share capital with a contribution of 470,500 EUR (1 share - 2,500 EUR).

JAO (Joint Allocation Office)

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

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

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



Significant events

JANUARY - SEPTEMBER 2024

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

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

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

- **Transelectrica OGMS January 29, 2024**

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

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

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

Company representatives attending the forum sessions, attended by more than 120 Italian companies, explored opportunities for collaboration and exchange of experience with the Italian business environment. Investments, system maintenance and

operation were the main areas of interest pursued in the topics discussed with the Italian economic environment by the Company's management and technical experts responsible for the three areas.

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

- **Modernization Fund Financing Contract**

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

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

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

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

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

- PĂUN Costin-Mihai,
- ATANASIU Teodor,
- VASILESCU Alexandru-Cristian,
- ZEZEANU Luminița,
- DASCĂL Cătălin-Andrei, .
- ORLANDEA Dumitru Virgil,
- RUSU Rareș Stelian,

with a term of office for a period of 4 (four) years from March 01, 2024, until 29.02.2028. It also approved the

determination of the remuneration of the members of the Supervisory Board of the Company and the form of the contract of office.

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

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

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

- **400 kV Overhead Power Line - Porțile de Fier - (Anina) - Resita**

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

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

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

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

The 400 kV Overhead Power Line Porțile de Fier - (Anina) - Resita will be put into operational service with the completion of the construction works of the 400 kV Resita station, expected in the second semester of this year.

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

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

- **Acceptance of mandates for SC members**

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

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

In accordance with its statutory and legal attributions, the Supervisory Board decided in its meeting of March 04, 2024, to elect Mr. Cătălin-Andrei DASCĂL as Chairman of the Supervisory Board and to appoint the members of the advisory committees of the Supervisory Board as follows:

Nomination and Remuneration Committee:

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

Audit Committee:

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

Investment and Energy Security Committee:

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

Risk Management Committee:

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

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

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

Pursuant to art. III of Law no.187/2023 on the amendment and completion of Government Emergency Ordinance no.109/2011 on corporate governance, the extension (for a period of 2 months from March 25, 2024 until May 24, 2024, but not later than the completion of the selection procedure in accordance

with the provisions of Government Emergency Ordinance no.109/2011 if the procedure will be finalized within this period), the mandates of provisional members of the Directorate for Mr. Ștefăniță MUNTEANU, Mr. Cătălin Constantin NADOLU, Mr. Florin Cristian TĂTARU and Mr. Bogdan TONCESCU. On the same date, in accordance with the provisions of Article 23 para. (1) of the Company's Articles of Association, Mr. Ștefăniță MUNTEANU was elected as Chairman of the Directorate, alternatively referred to as Chief Executive Officer - "CEO" of the National Company for the Transmission of Electricity "Transelectrica" SA.

- **Completion of key investment to strengthen and secure national energy infrastructure in Dobrogea region**



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

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

- 400 kV Medgidia South - Varna OHL (Bulgaria) interconnection,
- 400 kV Medgidia South - Dobrudja OHL (Bulgaria) interconnection,
- 400 kV Medgidia Sud - Stupina OHL and
- 400 kV Medgidia Sud - Rahman OHL, thus transforming the Medgidia Sud station into an

interconnection station with the Bulgarian power system.

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

The execution works were carried out by the Association Electromontaj SA (leader of the association), ELM Electromontaj Cluj SA and EMFOR Montaj SA as subcontractor, and the implementation of the project in the information systems was carried out with the support of specialists Teletrans SA, a subsidiary of Transelectrica, which provided the modeling and integration of the new lines in the EMS - SCADA system, as well as communications and data exchange with the Transmission and System Operator in Bulgaria.

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

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

Thus, a significant benefit of this work is the reduction of active power losses on 400 kV overhead power lines by about 10 MW, in the conditions of high electricity production in wind power plants. It will also increase cross-border capacity on the border with Bulgaria for export by between 200 MW and 300 MW and for import by about 100 MW.

- **56.2 million euro contract financed by the NRRP**

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

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

The investment covers the installation of photovoltaic power plants and storage facilities in 29 electrical

stations, the upgrading of the SMART SA subsidiary, the optimization of the communications network managed by the Teletrans subsidiary and the creation of a data center.

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



The implementation of these projects will significantly contribute to the consolidation of Romania's Transmission Grid.

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

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

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

Coupled with the realization of the new 400 kV Reșița station, the 400 kV Porțile de Fier OHL - (Anina) - Reșița station will contribute to the consolidation of the energy sector in the Banat region and will facilitate the increase of the interconnection capacity with the ENTSO-E grid by 600 MW, for the benefit of the grid connected users.

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

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

- Separate financial statements of NPG CO. "Transelectrica"-S.A. for the financial year 2023;
- Consolidated financial statements of NPG CO. "Transelectrica"-S.A. for the financial year 2023;
- Allocation of net accounting profit as of 12/31/2023;
- The distribution of the gross dividend per share from the retained earnings in the balance as at December 31, 2023, in the amount of RON 0.28;
- Creation of reserves related to the revenues realized from the allocation of transmission capacity on interconnection lines by distribution from the retained result representing the surplus realized from revaluation reserves not taxable upon change of use;
- Discharge of the members of the Directorate and the members of the Supervisory Board for the fiscal year 2023;
- Remuneration report for the financial year 2023;
- Remuneration policy for the Company's executive and non-executive management revised to March 2024;
- Ratification by the General Meeting of Shareholders of the Supervisory Board's Decisions for the appointment of provisional members of the Directorate No. 26/25.06.2021, No. 49/22.12.2021, No. 50/22.12.2021, No. 51/22.12.2021, No 52/22.12.2021, No 53/22.12.2021, No 13/23.03.2022, No 18/21.06.2022, No 43/14.10.2022, No 53/19.12.2022, No 15/19.04.2023, No 24/20.06.2023, No 39/24.10.2023 and No 11/21.03.2024;
- Establishing the general limits of the remuneration and other benefits to be granted by Transelectrica S.A. to the provisional members of the Directorate, including the fixed indemnity and other benefits granted;
- Establishment of June 6, 2024 as the "ex date" date, the calendar date from which the Company's shares subject of the Resolution of the Ordinary General Meeting of Shareholders shall be traded without the rights deriving from the said Resolution;
- Setting June 07, 2024 as the record date of the shareholders on whom the effects of the Ordinary General Meeting of Shareholders' Resolution will be reflected;
- Set June 27, 2024 as the "payment date" for dividends distributed from retained earnings outstanding as of 12/31/2023.
- **Notice on the procedure for payment of distributed dividends**

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

retained earnings in the balance as at December 31, 2023.

