NPG CO. Transelectrica SA Company managed by two-tier system



Simplified Interim Separate Financial Statements on the date and for the nine-month period ending on September 30, 2024

Drafted in accordance with
Order of the Minister of Public Finance no. 2844/2016
approving the Accounting Regulations
International Financial Reporting Standards,
with subsequent amendments and additions, on the basis of
International Accounting Standard 34 - Interim Financial Reporting

	Note	September 30, 2024	December 31, 2023
Assets			
Non-current assets			
Tangible assets		5,590,296,111	5,415,750,112
Assets related to the usage rights of assets under assets - buildings		7,952,239	13,916,419
Intangible assets		300,647,961	282,231,988
Financial assets		85,767,355	85,767,355
Total non-current assets	4	5,984,663,666	5,797,665,874
Current assets			
Stocks		51,393,500	51,084,833
Trade and other receivables	5	2,360,938,483	2,115,557,772
Income tax to be recovered		-	-
Other financial assets		-	-
Cash and cash equivalents	6	899,907,906	519,358,908
Total current assets	_	3,312,239,889	2,686,001,513
Total assets	_	9,296,903,555	8,483,667,387
Shareholders' equities and liabilities			
Shareholders' equities			
Share capital, of which:		733,031,420	733,031,420
- Subscribed share capital		733,031,420	733,031,420
Share premium		49,842,552	49,842,552
Legal reserves		146,606,284	146,606,284
Revaluation reserves		1,543,192,347	1,634,711,533
Other reserves		242,515,174	195,710,506
Result carried forward	7	2,911,651,500	2,430,243,814 5,190,146,109
Total equity	7 _	5,626,839,277	5,190,140,109
Non-current liabilities	_		
Non-current deferred revenues	8	529,238,772	519,083,803
Borrowings	9	13,927,427	31,906,178
Other loans and similar liabilities - Building leasing - long-term	10	-	6,481,491
Deferred tax liabilities		286,962,888	285,138,157
Employee benefit obligations		75,277,117	75,277,117
Total non-current liabilities		905,406,204	917,886,746
Current liabilities			
Trade and other liabilities	10	2,622,695,539	2,242,193,328
Other loans and similar liabilities - Building leasing - short-term	10	8,769,718	8,641,987
Other taxes and social security contributions	11	14,390,482	18,507,735
Borrowings	9	24,479,295	24,528,217
Provisions	10	57,888,282	65,205,991
Current deferred income	8	21,786,056	16,137,336
Payable income tax		14,648,702	419,938
Total current liabilities	_	2,764,658,074	2,375,634,532
Total liabilities		3,670,064,278	3,293,521,278
Total shareholders' equities and liabilities		9,296,903,555	8,483,667,387

NPG CO. Transelectrica SA
Separate income statement for the nine-month period ended on September 30, 2024
(All amounts are expressed in RON, unless otherwise provided)

	Note	July 01 - September 30, 2024	July 01 - September 30, 2023	January 01 - September 30, 2024	January 01 - September 30, 2023
Revenues					
Transmission revenues		508,198,601	479,845,838	1,493,476,642	1,438,902,608
System service revenues		162,490,501	99,149,753	474,185,392	291,900,538
Balancing market revenues		783,775,552	514,432,117	4,012,864,936	1,532,048,147
Other revenue		30,906,968	15,137,451	190,033,910	45,453,870
Total revenues	13	1,485,371,622	1,108,565,159	6,170,560,880	3,308,305,163
Operating expenses					
System operation expenses	14	(153,233,904)	(162,499,514)	(508,434,713)	(469,569,832)
Balancing market expenses	14	(782,620,157)	(514,662,899)	(4,011,905,718)	(1,531,819,945)
Expenses on system services	14	(105,070,688)	(131,914,004)	(406,027,734)	(362,648,636)
Amortization	15	(91,667,299)	(84,971,431)	(263,310,178)	(252,047,422)
Personnel expenses	16	(98,157,062)	(84,546,617)	(285,650,164)	(242,557,621)
Repairs and maintenance		(32,554,506)	(28,481,707)	(84,430,922)	(72,490,660)
Materials and consumables		(2,058,634)	(2,294,189)	(5,250,441)	(5,909,240)
Other operating expenses	17	(55,664,862)	(45,767,514)	(174,008,116)	(140,596,971)
Total operating expenses		(1,321,027,112)	(1,055,137,875)	(5,739,017,986)	(3,077,640,327)
Operating profit		164,344,510	53,427,284	431,542,894	230,664,836
Financial income		3,068,871	5,519,934	22,803,353	31,973,841
Financial expenses		(2,802,322)	(4,207,250)	(6,342,322)	(28,641,364)
Net financial result	18	266,549	1,312,684	16,461,031	3,332,477
Profit before income tax		164,611,059	54,739,968	448,003,925	233,997,313
Income tax	12	(17,858,813)	(9,800,198)	(37,590,535)	(27,467,364)
Profit for the time interval		146,752,246	44,939,770	410,413,390	206,529,949

Separate income statement for the nine-month period ended on September 30, 2024 (All amounts are expressed in RON, unless otherwise provided)

	Note	July 01 - September 30, 2024	July 01 - September 30, 2023	January 01 - September 30, 2024	January 01 - September 30, 2023
Profit for the time interval		146,752,246	44,939,770	410,413,390	206,529,949
Other comprehensive income		-	-	-	-
Total comprehensive result		146,752,246	44,939,770	410,413,390	206,529,949

The Simplified Separate Interim Financial Statements were signed by the Company's management on October 31, 2024.

DIRECTORATE,

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

Director of Economic and Financial Directorate Ana-Iuliana DINU Accounting Department Manager Georgiana-Beatrice ŞTEFAN (All amounts are expressed in RON unless otherwise provided)