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

Dividend payments were made as of June 27, 2024 (payment date), to shareholders registered on June 07, 2024 in the TEL Shareholders Register (ex-date June 06, 2024), through the Central Depositary SA (DC) and the paying agent BRD - Group Société Générale (BRD).

- **Appointment of members of the Directorate, appointment of Chairman**

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

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

At the same meeting, in accordance with the provisions of Article 23 para. (1) of the Company's Constitutive Act, the Supervisory Board elected Ștefăniță MUNTEANU as Chairman of the Directorate, alternatively referred to as Chief Executive Officer - "CEO" of the National Power Grid Company "Transelectrica" SA.

The term of office of the members of the Directorate shall have a duration of 5 months, starting on May 25, 2024, but the term of office shall not exceed the date of completion of the selection procedure of the members of the Directorate of the National Electricity Transmission Company "Transelectrica"-SA under the conditions of the Government Ordinance no.109/2011 on corporate governance of public enterprises, approved with amendments and additions, if the procedure is completed within this period.

- **Memorandum on the initiation of procedures for the establishment of the Joint Venture company**

On May 27, 2024, in application of the Agreement between the Governments of the Republic of Azerbaijan, Georgia, Romania and Hungary on the Strategic Partnership in the Field of Green Energy Development and Transmission - "*Green Energy Corridor*" Project, NPG CO. "Transelectrica" SA and the other relevant parties designated at the level of each state, namely AzerEnerji JSC, Georgian State

Electrosystem and MVM Zrt, signed in Bucharest, a Memorandum of Understanding whereby they agree to make the necessary efforts to take the necessary steps for the establishment of a Joint Venture company, based in Romania.

- **Regulated tariff applicable from June 01, 2024**

The Company, on June 04, 2024, informed the investing public on the publication in the Official Gazette no. 503/30.05.2024 of ANRE Order no. 15/2024 on the approval of the tariff for the system service, practiced by the Company.

Therefore, the regulated tariff (excluding VAT) for the system service, applicable from June 01, 2024 is:

service	Tariff applicable from January 01, 2024	Rate* applicable from June 01, 2024
	lei/MWh	lei/MWh
Tariff for the system service:	9,17	12,84

* The change in the value of the tariff was determined by the application of the mechanism for correcting significant deviations from the forecast that was the basis for the approval of the tariff in force on January 1, 2024, in accordance with the provisions of the regulatory framework issued by the National Energy Regulatory Authority

- **Announcement regarding the selection of candidates for the position of member of the Directorate of N.P.G. CO. "Transelectrica" S.A.**

The Company's Supervisory Board has announced the launch of the selection procedure for candidates for five positions on the Directorate of N.P.G. CO. "Transelectrica" S.A.

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

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

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

The object of the contract is represented by strategic services / works in the facilities managed by NPG CO. Transelectrica SA in connection with the maintenance activity carried out in the Company in accordance with

the provisions of the Maintenance Assurance Program (MAP) and the Regulation of preventive maintenance of facilities and equipment within the ETG, documents developed on the basis of ANRE Order no. 96/2017 for the approval of the Regulation of organization of the maintenance activity, as well as with the provisions of other specific regulations in force (prescriptions, internal technical standards, technology sheets, etc.).

• **Modernization Fund project approved by the European Commission**

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

The grant amount of the project is 64.068.257,62 euro and the approval decision was published on the Modernization Fund website on 25.06.2024.

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

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

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

• **PNRR: Funds for modern and reformed Romania**

Transelectrica has obtained EUR 56.2 million through the REPowerEU component of the PNRR to finance three key investment projects for the efficiency and modernization of the transmission grid. The investment consists of three sub-investments:

- Installation of photovoltaic power plants (PPPs) and electricity storage facilities to supply internal services installed in NPG CO. Transelectrica SA stations, with an allocation of EUR 29.6 million;

- SMART SA - a subsidiary of NPG CO. Transelectrica SA, with an allocation of EUR 18.2 million;
- Optimization of the communication network and creation of a data center - Teletrans SA, subsidiary of NPG CO. Transelectrica SA, with an allocation of EUR 8.4 million.

• **Resolution No. 4 of the Extraordinary General Meeting of Shareholders of August 12, 2024**

The extraordinary general meeting of the Company's shareholders approved:

- participation of the Company in the share capital of a new company, together with the other relevant parties designated at the level of the Republic of Azerbaijan, Georgia, and Hungary, except for the main object of activity which will be "Activities of holding companies" activity coded CAEN 642, respectively 6420,
- the acquisition, by exception from Art. (1) of GEO no.26/2012, of legal services in order to carry out projects and transactions with a foreign element in which the Company is involved, in the application of governmental decisions or, as the case may be, in the application of European regulations deriving from its status as a transmission and system operator in the electricity sector,
- ETG Development Plan 2024 - 2033.

• **Modification of the composition of the Advisory Committee of the Supervisory Board**

The company informed the investing public, regarding the composition of the committees constituted within the Supervisory Board, that on 29.08.2024 the Supervisory Board took note of the withdrawal of Mr. RUSU Rareș-Stelian from the Nomination and Remuneration Committee following his request registered on 19.08.2024.

• **Regulated tariff applicable from September 01, 2024**

The Company informed the investing public on August 30, 2024 on the publication in the Official Gazette no. 865/29.08.2024 of ANRE Order no. 57/2024 on the approval of the tariff for the system service, practiced by the Company. Therefore, the regulated tariff for the system service, applicable from September 01, 2024 is:

service	Tariff applicable from June 01, 2024	Rate* applicable from Sept 01, 2024
	lei/MWh	lei/MWh
Tariff for the system service:	12,84	11,51

* The change in the tariff value 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 June 01, 2024, in accordance with the provisions of the regulatory framework issued by the National Energy Regulatory Authority.

Moody's reconfirms the Company's rating

On August 29, 2024, Moody's Investors Service reaffirmed Transelectrica S.A.'s long-term debt rating at "Baa3" and stable outlook.

The credit quality of N.P.G. CO. Transelectrica S.A. ("Baa3"- "investment-grade") is supported by the Company's low risk profile as the only operator providing electricity transmission service in Romania, consistent implementation of key principles within a credit-supportive regulatory regime, a robust financial profile, low debt and strong financial values.

It should be noted that the Company's rating is the same as the rating assigned to the Romanian Government (Baa3 stable).

- **Signing of the Joint Venture partners agreement, Green Energy Corridor Project**

On September 3, 2024, Transelectrica, Georgian State Electrosystems, AzerEnerji and MVM Electrical Works signed the Shareholders' Agreement with the Romanian-based Green Energy Corridor Power Company, which will implement the Green Corridor project, a high-voltage direct current submarine cable that will connect Romania and Georgia through the Black Sea, with the connection being extended to Hungary and Azerbaijan.

It makes a key contribution to strengthening national and regional energy security, increasing connectivity in the Black Sea basin, diversifying sources of supply, harnessing the potential of renewable energy production and increasing the share of renewable energy in the national energy mix.

- **New grant contract from the Modernization Fund**

On 27 September 2024 Transelectrica signed at the Ministry of Energy the 11th financing contract from the Modernization Fund for the implementation of the investment objective "DigiTEL Power Lines of the Future Pilot Project - Transition of the 400 kV Isaccea - Tulcea West OHL from single circuit to double circuit", with a grant amount of EUR 64 million.

The realization of this investment will improve the performance indicators of the Electricity Transmission Grid by ensuring high availability of the assets of the Electricity Transmission Grid (ETG), strengthening and increasing the operational efficiency of the ETG, increasing the flexibility in operation and lowering maintenance costs.

- **Appointment of Directorate members following the process of recruitment and selection of candidates under the conditions of GEO no.109/2011**

In accordance with its statutory and legal duties, in view of the final report of the recruitment and selection process of candidates for the position of member of the Directorate of N.P.G. CO. Transelectrica S.A., the Supervisory Board decided in its meeting of September 30, 2024 the following:

In accordance with Art. (4)-(8) and (11) of GEO no. 109/2011 on the corporate governance of public enterprises, following the selection procedure of candidates for the positions of members of the Directorate of NPG CO. Transelectrica SA, are appointed, as of October 3, 2024, pursuant to Article 23 of the Articles of Association, as members of the Directorate:

- Florin-Cristian TĂTARU,
- Victor MORARU,
- Ștefăniță MUNTEANU,
- Cătălin Constantin NADOLU and
- Vasile-Cosmin NICULA.

the appointment of the members of the Directorate becoming effective on the date of the express acceptance of the mandate as member of the Directorate of the National Power Grid Company "Transelectrica" SA.

In accordance with Article 23 para. (1) of the Company's Articles of Association, the Supervisory Board elects Ștefăniță MUNTEANU as Chairman of the Directorate, alternatively referred to as Chief Executive Officer - "CEO" of the National Electricity Transmission Company "Transelectrica" SA.

The term of office of the members of the Directorate is from October 3, 2024 until February 29, 2028.

The terms of office of the provisional members of the Directorate, namely Mr. Ștefăniță MUNTEANU, Mr. Cătălin-Constantin NADOLU, Mr. Florin-Cristian TĂTARU and Mr. Bogdan TONCESCU expired on October 2, 2024.

SUBSEQUENT EVENTS

- **Acceptance of mandates for members of the Directorate**

In addition to the current report disseminated through the capital market institutions on September 30, 2024, the National Company for Electric Power Transmission "Transelectrica" S.A. informed the shareholders and the interested public that Mr:

- Victor MORARU,
- Ștefăniță MUNTEANU,
- Cătălin-Constantin NADOLU,

- Vasile-Cosmin NICULA and
- Florin-Cristian TĂTARU,

have expressly accepted their mandates as members of the Directorate. Their appointment therefore became effective as of October 03, 2024.

- **220 kV double-circuit Ostrovu Mare OHL - ETG - a new High Voltage Overhead Power Line nearing completion**



The construction works of the Ostrovu Mare - ETG (new line) 220 double-circuit OHL 220, which will contribute to the discharge of energy produced in the Porțile de Fier 2 hydropower plant, are at an advanced stage of execution. The line is about 31 kilometers long, has 105 poles and crosses the territory of 5 administrative territorial units in Mehedinți County.

During the week of October 14 - 18, 2024, the investment stage control took place, attended by members of the Transelectrica Directorate, together with the Director of the Investment Department, and representatives of the contractor, Electromontaj SA and ELM Electromontaj Cluj SA.

So far, 100 poles have been erected, with another 2 poles assembled on the ground and ready for erection. A total of 104 foundations have been made and completed, with the physical stage of the investment at 75%.

The execution contract has a total value of RON 49 million and was signed in March 2023, with the order to start the works in May 2023. The completion date is May 2025.

The new 220 kV line will connect the Cetate Station with the 82nd station of Romania's Electricity Transmission Grid, Ostrov Station, an investment which is in the public procurement phase for the execution contract.

The construction of the new Ostrovu Mare - ETG line and the Ostrov station are mainly aimed at increasing the discharge capacity of the electricity produced in the Porțile de Fier 2 Hydropower Plant into the National Power System.



Other Aspects

SHAREHOLDER STRUCTURE

The shareholding structure of the Company as at 30.09.2024 is as follows:

Name of shareholder	No. of shares	Weight in total
The Romanian State through SGG	43,020,309	58.7%
PAVĂL Holding	4,753,567	6.5%
NN Private Managed Pension Fund	4,007,688	5.5%
Other shareholders - legal entities	16,512,742	22.5%
Other shareholders - individuals	5,008,836	6.8%
Total	73,303,142	100%

COMPOSITION OF THE DIRECTORATE

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

Ștefăniță MUNTEANU	Chairman of the Directorate
Cătălin-Constantin NADOLU	Directorate Member
Victor MORARU	Directorate Member
Florin-Cristian TĂTARU	Directorate Member
Vasile-Cosmin NICULA	Directorate Member

TARIFFS

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

Transmission tariff applied in the third quarter of 2024

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

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

the system service and the regulated price for reactive electricity, charged by NPG CO. Transelectrica S.A., valid from January 01, 2024, as shown in the table below:

Electricity transmission	MU	Tariff in force from January 01, 2024	Main component - in force from January 01, 2024	Additional grid losses costs component - effective January 01, 2024	Tariff applied from April 01 - December 31, 2023	Main Component - from April 1 to December 31, 2023	Additional grid losses costs component - in the period April 01 - December 31, 2023	Difference (%)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)=(3)/(6)
Average tariff	Lei/MWh	31,67	30,41	1,26	31,20	28,61	2,59	1,51%
TGp (main grid injection subcomponent)	Lei/MWh	3.82	3.35	0.47	4.04	3.35	0.69	-5.45%
TL (net extraction component)	Lei/MWh	27.72	26.94	0.78	27.44	25.50	1.94	1.02%

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

- Declining consumption trend and Inflation effect.