	Share capital	Share premiums	Legal reserves	Revaluation reserve	Other reserves	Result carried forward	Total
Balance at January 1, 2023	733,031,420	49,842,552	146,606,284	703,232,784	39,310,392	2,196,479,419	3,868,502,851
Comprehensive result for the time interval						212 (11 206	212 (11 207
Profit for the time interval Other comprehensive income, of which:	-	-	-	-	-	213,611,306	213,611,306
Recognition of actuarial profit /loss of the defined benefit plan	٠ -		-	-	-	5,234,457	5,234,457
Surplus from revaluation of tangible assets. Deferred tax liability ass. to revaluation reserve	-	-	-	1,192,510,070 (193,974,505)	-	-	1,192,510,070 (193,974,505)
Transfer of revaluation reserves into retained earnings	-	-	-	(67,056,816)	-	67,056,816	-
Total other comprehensive income for the time interval	· 			931,478,749		72,291,273	1,003,770,022
Total comprehensive result for the period				931,478,749		285,902,579	1,217,381,328
Other items							
Legal reserve indexation Other items	- -	-	-	-	-	(92,953)	(92,953)
Total other items						(92,953)	(92,953)
Contributions from and distributions to Derecognition of fixed assets of a public heritage nature			-	-	-	-	-
Subsidies related to fixed assets belonging to the state public domain	-	-	-	-	156,400,114	-	156,400,114
Dividend distribution	-	-	-	-	-	(52,045,231)	(52,045,231)
Total contributions from and distributions to shareholders					156,400,114	(52,045,231)	104,354,883
Balance at December 31, 2023	733,031,420	49,842,552	146,606,284	1,634,711,533	195,710,506	2,430,243,814	5,190,146,109
Balance at January 1, 2024	733,031,420	49,842,552	146,606,284	1,634,711,533	195,710,506	2,430,243,814	5,190,146,109
Comprehensive result for the time interval							
Profit for the time interval	-	-	-	-	-	410,413,390	410,413,390
Other comprehensive income, of which	-	-	-	-	-	-	-
Recognition of actuarial profit /loss of the defined benefit plan	-	-	-	-	-	-	-
Surplus on revaluation of tangible assets.	-	-	-	-	-	-	-
Deferred tax liability ass. to revaluation reserve Transfer of revaluation reserves into retained	-	-	-	(91,519,186)	-	91,519,186	-
earnings Total other comprehensive income			_	(91,519,186) (91,519,186)	-	91,519,186	-
•							
Total comprehensive result for the period Other items				(91,519,186)		501,932,576	410,413,390
Legal reserve indexation Other items	-	-	-	-	-	- (10)	- (10)
Total other items						(10)	(10)
Contributions from and distributions to shareholders						(=3)	(=*)
Derecognition of fixed assets of a public heritage	-	_	-	-	-	-	_
nature Subsidies related to assets belonging to the state public domain	-	-	-	-	46,804,668	-	46,804,668
Dividend distribution	-	-	-	-	-	(20,524,880)	(20,524,880)
Total contributions from and distributions to shareholders					46,804,668	(20,524,880)	26,279,788
Balance at September 30, 2024	733,031,420	49,842,552	146,606,284	1,543,192,347	242,515,174	2,911,651,500	5,626,839,277

	9-month period concluded at September 30, 2024	9-month period ending on September 30, 2023
Cash flows from operating activities		
Profit for the time interval	410,413,390	206,529,949
Adjustments for:		
Income tax expense	30,937,716	27,467,364
Amortization expenses (including additional OTC)	263,310,178	252,047,423
Income from the production of intangible assets (including additional OTC)	(49,287,300)	(2,727,619)
Expenses related to adjustments for impairment of trade receivables	6,032	1,309,242
Reversal of adjustments for impairment of trade receivables	(2,056,083)	(1,368,346)
Losses on receivables and sundry debtors	2,926,236	12,911
Net expense/revenues on impairment allowances of sundry debtors	1,665,480	108,104
Net revenues/expenses with inventory impairment allowances	(1,014,475)	(399,854)
Net profit/loss on sale of tangible assets	2,825,834	(951,497)
Net expenses for value adjustments regarding tangible assets	-	(1,627,393)
Net income on provisions for risks and charges	(7,646,709)	(5,185,500)
Interest expense, interest revenues and unearned revenues from exchange rate differences	(17,780,927)	(3,402,759)
Cash flows before changes in working capital	634,299,372	471,812,025
Changes in:		
Customers and similar accounts - energy and other activities	(380,689,129)	1,487,794,671
Customers - balancing	130,061,916	318,630,978
Customers - cogeneration	2,702,316	26,222,296
Inventories	705,808	(6,065,911)
Trade and other liabilities - energy and other activities	414,471,057	(1,284,048,515)
Liabilities – balancing	109,807,787	(399,978,401)
Liabilities - cogeneration	(108,605,501)	496,625
Other taxes and social security contributions	(4,117,253)	(454,338)
Deferred revenues	26,816,512	58,174,862
Cash flows from operating activities	825,452,885	672,584,292
Interest paid	(1,550,656)	(2,382,970)
Income tax paid	(20,970,745)	(23,821,181)
Net cash generated from operating activities	802,931,484	646,380,141
Cash flows from investments		
Procurement of tangible and intangible assets	(433,681,444)	(293,475,121)
Exit from shareholding SELENE CC Societe Anonyme	-	242,140
Proceeds from EC grant funding	35,791,846	114,434,924
Earned Interest Earned Dividends	4,988,293 14,649,757	4,061,663 1,984,675
Proceeds from the sale of tangible assets	2,401,042	1,771,600
Net cash used in investments	(375,850,506)	(170,980,119)
Cash flows used in financing	<i>,,</i>	
Repayments of non-current borrowings	(17,971,420)	(17,844,838)
Repayments of current borrowings	-	(67,617,751)
Building leasing payments	(7,992,105)	(7,920,134)
Dividends paid	(20,568,455)	(51,844,130)
Net cash used in financing	(46,531,980)	(145,226,853)
Net increase/(decrease) in cash and cash equivalents	380,548,998	330,173,169
Cash and cash equivalents at January 1	519,358,908	315,146,396
Cash and cash equivalents at the end of the time interval	899,907,906	645,319,565

Notes to the separate interim financial statements as at September 30, 2024

(All amounts are expressed in RON unless otherwise provided))

1. General information

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

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

The separate interim financial statements as of September 30, 2024 are unaudited.

2. Basics of drafting

a) Declaration of conformity

These simplified separate interim financial statements as at and for the nine-month period ended September 30, 2024 have been prepared in accordance with OMFP No. 2844/2016 for the approval of the Accounting Regulations in accordance with International Financial Reporting Standards ("IFRS"), as amended and supplemented, based on IAS 34 *Interim Financial Reporting*. They do not include all the information necessary for a complete set of IFRS financial statements. However, certain explanatory notes are included to explain events and transactions that are significant to an understanding of changes in the Company's financial position and performance since the last separate annual financial statements as at and for the year ended December 31, 2023.

b) Professional judgment and estimates

The significant judgments used by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the separate financial statements prepared for the year ended December 31, 2023.

3. Significant accounting policies

The accounting policies applied in these condensed separate interim financial statements are the same as those applied in the Company's separate financial statements for the year ended December 31, 2023.

4. Tangible, intangible and financial assets

a) Tangible assets

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.

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

- Connection of 400 kV OHL Isaccea Varna şi 400 kV OHL Isaccea Dobrudja in station 400 kV Medgidia Sud, Stage I Station expansion 400 kV Medgidia Sud 92.571.857;
- Transition to 400 kV of the axis Porțile de Fier Reșița Timișoara Săcălaz Arad Stage I 400 kV OHL s.c. Porțile de Fier (Anina) Reșița 62.560.171;
- 400 kV OHL d.c. Gutinas Smârdan 48.976.423;
- Increasing the operational reliability of the Argeş Vâlcea network area, realization of the 400 kV Arefu Station and installation of a 400 MVA, 400/220 kV HV 400/220 kV 43.091.437;
- Connection of 400 kV OHL Isaccea Varna and 400 kV OHL Isaccea Dobrudja to 400 kV Medgidia Sud Station, Phase II 400 kV d.c. 400 kV d.c. Connections to Medgidia Sud Station 28.732.055;
- Upgrading of the 400/110 kV Pelicanu transformer station 23.146.723;
- Increasing the transmission capacity of the 220 kV OHL Stejaru Gheorgheni Fântânele 22.718.019;

Notes to the separate interim financial statements as at September 30, 2024

(All amounts are expressed in RON unless otherwise provided))

- 220 kV OHL double circuit Ostrovu Mare ETG Stage I + Stage II (H.CA no.17/2007) 21.869.951;
- Isaccea 400 kV Station Upgrade Stage II 20.786.959;
- Upgrade of the 220/110/20 kV Baru Mare 220/110/20 kV Station 13.806.656;
- Metering and data management system for electricity metering on the wholesale market 11.125.650;
- Station 400 kV Stâlpu 10.720.827;
- Installation of two modern means of reactive power compensation at 400/220/110/20 kV Sibiu Sud and 400/220/110/20/20 kV Bradu stations 8.730.732;
- Relocation of 220 kV and 400 kV networks Urecheşti Domneşti, Ţânţăreni Bradu, Bradu Braşov, Bradu Stupărei and Bradu Târgovişte for the Craiova Pitesti Express Road, section 4 7.693.736;
- Transition to 400 kV of the axis Porțile de Fier Reșița Timișoara Săcălaz Arad Phase I 400 kV OHL s.c Porțile de Fier (Anina) Reșița 7.006.674;
- Increasing the security of supply to consumers in the southern area of Bucharest, connected to the 400 / 220 / 110 kV Bucharest South station 6.921.642;
- Refurbishment of 220/110 kV Filesti Station 6.095.443;
- Increasing the transmission capacity of the 400 kV OHL Bucharest South Pelicanu (8 km) 4.512.377;
- Relocation/protection of high voltage networks 400 kV OHL s.c. Mintia Arad for the rehabilitation of the CF line Frontieră Curtici Simeria, part of the Pan European Corridor IV for the circulation of trains with maximum speed of 160 km/h 4.073.926;
- 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 systems (SMART GRID type) 3.263.564;
- Implementation of new functions and software modifications in the EMS SCADA computer system to implement European and national legislative requirements 3.260.901;
- Site clearance and coexistence conditions for the Sibiu-Pitești highway, section 4: Tigveni-Curtea de Argeș, Km 81+900 km 91+761 Relocation/Protection of 400 kV OHL s.c. Tânțăreni Sibiu Sud 2.690.000;
- Regulation of the 400 kV OHL Roşiori-Oradea South with the objective Increased accessibility on county roads in the metropolitan area of Oradea sector 1- DJ767E, DJ767J, Bihor County, in the area of poles 348-349-350-351 2.536.902;
- Relocation of 220 kV networks for the Bucharest ring highway, km 0+000 km 52+770, LOT 4 km 47+600 km 52+070 2.242.221;
- Upgrade to 400 kV of the 220 kV OHL Brazi Vest Teleajen Stâlpu station, including purchase of 400MVA 400/220/20 kV HV 400/220/20 kV, extension works of the 400 kV and 220 kV stations, in the 400/220/110 kV Brazi Vest station 2.198.766;
- Pilot project "DigiTEL Smart Vision" Increasing safety in operation and maintenance activities in Domnești station by using digital technologies 2.013.258.

In the first nine months of 2024, the largest **transfers from tangible assets in progress to tangible and intangible assets**, amounting to **RON 538,447,055**, are mainly represented by the commissioning of investment objectives, of which we list the most significant:

- Transition to 400 kV voltage of the axis Porțile de Fier Reșița Timișoara Săcălaz Arad Stage I 400 kV OHL s.c. Porțile de Fier (Anina) Reșița 160.718.334;
- Connection of 400 OHL kV Isaccea Varna and 400 kV OHL Isaccea Dobrudja in 400 kV Medgidia Sud Station, Phase I Extension of 400 kV Medgidia Sud Station 96.738.769;
- Refurbishment of 220/110/20kV Baru Mare 220/110/20kV Station 73.798.554;
- Refurbishment of 220/110 kV Fileşti Station 49.568.564;
- Arefu 220/110/20 kV station modernization 31.006.861;
- Upgrading of the 400/110 kV Pelicanu Station 17.209.963;
- Relocation of 220 kV and 400 kV networks Urecheşti Domneşti, Ţânţăreni Bradu, Bradu Braşov, Bradu Stupărei and Bradu Târgovişte for the Craiova Pitesti Express Road, section 4 16.938.698;
- Extension of 400 kV Gura Ialomitei Station with two cells: 400 kV OHL Cernavodă 2 and 3 12,570,636;
- Metering and data management system for electricity metering on the wholesale market 12.050.482;
- Purchase and installation of 21 monitoring systems for transformer units in NPG CO. Transelectrica SA stations 10.790.780;
- Relocation of the 220 kV and 400kV networks for the construction of the Brăila- Galați express road 10.148.828;

Notes to the separate interim financial statements as at September 30, 2024

(All amounts are expressed in RON unless otherwise provided))