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

- By ANRE President Order no.109/2023, the sub-component of the TGT regarding the grid losses related to the additional transits of electricity from the 110 kV electricity grids, corresponding to the share assigned to electricity producers that own power plants with installed capacity exceeding 5 MW and that introduce electricity into the grid area of the concessionary distribution operator, valid from January 01, 2024, as per the table below:

Economic operator	Activity ¹⁾	Tariff from January 01, 2024 (lei/MWh), of which:
National Power Grid Company "Transelectrica" - S.A	TGT sub-component relating to the grid losses for additional transits of electricity from the 110 kV electricity grids, corresponding to the quota allocated to electricity producers that own power plants with an installed capacity of more than 5MW and that introduce electricity into the grid area of the concessionary distribution operator Distribuție Energie Oltenia S.A	2.53
	TGT sub-component regarding the grid losses related to the additional transits of electricity from the 110 kV electricity grids, corresponding to the share attributed to electricity producers that own power plants with an installed capacity of more than 5MW and that introduce electricity into the grid area of the concessionary distribution operator Retele Electrică Dobrogea S.A. (previous name E - Distribuție Dobrogea S.A.)	3.95

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

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

II) Tariff for the purchase of system services applied in quarters II and III 2024

ANRE Order no.57/2024, approved the tariff for the purchase of system services practiced by NPG CO.

Transelectrica SA valid from September 01, 2024, as shown in the table below:

System Service	MU	Tariff in force from September 01 2024	Tariff applied from June 01 to August 31, 2024 ANRE15/2024 Order	Difference (%)
(1)	(2)	(3)	(4)	(5)=(3)/(4)
Average tariff	Lei/MWh	11.51	12.84	-10.36%

The negative adjustment of the tariff as of September 1, 2024, was made based on the fulfillment of the provisions of Art.22 and Art.23 of the *Methodology for establishing the tariff for the purchase of system services*, approved by ANRE Order no.116/2022. The aforementioned articles provide as follows:

- *Art.22 In order to avoid the subsequent recording of a significant level of corrections due to changes in the purchase prices and/or the quantities of system services purchased referred to in Article 2, the TSO shall calculate, for the first quarter and for the first semester of a tariff period t-1, respectively, the difference between the revenues and costs realized and those forecast, plus the amount of the unpaid corrections related to the previous period/periods,*

and shall submit the calculation to ANRE on May 1 and August 1 of the year $t-1$, respectively;

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

Thus, following the interim verification at the end of the first semester of 2024 of the situation of costs and revenues related to the system services activity, ANRE adjusted accordingly the amount of the tariff starting September 1, 2024

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

Based on the provisions of Article no.25 of the Methodology for establishing the tariff for the purchase of system services, approved by ANRE Order no.116/2022, on October 1, 2024, NPG CO. Transelectrica SA submitted to ANRE the proposal and the rationale for the tariff for the purchase of system services starting with January 1, 2025.

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

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

• RAAN

In file 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 reorganization 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, the opening of bankruptcy proceedings against RAAN was ordered.

NPG CO. 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 lei on the grounds that "it does not appear as owed in RAAN's accounting records." Moreover, the insolvency liquidator considered that the request to enter the amount of RON 78,096,209 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, i.e. on 18.09.2013. By Judgment 163/20.06.2019, the solution of the Mehedinți District Court: the exception of forfeiture was admitted. The main action as well as the related appeal were admitted in part. Forces the defendant to pay the plaintiff the amount of RON 16,950,117.14 claim arising in the course of the proceedings, ordering its entry in the list of creditors set up against the debtor RAAN with this amount. The other related claims were dismissed. Pursuant to Article 453(2) of the Code of Civil Procedure, the defendant is ordered to pay the applicant RON 1,000 costs. With appeal. Delivered in public session. Document Judgment 163/20.06.2019. Transelectrica filed an appeal within the legal term. At the hearing of 06.11.2019, the Craiova Court of Appeal ordered the dismissal of Transelectrica's appeal as unfounded. Final decision. Judgment 846/06.11.2019.

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

Hearing for the continuation of the procedure for the collection of claims, valuation of assets and other liquidation operations: **23.01.2025**.

There are also other cases between RAAN and Transelectrica that are at various stages of trial.

RAAN's actions against NPG CO. Transelectrica SA deriving from contract no. C137/08.04.2011.

*File No. **28460/3/2017** - Subject of the case: order the undersigned to pay the total amount of RON 12,346,063. CAB decision 27.09.2021: Suspends the judgment of the appeal until the final resolution of file No. 28458/3/2017, file No. 26024/3/2015. Decision of 23.05.2022: Dismisses as unfounded the request to reinstate the pending case. Keeps the judgment of the appeal suspended. At the hearing on 20.05.2024, the appeal was admitted,, the judgment appealed against was modified to the effect that: the claim was admitted. Orders the defendant to pay to the plaintiff the amount of RON 12,346,063.10, representing the principal debt and penalties, with right of appeal. Decision 806/20.05.2024.*

*File No. **3694/3/2016** - Claims RON 15,698,721.88. Trial date on 08.11.2021: the case was adjourned until the final resolution of File No. 26024/3/2015 and File No. 28458/3/2017. Decision of 03.06.2024: the appeal was admitted, the judgment appealed against was reversed in its entirety, to the effect that: the claim was admitted. The defendant was ordered to pay to the plaintiff the sum of RON 12,727,101.99, representing the amount of the bonus and regularization of the pre-settlement for which invoices series SRTF were issued, and the sum of RON 2,917,619.81, representing the late payment penalties related to the principal debt, for which invoices series SRTF were issued, with right of appeal. Decision 898/03.06.2024. Transelectrica appealed.*

• REȘIȚA MUNICIPALITY

File No. **2494/115/2018****, registered on the docket of the Court of Caras Severin.