- Deviation of 220 kV OHL Ampoi- Alba Iulia area 7.742.292;
- 110 kV, 220 kV and 400 kV mobile cells 6,273,469;
- Installation of AT2 400 MVA, 400/231/22 kV and related cubicles in Iernut station and modernization of the control command system of 400/220/110/6 kV Iernut station 6.142.044;
- Relocation/protection of high voltage networks 400 kV OHL s.c. Mintia Arad for the rehabilitation of the CF line Frontiera Curtici Simeria, part of the Pan European Corridor IV for the circulation of trains with maximum speed of 160 km/h 5.717.710;
- Installation of an embedded fiber optic protective conductor on the 400kV OHL Rosiori Mukacevo 5.208.270;
- Site clearance and coexistence conditions for the Sibiu-Pitești highway, section 4: Tigveni-Curtea de Argeș, km 81+900 km 91+761 Relocation/Protection of 400 kV OHL s.c. Țânțăreni Sibiu Sud 2.690.000;
- Modernization of the 400 kV OHL Bucharest South Gura Ialomitei 2.635.566;
- Relocation/protection of 220 kV high voltage networks 220 kV d.c. Reşiţa Timişoara, 220 kV d.c. Timişoara Arad/Timişoara Săcălaz and 220 kV OHL d.c. Mintia Timişoara at the intersection with the Timişoara South Bypass 2.486.367;
- HV and Trafo replacement in electrical stations Stage 2, phase 2 LOT 1 LOT 2 2.053.357;
- Relocation/protection of 220 kV and 400 kV high voltage networks 220 kV OHL Arefu-Bradu s.c. at the intersection with Craiova-Pitești Express Road, section 4 1.054.507;
- Pilot project "DigiTEL Smart Vision" Increasing safety in operation and maintenance activities in Domnești Station by using digital technologies 861.552;
- CEF Izvoru Bărzii Galic Sud, Halânga 789.760;
- Modernization of OHL Işalniţa Craiova Nord, circuit 2 replacement of the existing conductor with a new one OPGW 638.984;
- Video wall for CTSI control room 294.099;
- Anti-sound system in UNO-DEN 286.284;
- Replacement of battery batteries 1 and 2 220/110/20 kV Tg. Jiu Nord -2 pcs. 267.021;
- Realization of fiber optic communication between Pitești Sud Station and the remote control and supervision center of STT Pitești (SF) 257.171;
- Graphic stations 231.744;
- Air conditioners 174.446;
- Execution of works in Tulcea Vest Station determined by the modification of OHL 110 Tulcea Vest Marmura by replacing the connection in the derivation of the production site CEE Sălbatica1 137.497;
- Batteries for power supply system at STT Bacău headquarters 106.085.

The balance of **property, plant and equipment in progress** at September 30, 2024, in the amount of **RON 839,981,339**, is represented by projects in progress, the most significant of which are listed below:

- 400 kV OHL d.c. Gutinaş Smârdan 265.686.008;
- Transition to 400 kV voltage of the axis Porțile de Fier Reșița Timișoara Săcălaz Arad Stage I 400kV OHL s.c. Portile de Fier (Anina) Resița 137.608.980;
- Increasing the transmission capacity of the 220 kV OHL Stejaru Gheorgheni Fântănele 55.310.809;
- Connection to the ETG of CEE 300 MW Ivești, CEE 88 MW Fălciu 1 and CEE 18 MW Fălciu 2 through the new (400)/220/110 kV station Banca 46.884.983;
- Increasing the operational reliability of the Argeş-Vâlcea network area, realization of the 400 kV Arefu Station and installation of a 400 MVA, 400/220 kV HV 400/220 kV 45.514.041;
- Upgrading of the 400/110/20 kV Smårdan Station 32.146.121;
- Upgrading of the 400/110 kV Pelicanu Transformer Station 30.673.165;
- Isaccea 400 kV Station Upgrade Stage II 27.362.445;
- 220 kV OHL double circuit Ostrovu Mare ETG Stage I + Stage II (H.CA no.17/2007) 26.751.911;
- Station 400 kV Stâlpu 20.141.465;
- Metering and data management system for electricity metering on the wholesale market 14.343.717;
- 110 kV Medgidia South Medgidia 110 kV Station Upgrade 13.763.833;
- Installation of two modern means of reactive power compensation in 400/220/110/20 kV Sibiu Sud and 400/220/110/20/20 kV Bradu stations 9.505.823;

Notes to the separate interim financial statements as at September 30, 2024

(All amounts are expressed in RON unless otherwise provided))

- Upgrade of the 110 kV Timişoara 110 kV station and transition to 400 kV of the Porțile de Fier Anina Reșița Timișoara Săcălaz Arad axis, phase II: 400 kV Timișoara 8.904.600;
- 400 kV OHL Gădălin Suceava, including interconnection to NES (H.CA no. 7 / 08.07.2010) 8.524.388;
- Increasing the security of supply to consumers in the southern area of Bucharest, connected to the 400/220/110 kV Bucharest South 400/220/110 kV station 7.337.123;
- Site clearance and realization of coexistence conditions between the objective "Suspended bridge over the Danube in the Brăila area" belonging to CNAIR SA and the electrical networks managed by NPG CO. Transelectrica SA 4.911.246;
- Increasing the transmission capacity of the 400 kV OHL Bucharest South Pelicanu (8 km) 4.715.177;
- Modernization of the 110 kV and 400(220 kV) installations in Focşani Vest Station 4.512.921;
- 400 kV OHL Suceava Balti, for the project portion on Romanian territory 4.439.120;
- Integrated security system at stations, stage IV 4.277.804;
- 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 systems (SMART GRID type) 3.490.628;
- Transition to 400 kV of the Porțile de Fier Resita Timisoara Săcălaz Arad axis, phase II, 400 kV OHL d.c. Resita Timisoara Săcălaz 3.489.984;
- Implementation of new functions and software modifications in the EMS SCADA computer system to implement European and national legislative requirements 3.291.777;
- Expansion with new functionalities of the computerized access control and record system in the objectives of NPG CO. Transelectrica SA 3.200.918;
- 110 kV, 220 kV and 400 kV switchgear 3.016.230;
- Upgrade to 400 kV of the 220 kV OHL Brazi Vest Teleajen Stâlpu station, including purchase of 400MVA 400/220/20 kV HV 400/220/20 kV, extension works of the 400 kV and 220 kV stations, in the 400/220/110 kV Brazi Vest station 2.919.020;
- Connection to ETG of 136 MW Platonești EEC, jud. Ialomița, through the realization of a 110 kV cell in the 400/110 kV Gura Ialomiței 400/110 kV station 2.889.337;
- Integrated security system at stations, stage III (H.CA no. 2/2008) 2.798.024;
- Pilot Project Refurbishment of the 220/110/20 kV Alba Iulia 220/110/20 kV station into a digital station 2.624.978;
- Deviation of the 110 kV OHL Cetate 1 and 2 in the vicinity of 110/20/6 kV Ostrovul Mare Station 2.578.438;
- Connection to the ETG of CEE Dumești 99 MW and CEE Românești 30 MW, Iasi County, by realization of a 110 kV line cell in the 220/110 kV FAI 2.545.853 station;
- Regulation of the 400 kV OHL Rosiori-Oradea South with the objective of increasing accessibility on county roads in the metropolitan area of Oradea sector 1-DJ767E, DJ767J, Bihor County, in the area of poles 348-349-350-351 2.536.902;
- Relocation of 220 kV networks for the Bucharest ring highway, km 0+000 km 52+770, LOT 4 km 47+600 km 52+070 2.242.221;
- Connection to the electrical installations of public interest managed by NPG CO. Transelectrica SA, in the 220/110/20 kV Vetiş station, of the production site CEF Satu Mare 1 (65.018 MW), located in Satu Mare, Satu Mare County 2.223.750.

b) Intangible assets

♣ Intangible assets in progress

The balance of **intangible assets in progress** at September 30, 2024, in the amount of **RON 32,699,671**, is represented by projects in progress, the most significant of which are listed below:

- Metering and data management system for electricity metering on the wholesale market 21,409,875;
- Replacement of hardware components, upgrading and development of specific applications of the Balancing Market Platform II DAMAS, Component Purchase of migration services and upgrade of specific applications of the Balancing Market 7,607,441;
- MARI platform development 1,997,722;
- Off-line program for the realization of individual network models, steady state calculation, cross-border capacity calculation, CGMES format conversion module (according to ENTSO-E requirements), in order to program and operate the NES on various time horizons 1,117,500.