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

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

suspended. Document: Order - Suspension 22.03.2021.

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

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

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

On 19.09.2024, the plaintiff's request for adjournment of the case was granted and a copy of the expert's report was ordered to be served on him. The discussion on the final fee for the expert's report was postponed until both parties had studied it. The hearing of the case was adjourned to 10.10.2024, in the absence of the expert's report.

On 10.10.2024, the plaintiff and the defendant were ordered to pay the expert's fees of RON 1000 each, an additional expert's report was ordered and the hearing for the expert's report was set for **12.12.2024**.

- **NAFA**

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

Summary judgment: Grant the appellant's writ of summons for a stay of proceedings. Pursuant to Article 413 para. (1) para. 1 of the Civil Procedure Code, suspends the proceedings until the final resolution of the **casefile no. 1802/2/2018**, pending before the Bucharest Court of Appeal, Administrative and Fiscal Disputes Section VIII. With appeal for the entire duration of the suspension, the appeal to be filed at the District 1 Court of Bucharest. Delivered in open court. Document: Decision - Suspension 17.04.2018.

File No 1802/2/2018 - At the hearing on 20.10.2020 - summary judgment: the applications were upheld in part.

Annulled in part Decision No 122/13.03.2018 on the resolution of the appeal against Tax Decision No F-MC 439/30.06.2017 issued by NAFA - General Directorate for the Settlement of Appeals and on 12.07.2017 by NAFA - General Directorate for the Administration of

Large Taxpayers, as well as the Tax Inspection Report No F-MC 222 concluded on 30.06.2017, which was the basis for the issuance of the tax decision, to the effect that:

- ✓ cancels the obligation to pay corporation tax in the amount of 18,522,280 lei, VAT in the amount of 5,694,636 lei and the related tax accessories in the amount of 48,436,653 lei, tax obligations established for the 349 special tax invoices found to be missing from the applicant's management.
- ✓ removes the non-deductible character in the calculation of the taxable profit of the amount of 27,001,727 lei, representing the technological system services invoiced by the energy suppliers, considered non-deductible following the tax inspection and the obligation to pay the main and accessory tax claims related to this amount.
- ✓ removes the non-deductibility of the amount of 343,629.91 lei representing 'weed removal services' from the calculation of taxable profit and the obligation to pay the main and accessory tax claims in relation to this amount.
- ✓ removes the non-deductible character for the calculation of taxable profit of the amount of 230,685.491 lei, representing the expenses for promotional and protocol products and the obligation to pay the main and accessory tax claims related to this amount.
- ✓ removes the non-deductible nature of the VAT in the amount of 46,417.1 lei, relating to the amount of 343,629.91 lei, representing 'weed removal services' and the obligation to pay the principal and accessory tax claims in relation to this amount.
- ✓ removes the non-deductible nature of the VAT in the amount of 37,693.88 lei relating to the amount of 230,685.49 lei, representing expenses on promotional and protocol products and the obligation to pay the principal and accessory tax claims in relation to that amount.
- ✓ removes the mention regarding the obligation of the Sibiu Transmission Branch of NPG CO. Transelectrica S.A. to record the amount of 576,846.80 lei as taxable income, no later than 30.06.2010, the date on which the audited unit was accepted as a creditor with this amount, the mention regarding the character of taxable income for the calculation of profit of the amount of 576,846.80 in accordance with the provisions of Article 19 para. 1 of Law no. 571/2003 on the Fiscal Code with subsequent amendments and additions, in conjunction with point 23 letter d of GD 44/2004 containing the Methodological Norms for the application of Law no. 571/2003, the chapter on income tax, respectively Chapter VII on the function of accounts of Order no. 3055 of 29 October 2009

approving the Accounting Regulations in accordance with European directives and the obligation to pay the main and accessory tax claims in relation to this amount.

- ✓ removes from the minutes the finding made with regard to the "determination of deductible value added tax lower than that recorded by the applicant, thus resulting in a difference in the amount of 13,141 lei" (Annex No 15) and the obligation to pay the principal and accessory tax claims in relation to this amount.
- ✓ abolishes the obligation to pay penalties for late payment which have a penal legal status, calculated for a period of more than 6 months from the date of commencement of the tax inspection, in respect of the principal tax liabilities which have been upheld by the court by the present judgment, as determined by Tax Decision No.F-MC 439/30.06.2017, issued on 12.07.2017, by NAFA - DGAMC, Tax Decision No. F-MC 439/30.06.2017, issued by NAFA - DGAMC and by Decision No. 122/13.03.2018, on the settlement of the appeal lodged against Tax Decision No. F-MC 439/30.06.2017, issued by NAFA - Directorate General for Dispute Resolution.

The other provisions of Decision No 122/13.03.2018 on the settlement of the appeal against Tax Decision No F-MC 439/30.06.2017 are maintained. The remainder of the claims are rejected as unfounded.

Dismisses as unfounded the application for an order that the costs of the proceedings be paid in the form of a stamp duty. Orders the defendants, jointly and severally, to pay the applicant's costs in the sum of 4 000 lei, representing the fee for the expert's report in the accounting and tax field, in proportion to the admissibility of the application.

Transelectrica and NAFA filed an appeal in March 2022. **Decision of 24.05.2022:** Rejects as unfounded the request for clarification and supplementing of the operative part. Admit the application for rectification of the material error in that the amounts of money by way of principal and accessory tax liabilities in respect of the 349 tax invoices, as set out in the contested tax decision, are to be mentioned as correct. Orders that the material error be corrected by removing the incorrect name of the applicant from the contested judgment.

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

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

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

The Company has legally recovered certain amounts (additional payment obligations established by the tax assessment decision no. F-MC 439/30.06.2017) executed in 2017 by NAFA, on the basis of the enforceable title no. 13540/22.08.2017, according to the civil judgment no. 6169/2023, pronounced on December 20, 2023, by the ICCJ - Administrative and Tax Litigation Section and communicated to the Company on May 15, 2024.

- **CONAID COMPANY SRL**

The subject matter of file No. **36755/3/2018** is the The subject matter of the file no. 36755/3/2018 is the finding of unjustified refusal to conclude an Addenda to the connection contract RET C154/2012 and claims in the amount of 17.216.093,43 lei, the damage suffered and 100.000 euro, the countervalue of the estimated unrealized benefit.