Notes to the separate interim financial statements as at September 30, 2024 (All amounts are expressed in RON unless otherwise provided))

↓ Intangible assets - additional OTC

As of September 30, 2022, the Company applies the provisions of GEO no. 119/2022 for amending and supplementing GEO no. 27/2022 and approved by Law no. 357/13.12.2022, whereby the additional costs of electricity purchase incurred in the period from January 1, 2022 to March 31, 2025, in order to cover its own technological consumption and technological consumption, respectively, compared to the costs included in the regulated tariffs, are capitalized on a quarterly basis. Thus, the 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 during the amortization period of such costs and are recognized as a separate component.

The Company has recorded revenue representing incremental OTC calculated as the difference between the net OTC acquisition cost and the OTC cost recognized in the regulatory tariff through September 30, 2024 in the amount of 401,549,341, as follows:

- -338,526,677 for the year 2022;
- 13,735,364 for the year 2023;
- 49,287,300 for the period January-September 2024.

At September 30, 2024, depreciation in the amount of 136,428,131 is calculated on these capitalizations. Thus, the carrying amount of the intangible asset resulting from the capitalization of the additional OTC is 265,121,210.

It should be noted that this income is non-monetary in nature, its collection to be realized by the Company in a staggered manner through the transmission tariff over the next five years from the date of capitalization (2024-2029) in accordance with the relevant legislative provisions.

c) Financial assets

The balance of financial assets at September 30, 2024 and December 31, 2023, respectively, amounting to 85,767,355, is mainly represented by:

- the net value of shares held by the Company (81,503,833);
- guarantees for temporary occupation of land, calculated and retained in accordance with Art. 39 para. (1), para. (2) and para. (5) of Law no. 46/2008 on the Forestry Code, in order to realize the investment objective 400 kV OHL Resita Pancevo (Serbia) in the amount of 4,199,505.

d) Assets related to the right of use of assets under leasing - buildings

Assets related to the rights of use of assets under leasing - buildings represent the right to use the premises leased by the Company in the Platinum office building, in accordance with IFRS 16 - Leases.

Contract No. C232 entered into force on 01.10.2020, valid for a period of 5 years, has a value of 9.000.000 euro (excluding VAT). At September 30, 2024, the carrying amount of the right to use the premises leased by the Company in the Platinum office building is RON 7,952,239.

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

5. Trade and other receivables

As of September 30, 2024 and December 31, 2023, trade and other receivables are as follows:

	September 30, 2024	December 31, 2023
Trade receivables	1,823,662,309	1,745,653,583
Other receivables	244,046,317	213,174,870
Advances to suppliers	279,016,178	151,620,057
VAT to be recovered	223,524,327	215,086,522
Impairment adjustments for doubtful trade receivables	(123,471,078)	(125,521,130)
Impairment adjustments on other doubtful receivables	(85,839,570)	(84,456,130)
Total trade and other receivables	2,360,938,483	2,115,557,772

Notes to the separate interim financial statements as at September 30, 2024

(All amounts are expressed in RON unless otherwise provided))

The structure of trade receivables is as follows:		
	September 30, 2024	December 31, 2023
Customers on the electricity market, of which:	1,821,234,952	1,742,443,716
- customers - operational activity	1,216,090,052	1,004,534,583
- customers - balancing market	464,007,384	594,069,301
 customers - bonus support scheme to promote high efficiency cogeneration 	141,137,516	143,839,832
Customers from other activities	2,427,357	3,209,867
Total trade receivables	1,823,662,309	1,745,653,583

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

As of September 30, 2024, customers outstanding from operating activities show an increase compared to December 31, 2023 primarily driven by an increase in transaction volumes resulting from the energy market coupling in the third quarter of 2024 compared to the fourth quarter of 2023.

The decrease in the volume of balancing market transactions in Q3 2024 compared to Q4 2023 also led to a decrease in the customer balance on contracts entered into for this type of activity.

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.

• NPG CO. Transelectrica SA carries out the activities related to the bonus support scheme for the promotion of high efficiency cogeneration, as administrator of the support scheme, in accordance with the provisions of HGR no. 1215/2009 with subsequent additions and amendments, "the main tasks being the monthly collection of the contribution for cogeneration and the monthly payment of bonuses".

As of September 30, 2024, the Company has receivables receivable from the bonus support scheme for the promotion of high-efficiency cogeneration of approximately 8% (similar to December 31, 2023) of total trade receivables.

The customers in the bonus support scheme for the promotion of high-efficiency cogeneration are experiencing a decrease in receivables at September 30, 2024 mainly due to a decrease in the invoiced amount for the collection of the monthly contribution.

As of September 30, 2024, the Company has receivables receivable amounting to 141,137,516, represented by invoices issued related to the bonus support scheme for the promotion of high efficiency cogeneration, of which:

- vercompensation for the period 2011-2013 in the amount of 76,702,140, respectively from RAAN − 63,467,054 and CET Govora SA − 13,235,086;
- ▶ undue bonus for 2014 amounting to 3.914.960, respectively from RAAN 1,981,235, CET Govora 1,933,725;
- > undue bonus for 2015 in the amount of 563,899, respectively from CET Govora 534,377, Interagro 29,523;
- > undue bonus for 2020 in the amount of 522,181 from Donau Chem;
- ➤ uncollected contribution for cogeneration from suppliers of electricity consumers, in the amount of 20,856,149, respectively from: Transenergo Com 5,882,073, Petprod 4,391,193, Romenergy Industry 2,680,620, RAAN 2,385,922, UGM Energy 1,504,046, CET Govora 900,864, KDF Energy 525,638 and others.

Up to the date of this financial report, the Company has collected all receivables related to the overcompensation of the activity overcompensation related to the support scheme for the year 2023 (amount of 5,482,571) from Bepco (2,864,212) and Termoficare Oradea (2,618,359), as well as the amount of 14,155.099 of the undue bonus established by ANRE Decisions for the year 2023, from the following producers: Bepco SRL, CET Griviţa, Electro Energy Sud, Electrocentrale Bucureşti, Electrocentrale Craiova, Electroutilaj SA, Municipiul Iaşi, Petrotel Lukoil, Poligen Power, Soceram SA, Termoficare Oradea and UATAA Motru.

In order to settle claims arising from overcompensation and undue bonuses in previous years, the Company has requested reciprocal compensations from producers who qualify for the support scheme. For producers (RAAN, CET Govora) who did not agree with this method of extinguishing reciprocal claims and debts, the Company applied and still applies the provisions of Art. 17 para. 5 of the Order of the President of ANRE no. 116/2013 for the approval of the Regulation on the establishment of the method of collection of the contribution for high-efficiency cogeneration and payment of the bonus for electricity produced in high-efficiency

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cogeneration: "if the producer has not paid in full to the support scheme administrator the payment obligations resulting from the provisions of this Regulation, the support scheme administrator shall pay the producer the difference between the value of the invoices issued by the producer and the producer's payment obligations relating to the support scheme, with explicit mention on the payment document of the respective amounts" and withheld from payment the amounts relating to the support scheme due.

• File 9089/101/2013/a140 was registered on the docket of Mehedinti Tribunal - Second Civil Division, Administrative and Tax Section, pertaining to "claims in the amount of 86,513,431", case in which the Company is the claimant, the defendant is the **Autonomous Regia for Nuclear Activities - RAAN**.

The summons filed by Transelectrica SA requested compelling defendant RAAN to pay 86,513,431.

On 19.05.2016 Mehedinti Tribunal, Section II Civil of Administrative and Fiscal Disputes pronounced hearing conclusion and ordered as follows: "In accordance with article 413 pt. 1 Civil Procedural Code decides suspending the case until settlement of file 3014/2/2014 found on the docket of the High Court for Cassation and Justice. Appeal right is valid during the entire suspension term; pronounced on 19 May 2016 at public hearing"; hearing term on 06.06.2019. Mention should be made file 3014/2/2014 on the docket of the High Court for Cassation and Justice pertained to appeal in order to cancel ANRE Decision 743/28.03.2014, the parties being RAAN (claimant) and ANRE (defendant).

Mention should be also made the hearing conclusion of 18.09.2013 issued by Mehedinti Tribunal under file 9089/101/2013 pronounced opening the general insolvency procedure against debtor Autonomous Authority for Nuclear Activities RA (RAAN).

Sentence 387/20.03.2014 of Mehedinti Tribunal confirmed the reorganisation plan of debtor Autonomous Authority for Nuclear Activities, proposed by the judiciary administrator Tudor&Asociatii SPRL and voted by the General Assembly of Creditors according to the minutes of 28.02.2014.

By the interim judgment no. 10/28.01.2016, rendered by the Mehedinţi District Court - Second Civil, Administrative and Tax Litigation Section, the bankruptcy judge ordered the commencement of the bankruptcy proceedings of the debtor, pursuant to Art. 107 para. 1 lit. C of Lg. 85/2006, as well as the dissolution of the debtor and the withdrawal of the debtor's right of administration. By Decision no. 563/14.06.2016, the Court of Appeal Craiova - Section II Civil rejected the appeals filed against the intermediate judgment no. 10/28.01.2016, rendered by the Mehedinţi Tribunal - Section II Civil, Administrative and Tax Litigation.

With the filing of the statement of claim in the RAAN bankruptcy proceedings, NPG CO. Transelectrica SA may invoke the provisions of Article 52 of Law no. 85/2006, applicable to the RAAN bankruptcy proceedings, provisions taken over by Article 90 of Law no. 85/2014, regarding the creditor's right to invoke the set-off of its claim against the debtor's claim against it, when the conditions provided by law for legal set-off are met at the date of the opening of the proceedings. Transelectrica has been entered in the table of the debtor RAAN with the amount of RON 11,264,777, in the category of claims resulting from the continuation of the debtor's activity. Of the amount requested by the Company, RON 89,360,986, the amount of RON 78,096,208.76 was not entered in the preliminary table of claims, on the grounds that "it does not appear as being due in RAAN's accounting records". Moreover, the liquidator considered that the request to enter the amount of RON 78,096,209 in the table was belated, as it related to the period 2011 - 2013, which is why the statement of claim should have been made at the time of the opening of the insolvency proceedings, namely on 18,09,2013.

Following the partial entry of the total amount requested by Transelectrica in the amount of RON 89,360,986.06 and the letter no. 4162/03.10.2016, by which the judicial liquidator informs us that only the amount of RON 11,264,777.30 was entered in the supplementary table in the category of claims resulting from the continuation of the debtor's activity, and the amount of RON 78,096,208.76 was rejected, an objection to the Supplementary Table of Claims was filed within the legal deadline.

At the trial term of 14.02.2019, the Mehedinți Tribunal ordered the joinder of file No. 9089/ 101/ 2013/a152 to file No. 9089/101/2013/a140 (concerning claims - payment claim). The hearing of the case was postponed, as the court considered it useful for the resolution of the case to present the civil decision no. 2969/26.09.2018, rendered by the High Court of Cassation and Justice in file No. 3014/2/2014, regarding the annulment of ANRE President's decision no. 743/2014.

Judgment of the Mehedinți General Court: 'Admit the plea of limitation. Admit in part the main action and the related appeal. Orders the defendant RAAN to pay to the plaintiff Transelectrica the sum of RON 16,950,117.14, a claim arising in the course of the proceedings, ordering its entry in the table of creditors set up against the debtor RAAN in that amount. Dismisses the remainder of the related claims. Pursuant to Article 453(2) of the Code of Civil Procedure. Orders the defendant to pay the applicant RON 1 000 costs. With appeal. Pronounced today 20.06.2019 in open court". Document: Decision 163/2019 20.06.2019.

Transelectrica appealed within the legal deadline. The Craiova Court of Appeal set the first trial date for October 30, 2019. The appeal was dismissed as unfounded. Transelectrica filed an application for review for the contradiction of judgments, registered under File No. 1711/54/2019, with a trial date on 26.03.2020 at the Craiova Court of Appeal, which was to send the case to the High Court of Cassation and Justice for competent resolution.

On 26.03.2020, the court was adjourned until 21.05.2020.

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

At the trial term of 03.02.2021, the ICCJ admitted the plea of belatedness of the application for review and did not rule on its inadmissibility.

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(All amounts are expressed in RON unless otherwise provided))

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 2 other cases between RAAN and Transelectrica at various stages of litigation. Further details on these cases are presented in *Note 19 - Disputes and Contingencies*.