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

- **OPCOM**

File No 22567/3/2019 - Subject-matter of the case: action for damages at common law.

Order the defendant OPCOM SA to pay the amount of 4,517,460 lei, related to the invoice series TEL 16 AAA no. 19533/29.07.2016, representing the VAT countervalue, related to the contribution made by NPG CO. Transelectrica SA to the share capital of OPCOM SA, issued on the basis of the Loan Agreement no. 7181RO/2003, commitment for the financing of the investment project "Electricity Market Project".

Order the defendant OPCOM SA to pay the amount of 1.293.778,27 lei related to the invoices TEL 19 T00 no.17/28.01.2019 and TEL 19 T00 no. 131/10.07.2019 representing the legal penalty interest, calculated for non-payment on time of the invoice series TEL 16 AAA no. 19533/29.07.2016.

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

The TMB's decision Admits the plea of limitation. Dismiss the action as time-barred. With right of appeal within 30 days of communication, to be filed with the Bucharest Court, Civil Section VI. Pronounced by making the decision available to the parties through the court registry. Document: Decision 3021/03.12.2021. To date the judgment in this case has not been written. After the drafting and communication of Civil Judgment No. 3021/ 03.12.2021, the Company will be able to appeal against this judgment. Transelectrica has filed an appeal.

Decision of the CAB according to Decision no.1532/12.10.2022: Dismiss the appeal as unfounded. Orders the appellant to pay the respondent the sum of 11,325.21 lei by way of costs. With appeal within 30 days from the communication. Transelectrica has appealed against Civil Decision No 1532/12.10.2022 of the CAB. . On 19.09.2023 at the ICCJ the appeal was

admitted, the decision 1532/12.10.2022 was annulled and the case was sent for a new trial to the same court. Final. Decision 1640/19.09.2023.

New case **22567/3/2019*** the case has been remanded for retrial with a hearing on **26.11.2024**.

File No. **24242/3/2021** - Bucharest Tribunal - Civil Section VI - Object of the case: the plaintiff OPCOM requests the 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 defense. The motion to summons was dismissed as unfounded. With the right to appeal within 30 days of communication to the parties, Decision 2600/07.11.2023.

OPCOM filed an appeal with a trial date for judgment on **05.12.2024**.

- **GRAND VOLTAGE**

File **no.17976/3/2021**, registered with the Bucharest District Court, concerning the application for a writ of summons, by which the plaintiff Grand Voltage seeks an order that the defendant NPG CO. Transelectrica SA be ordered to pay compensation for the damage caused to the undersigned in the amount of RON 8,331.444,60 as a result of the culpable non-performance of the obligations related to Works Contract No. C 111/23.05.2018 on "Connection of 100kV Isaccea -Varna OHL and 400 kV Isaccea-Dobruja OHL in 400 kV Medgidia Sud Station Stage II-OHL 400kV d.c. Connections Medgidia Sud Station".

The solution on 25.07.2022 according to Judgment 1812: dismiss the action as unfounded. With the right to appeal within 10 days of communication. The appeal shall be filed at the Bucharest Tribunal - Section VI, under penalty of nullity. The judgment is not redacted.

Grand Voltage has appealed. At the term of 17.07.2024, the plea of lack of legal standing of the appellant-plaintiff JV Voltage Operation (Former Grand Voltage SRL) - Doko Shpk through the leader of the Joint Venture Voltage Operation, an exception raised by the respondent - defendant Transelectrica SA with regard to the appeal, was dismissed as unfounded.

At the hearing of 15.10.2024, the expert evidence was dismissed as unnecessary for the resolution of the case. With appeal together with the merits.

Sets a date for the continuation of the trial on **08.11.2024**.

- **COURT OF AUDITORS**

Following an audit carried out in 2017, the Court of Auditors ordered certain measures to be implemented by the Company as a result of certain deficiencies found during this audit. The Company lodged several

appeals against the measures ordered by the Court of Auditors of Romania (CoA) by Decision No. 8/27.06.2017, requesting their annulment, 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 **file No. 6581/2/2017** regarding the annulment of the findings under item 6 as well as the measure ordered under item II.9, at the hearing of 31.03.2023: According to the minutes of 29.03.2023, file No. 6581/2/2017 was versioned in the 12th Fund of the Eighth Administrative and Tax Litigation Section under no. **6581/2/2017*** The short solution: In order to give the parties the opportunity to submit written submissions and to deliberate, the judgment is postponed to the following dates 31.03.2023, 13.04.2023, 28.04.2023, 12.05.2023.

At the hearing on 26.05.2023 the application was granted. Partially annulled the Order No. 77/03.08.2017, with regard to the rejection of item 6 of Complaint No. 26140/17.07.2017, Decision No. 8/27.06.2017 with regard to the findings in item 6 and the measure ordered in item 11.9, and the Inspection Report No. 19211/26.05.2017 in respect of the findings at item 3.2. Orders the defendant to pay the applicant's costs in the total amount of RON 10,450, representing the court stamp duty and the court expert's fees. Appeal within 15 days of notification. Decision 920/26.05.2023.

Transelectrica filed an appeal with a trial date for **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 filed an appeal dismissed as unfounded on 07.03.2024. Final decision no.1319/2024.

• **OTHERS**

The company is involved in significant litigation, in particular for debt recovery (e.g. Total Electric Oltenia SA, 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, Aderro GP Energy, PET Communication, ISPE, Grand Voltage SRL, EXPLOCOM GK SRL and others).

The Company recorded impairment adjustments for customer and other receivables in litigation and for customers in bankruptcy.

The Company is also involved in litigation with former members of the Directorate and Supervisory Boards in respect of the contracts of mandate entered into between the Company and them. For these litigations, the Company has made a provision.