• NPG CO. Transelectrica SA has entered into an agreement with CET Govora SA for the set-off and installment payment of the amounts representing the receivables from the overcompensation for the period 2011-2013 and the undue bonus for 2014 (Agreement No. C 135/30.06.2015 and Additional Deed No. 1/04.08.2015). The duration of the Agreement was 1 year (period July 2015-August 2016) and provided for the Company's right to calculate and charge penalties during the period of payment installment. On the basis of the Agreement, the Company's receivables from CET Govora SA were offset against the debts to CET Govora SA, represented by the cogeneration bonus for the period May 2014 - October 2015 withheld by applying the provisions of Article 17 paragraph 5 of the Order of the President of ANRE no. 116/2013 and the provisions of the Agreement, in the amount of 40,507,669. As a result of the suspension in court, by Civil Judgment no. 3185/27.11.2015, of ANRE Decision no. 738/28.03.2014, which established the amount of overcompensation for the period 2011-2013, CET Govora SA has no longer complied with the obligations assumed by the Agreement.

On May 9, 2016, general insolvency proceedings were opened for CET Govora. In order to recover the claims arising prior to the opening of the insolvency proceedings, the Company followed the specific procedures provided for by Law no. 85/2014 - Insolvency Law and applied to the court for the admission of the claims, in accordance with the law. In view of the foregoing, as of May 9, 2016, the Company suspended the application of the provisions of Article 17.5 of ANRE President's Order no. 116/2013 for the approval of the Regulation on the establishment of the Regulation on the manner of collection of the contribution for high efficiency cogeneration and payment of the bonus for electricity produced in high efficiency cogeneration and paid the cogeneration bonus to CET Govora on a monthly basis.

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

In these circumstances, the Company applies the provisions of Article 17 paragraph 5 of ANRE Order no. 116/2013 for mutual debts and claims arising after the insolvency proceedings, in the sense of withholding the bonus due to CET Govora SA up to the amount of the amounts related to the support scheme not paid to the Company. Transelectrica was entered in the preliminary and final table with a claim totaling 28,200,440.31, of which 25,557,189.98 is related to the support scheme. We note that this claim in the amount of RON 21,962,243,243.71, representing the principal debit and penalties related to invoice no. 8116/08.04.2016 is entered under the suspensive condition of the delivery of a final judgment in favor of ANRE in file No. 2428/2/2014 pending before the Bucharest Court of Appeal, having as its object the annulment of ANRE decision no. 738/28.03.2014.

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

- The plan of reorganization of the debtor SC CET Govora SA, proposed by the insolvency administrator EURO INSOL SPRL, filed on May 25, 2018 and published in the Insolvency Proceedings Bulletin no. 11924 of June 13, 2018.
- Dismisses the appeals filed by the creditors Complexul Energetic Oltenia SA, SNTFM CFR Marfã SA, Solek Project Delta SRL, Solek Project Omega SRL, Clean Energy Alternativ SRL and Solar Electric Curtisoara SRL.
- Sets the substantive hearing for the continuation of the proceedings on October 8, 2018.

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

By Decision no. 766/03.12.2018, the Court of Appeal Pitesti annulled the amount of 28,013,984.83 - representing the obligation entered by the Company in the Table of Creditors (File No. 1396/90/2016).

Under these circumstances, the Company included the amount of 22,188,224.16 related to the support scheme in the account sundry debtors, analytically separate - ANRE, with impact on the net position of the support scheme.

The amount of 22,188,224.16 represents the amount receivable from CET Govora related to the support scheme (in the amount of 25,557,190), corrected by the bonus withheld by the Company in accordance with Art. 17 para. 5 of ANRE President Order no. 116/2013, in the amount of 3,368,966.

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

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

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(All amounts are expressed in RON unless otherwise provided))

Other receivables

As of September 30, 2024, other receivables in the amount of 244,046,317 include mainly:

- sundry debtors (158,676,790), of which:
 - late payment penalties calculated for bad debtors, amounting to 92,619,673 (of which 35,148,213 represent penalties related to the support scheme). The highest late payment penalties were recorded by customers: Romelectro (39,780,937), RAAN (16,901,449), CET Govora (9,606,504), Electrocentrale Bucureşti (9,409,174), OPCOM (3,969,934), Total Electric Oltenia (3,288,967), Multiservice G&G SRL (2,162,468), Petprod (1,894,232), ISPE Proiectare şi Consultanţă (1,079,342), Romenergz Industry (600,060). Impairment adjustments have been recognized for penalties calculated for late payment of receivables from operating activities;
 - compensation due from suppliers for non-delivery of electricity: Arelco Power (987,555), Enol Grup (2,541,312) and Next Energy Partners (8,395,132). Impairment adjustments have been recorded for compensation due from suppliers from operating activities;
 - the receivable to be recovered from OPCOM representing the VAT related to the contribution in kind to the capital of the subsidiary in the amount of 4,517,460.
- deferred expenses amounting to **5,731,108** mainly represented by: domestic and international dues (1,916,662), insurance policies (1,229,323), taxes and duties for the year 2024 (1,001,131), rent and maintenance of office building (746,160), annual contribution ANRE for the year 2024 (590,506) and others;
- other social receivables amounting to **1,705,720** representing sick leave paid by the employer to employees and to be recovered from the National Health Insurance House, in accordance with the legislation in force.

Advances to suppliers

As of September 30, 2024, advances paid to suppliers are represented by debtor suppliers for services in the amount of **279,016,178** and mainly represent amounts from transactions related to the price coupling mechanism (ICP - *Interim Coupling Project*, SIDC - *Single Intraday Coupling* and SDAC - *Single Day-ahead Coupling*) (230,409,911- for ICP and SDAC and 46,934,724 - for SIDC).

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

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

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

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

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

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

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

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

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OPCOM SA and IBEX.

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

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

VAT to be recovered (223,524,327) - amount related to the settlements for the period June through September 2024. As of the date of this report, the Company has collected 57,035,410 from the State in the amount of 57,035,410, representing value added tax claimed for refund for the month of June 2024.

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

Transelectrica's policy is to record impairment adjustments for loss of value amounting to 100% for customers in litigation, insolvency and bankruptcy and 100% of trade and other receivables not collected within a period of more than 180 days, excluding outstanding receivables generated by the support scheme. The Company also conducts an individual analysis of trade and other uncollected receivables.

The highest impairment adjustments at September 30, 2024, calculated for trade receivables and related penalties, were recorded for Romelectro (39,784,774), JAO (30,011,010), CET Govora (24,645,019), Arelco Power (14,788,022), Total Electric Oltenia SA (14,185,577), Romenergy Industry (13,512,997), Elsaco Energy (9,276,118), RAAN (8,516,707), OPCOM (8,487,394), Next Energy Partners (8,395,132).