Annexes

ANNEX 1: Separate statement of financial position

[RON mn]	9M 2024	2023	Δ	Δ (%)
	1	2	3=1-2	4=1/2
ASSETS				
Non-current assets				
Tangible assets	5,590	5,416	175	3%
Assets of the usage rights for leased assets - buildings	8	14	(6)	(43%)
Intangible assets	301	282	18	7%
Financial assets	86	86	-	n/a
Total non-current assets	5,985	5,798	187	3%
Current assets				
Inventories	51	51	-	1%
Trade and other receivables	2,361	2,116	245	12%
Cash and cash equivalents	900	519	381	73%
Income tax to be recovered	3,312	2,686	626	23%
Total current assets	9,297	8,484	813	10%
Total assets				
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' Equity	733	733	-	n/a
Share capital, of which:	733	733	-	n/a
<i>Subscribed share capital</i>	50	50	-	n/a
Share premium	147	147	-	n/a
Legal reserves	1,543	1,635	(92)	(6%)
Revaluation reserves	243	196	47	24%
Other reserves	2,912	2,430	481	20%
Retained earnings	5,627	5,190	437	8%
Total shareholders' equity				
Non-current liabilities	529	519	10	2%
Long term deferred revenues	14	32	(18)	(56%)
Long term borrowings	-	6	(6)	(100%)
Other loans and assimilated debts - Non-current building lease liabilities	287	285	2	1%
Deferred tax liability	75	75	-	n/a
Employee benefits liabilities	905	918	(12)	(1%)
Total non-current liabilities				
Current liabilities	2,623	2,242	381	17%
Trade and other liabilities	9	9	0,1	1%
Other loans and assimilated debts - Current building lease liabilities	14	19	(4)	(22%)
Other tax and social security liabilities	24	25	(0.05)	(0.2%)
Short-term borrowings	58	65	(7)	(11%)
Provisions	22	16	6	35%
Short-term deferred revenues	14.65	0.42	14.23	n/a
Tax on profit to be paid	2,765	2,376	389	16%
Total current liabilities	3,670	3,294	377	11%
Total liabilities	9,297	8,484	813	10%

ANNEX 2: Separate profit and loss account

[RON mn]									
Indicator	2022	9M 2023	2023	9M 2024	Budgeted 9M 2024	Realized 9M 2024 vs 9M 2023	Realized 9M 2024 vs 9M 2023 (%)	Realized vs Budgeted 9M 2024	Realized vs Budgeted 9M 2024 (%)
0	1	2	3	4	5	6=4-2	7=4/2	8=4-5	9=4/5
Operating revenues									
Transmission revenues	1,885	1,439	1,956	1,493	1,473	55	4%	21	1%
System services revenues	534	292	391	474	347	182	62%	127	37%
Balancing market revenues	3,479	1,532	2,269	4,013	2,119	2,481	162%	1,894	89%
Other revenues	389	45	102	190	68	145	318%	123	182%
Total operating revenues	6,286	3,308	4,718	6,171	4,006	2,862	87%	2,165	54%
Operating expenses									
System operating expenses	(902)	(470)	(640)	(508)	(504)	(39)	(8%)	(4)	(1%)
Balancing market expenses	(3,480)	(1,532)	(2,269)	(4,012)	(2,105)	(2,480)	(162%)	(1,907)	(91%)
System services expenses	(467)	(363)	(499)	(406)	(411)	(43)	(12%)	5	1%
Depreciation and Amortization	(272)	(252)	(334)	(263)	(264)	(11)	(4%)	-	n/a
Personnel expenses	(306)	(243)	(348)	(286)	(291)	(43)	(18%)	5	2%
Repairs and maintenance expenses	(108)	(72)	(115)	(84)	(109)	(12)	(16%)	25	23%
Materials and consumables	(13)	(6)	(8)	(5)	(9)	1	11%	4	44%
Other operating expenses	(145)	(141)	(270)	(174)	(195)	(33)	(24%)	21	11%
Total operating expenses	(5,692)	(3,078)	(4,484)	(5,739)	(3,888)	(2,661)	(86%)	(1,851)	(48%)
Operating profit	594	231	234	432	118	201	87%	314	n/a
Financial revenues	65	32	36	23	30	(9)	(29%)	(7)	(24%)
Financial expenses	(72)	(29)	(36)	(6)	(26)	22	78%	19	75%
Net finance result	(7)	3	0,3	16,5	5	13	394%	12	n/a
Profit before income tax	587	234	234	448	122	214	91%	326	n/a
Income tax	(73)	(27)	(21)	(38)	(8)	(10)	(37%)	(29)	n/a
Net profit	515	207	214	410	114	204	99%	297	n/a

ANNEX 3: Separate cash flow statement

[RON mn]	9M 2024	9M 2023	Δ
Cash flows from operational activities			
Profit/loss for the period	410.41	206.53	203.9
Income tax expense	30.94	27.47	3.5
Depreciation and Amortisation (including additional grid losses)	263.31	252.05	11.3
Income from the production of intangible assets (including additional grid losses)	(49.29)	(2.73)	(46.6)
Expenses with adjustments for trade receivables impairment	0.01	1.31	(1.3)
Revenues from reversal of adjustments for trade receivables impairment	(2.06)	(1.37)	(0.7)
Losses from various debtors	2.93	0.01	2.91
Net expenses/income with adjustments for various debtors impairment	1.67	0.11	1.6
Net expenditures with adjustments for inventories impairment	(1.01)	(0.40)	(0.6)
Net profit/ loss on sale of tangible assets	2.83	(0.95)	3.8
Net expenditures on adjustments of value regarding tangible assets	-	(1.63)	1.6
Net Expenses/Income regarding provisions for risks and expenses	(7.65)	(5.19)	(2.5)
Interest expense, interest revenue and unrealized exchange rate gains	(17.78)	(3.40)	(14.4)
Cash flows before changes to working capital	634.30	471.81	162.5
Changes in:			
Clients and assimilated accounts - energy and other activities	(380.69)	1,487.79	(1,868.5)
Clients - balancing	130.06	318.63	(188.6)
Clients - cogeneration	2.70	26.22	(23.5)
Inventories	0.71	(6.07)	6.8
Trade and other liabilities - energy and other activities	414.47	(1,284.05)	1,698.5
Liabilities - balancing	109.81	(399.98)	509.8
Liabilities - cogeneration	(108.61)	0.50	(109.1)
Other taxes and social insurance liabilities	(4.12)	(0.45)	(3.7)
Deferred revenues	26.82	58.17	(31.4)
Cash flows from operational activities	825.45	672.58	152.9
Interests paid	(1.55)	(2.38)	0.8
Income tax paid	(20.97)	(23.82)	2.9
Net cash generated from operational activities	802.93	646.38	156.6
Cash flows from the investment activity			
Acquisition of tangible and intangible assets	(433.68)	(293.48)	(140.2)
Participation titles held in SELENE CC Societe Anonyme	-	0.24	(0.2)
Proceeds from EC non-reimbursable financing	35.79	114.43	(78.6)
Proceeds from sale of tangible assets	2.40	1.77	0.6
Received Interests	4.99	4.06	0.9
Dividends cashed	14.65	1.98	12.7
Net cash used in the investment activity	(375.85)	(170.98)	(204.9)
Cash flows used in financing activities			
Repayments of non-current borrowings	(17.97)	(17.84)	(0.13)
Building lease payments	(7.99)	(7.92)	(0.1)
Repayments of short-term borrowings	-	(67.62)	67.6
Dividends paid	(20.57)	(51.84)	31.3
Net cash used in financing activities	(46.53)	(145.23)	98.7
Net increase/decrease in cash and cash equivalents	380.55	330.17	50.4
Cash and cash equivalents as at January 1st	519.36	315.15	204.2
Cash and cash equivalents at the end of the period	899.91	645.32	254.6

ANNEX 4: Economic-financial indicators of the reporting period

Indicators	Formula	9M 2024	2023
Current liquidity ratio (x)	$\frac{\text{Current assets}}{\text{Current liabilities}}$	1.20	1.13
Indebtness indicators* (x):			
(1) Indebtness degree indicator	$\frac{\text{Debt capital} \times 100}{\text{Shareholder's equity}}$	0.84%	1.38%
(2) Indebtness degree indicator	$\frac{\text{Debt capital} \times 100}{\text{Committed capital}}$	0.83%	1.36%
Customer turnover speed (days)	$\frac{\text{Average client balance}^{**} \times \text{no.days}}{\text{Turnover}}$	44.49	79.37
Non-current assets turnover (x)	$\frac{\text{Turnover}}{\text{Non-current assets}}$	1.00	0.80

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

**Customers contributing to the turnover (energy, balancing, other customers, customers to be invoiced) have been taken into account in the calculation of the average balance. The values corresponding to customers: uncertain, from the market coupling mechanism, cogeneration scheme and overcompensation have not been included in the average balance.

ANEX 5: Articles of association amended between January-September 2024

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

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

Supervisory Board

According to the OGMS Decision no. 1/28.02.2024, the following members of the Supervisory Board of the Company were appointed for a term of office of four years, starting March 01, 2024 and until February 29, 2028: PĂUN Costin-Mihai, ATANASIU Teodor, VASILESCU Alexandru-Cristian, ZEZEANU Luminița, DASCĂL Cătălin-Andrei, ORLANDEA Dumitru Virgil, RUSU Rareș Stelian.

Directorate

In the meeting of September 30, 2024, the Supervisory Board decided, in accordance with its statutory and legal duties, considering the Final Report of the recruitment and selection process of candidates for the position of member of the Directorate of NPG CO. Transelectrica S.A., the appointment, starting on October 3, 2024, as Members of the Board of Directors: Florin-Cristian Tătăru, Victor Moraru, Ștefăniță Munteanu, Cătălin-Constantin Nadolu and Vasile-Cosmin Nicula. The appointment was made in accordance with the provisions of Art. (4)-(8) and (11) of GEO no. 109/2011 on the corporate governance of public enterprises, following the selection procedure of candidates for the positions of members of the Directorate of NPG CO. Transelectrica SA, pursuant to Article 23 of the Articles of Association..

At the same meeting, in accordance with the provisions of Article 23 para. (1) of the Articles of Association of the National Power Grid Company "Transelectrica"-SA, the Supervisory Board elected Ștefăniță MUNTEANU as Chairman of the Directorate, alternatively referred to as Chief Executive Officer - "CEO" of the National Power Grid Company "Transelectrica" SA.

The term of office of the members of the Directorate is from October 3, 2024 until February 29, 2028.

ANNEX 7 REPORT (according to HEGMS no. 4/29.04.2015) on contracts signed in Q3 2024 for the procurement of goods, services and works, the value of which exceeds € 500,000/purchase (for the procurement of goods and works) and € 100,000/purchase (for services) respectively

No. Crt.	Contract Number	Subject of the Contract	Duration (months)	Value		Contract type	Legal Basis	Procurement procedure
				Mii Lei	Thousand Euro			
0	1	2	3	4	5	6	7	8
1	C 812/2024	Transition of the Porțile de Fier - Resita - Timișoara - Săcălaz - Arad axis to 400 KV, phase II: 400 KV d.c. Resita - Timișoara – Săcălaz OHL	22	199,990.36	0.00	Works	Law 99/2016+ GD 394/2016	Open tender
2	C 698/2024	RC 400 KV Cernavodă - Gura Ialomitei OHL, circuit 1, ST. 65 -196	36	29,913.10	0.00	Works	Law 99/2016+ GD 394/2016	Open tender
3	C 701/2024	Modernization of the electronic messaging system within NPG CO. Transelectrica SA	60	26,982.19	0.00	Delivery	Law 99/2016+ GD 394/2016	Open tender
4	C 868/2024 AC C 351/2024	Sub-contract no. 1 to framework agreement C 351/28.05.2024 "Voluntary health insurance services for NPG CO. Transelectrica SA personnel"	12	3,439.01	0.00	Services	Law 99/2016+ GD 394/2016	Re-offer
5	CB 31/2024	Replacement of the interior heating and air-conditioning system in the administrative building ST Bucharest headquarters	12	3,179.93	0.00	Works	Law 99/2016+ GD 394/2016	Open tender
6	C 826/2024	DOMESTIC AND INTERNATIONAL PASSENGER AIR TRANSPORT SERVICES (FRAMEWORK AGREEMENT)	24	2,034	0.00	Services	Law 99/2016+ GD 394/2016	Simplified procedure
7	C 825/2024	RCA and CASCO insurance services for vehicles owned by NPG CO. Transelectrica SA	12	1,600.76	0.00	Services	Law 99/2016+ GD 394/2016	Open tender
8	CR 725/2024	Maintenance services of OHL crossing lanes in areas with tree vegetation	24	1,095.79	0.00	Services	Law 99/2016+ GD 394/2016	Open tender
9	C 811/2024	Professional indemnity insurance services for the position of member of the Supervisory Board and of the Directorate of NPG CO. Transelectrica SA (including the chairmen)	12	725	0.00	Services	Law 99/2016+ GD 394/2016	Simplified procedure

Annex 6 - Glossary of terms

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