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

6. Cash and cash equivalents

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

At September 30, 2024 and December 31, 2023, cash and cash equivalents are as follows:

September 30, 2024	December 31, 2023
899,687,518	519,277,552
421,393,135	82,610,379
478,294,383	436,667,173
304,393,100	295,063,039
26,174,149	47,392,976
93,048,957	57,387,012
54,401	87,065
54,623,776	36,737,081
125,675	81,356
94,713	
899,907,906	519,358,908
	899,687,518 421,393,135 478,294,383 304,393,100 26,174,149 93,048,957 54,401 54,623,776 125,675 94,713

7. Shareholders' equity

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

Based on the provisions of Article 2 of GEO no. 55/19 November 2015 on establishing some reorganization measures at the level of central public administration and amending some normative acts, the Ministry of Economy, Trade and Business Environment Relations (MECRMA) was established by reorganizing and taking over the activities of the Ministry of Economy, Trade and Tourism, which was abolished, and by taking over the activities and structures in the field of small and medium enterprises and business environment from the Ministry of Energy, Small and Medium Enterprises and Business Environment.

According to the provisions of GD no. 27/12 January 2017 on the organization and functioning of the Ministry of Economy, the Company operated under the authority of the Ministry of Economy until 5 November 2019.

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

On November 14, 2019, the Central Depository S.A. registered the transfer of 43,020,309 shares (representing 58.69% of the share capital) issued by NPG CO. Transelectrica SA, from the account of the Romanian State through the Ministry of Economy to the account of the Romanian State represented by the Government through the General Secretariat of the Government, as a result of the implementation of the provisions of Government Emergency Ordinance no. 68/06.11.2019 on establishing certain measures at the level of central public administration and amending and supplementing certain normative acts.

At September 30, 2024, the shareholders of NPG CO. Transelectrica SA are: the Romanian State represented by the General Secretariat of the Government which holds 43,020,309 shares (58.69%), the privately managed pension fund NN with 4,007,688 shares (5.47%), PAVAL HOLDING with 4,753,567 shares (6.49%), other shareholders Legal Entities with 16,512,742 shares (22.52%) and other shareholders Individuals with 5,008,836 shares (6.83%).

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

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

	September	30, 2024	December 31, 2023	
Shareholder	Number of shares	% of share capital	Number of shares	% of share capital
Romanian State through SGG	43,020,309	58,69%	43,020,309	58,69%
Other legal entity shareholders	16,512,742	22,52%	16,231,423	22,14%
PAVAL HOLDING	4,753,567	6,49%	4,753,567	6,49%
Privately managed pension fund NN	4,007,688	5,47%	4,007,688	5,47%
Other natural person shareholders	5,008,836	6,83%	5,290,155	7,21%
Total	73,303,142	100,00%,	73,303,142	100,00%

The increase in equity as of September 30, 2024 compared to December 31, 2023 was primarily due to the recognition in retained earnings of net income of 410,413,390 realized as of September 30, 2024.

8. Deferred revenues

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

The statement of deferred income as of September 30, 2024 is as follows:

	September 30, 2024	Of which: current portion at 30.09.2024	December 31 2023	Of which: current portion at 31.12.2023
Deferred revenues - allocation of interconnection capacity	8,868,277	8,868,277	1,054,141	1,054,141
Deferred revenue - European funds	1,165,102	1,165,102	839,038	839,038
Funds from the connection fee	290,849,554	6,869,946	317,656,961	9,061,809
European Funds	229,363,006	3,549,140	194,199,509	4,198,190
Other subsidies	20,778,887	1,333,590	21,471,490	984,158
Total	551,024,828	21,786,056	535,221,139	16,137,336

Developments in **current revenue advances** from January through September 2024 are as follows:

	September 30, 2024	December 31, 2023
Balance at beginning of time interval	16,137,336	39,362,438
Upfront receipts related to interconnection capacity	71,023,343	214,513,794
Proceeds from EU funds	326,064	421,852
Transfer from long-term revenue advances	(2,491,481)	(7,414,453)
Revenues from the use of interconnection capacity	(63,209,206)	(229,686,295)
Revenue from EU funds		(1,060,000)
Total	21,786,056	16,137,336

The development of non-current deferred revenues from January through September 2024 is as follows:

	September 30, 2024	December 31, 2023
Balance at beginning of time interval	519,083,803	439,025,206
Connection subsidies	25,487,023	231,303,420
Non-reimbursable funds	38,018,684	(18,409,505)
Non-reimbursable funds to be repaid	-	-
Transfer to current deferred revenues	(62,388,289)	(153,503,985)
Resuming subsidies into revenues	9,037,551	20,668,667
Total	529,238,772	519,083,803

Notes to the separate interim financial statements as at September 30, 2024 (All amounts are expressed in RON unless otherwise provided))

9. Borrowings

• Non-current borrowings

As of September 30, 2024, the amount of non-current borrowings decreased from December 31, 2023 primarily due to repayments under existing loan agreements.

Movements in borrowings during the nine months ended September 30, 2024 are as follows:

	Currency In	iterest rate	Accounting value	Due date
Balance at January 1, 2024			55,893,387	
New drawdowns			-	
Reimbursements, of which:			(17,971,420)	
EIB 25709	EUR 3,	596%	(11,971,917)	10-Sep-2025
EIB 25710	EUR 3,	856%+2,847%	(5,999,503)	11-Apr-2028
Exchange rate differences at t	he date of reimb	ursement	(2,508)	_
Balance at September 30, 2024	ļ		37,919,459	

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

Description	September 30, 2024	December 31, 2023
EIB 25709	11,978,297	23,951,778
EIB 25710	25,941,162	31,941,609
Total non-current borrowings from credit institutions, of which:	37,919,459	55,893,387
Current portion of non-current borrowings	(23,992,032)	(23,987,209)
Total non-current borrowings net of current installments	13,927,427	31,906,178

The non-current borrowings of the loans will be repaid as follows:

	September 30, 2024	December 31, 2023
Between 1 and 2 years	12,970,581	12,011,321
Between 2 and 5 years	956,846	19,894,857
Over 5 years	- _	
Total	13,927,427	31,906,178

The Company has not hedged any of its foreign currency obligations or interest rate exposures. All long-term loans outstanding at 30.09.2024 bear fixed interest.

• Current borrowings

Current borrowings are detailed as follows:		
	September 30, 2024	December 31, 2023
Current portion of non-current borrowings	23,992,032	23,987,209
Current bank credit	-	-
Interest on current and non-current borrowings	487,263	541,008
Total short-term loans	24,479,295	24,528,217

Notes to the separate interim financial statements as at September 30, 2024

(All amounts are expressed in RON unless otherwise provided))

• Borrowings taken for current activity

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

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

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

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

As of September 30, 2024, the line of credit is unused.

On 10.03.2022, Transelectrica entered into **loan agreement no. C588 with Banca Transilvania** for a period of 12 months to finance the working capital of the Company, in the amount of 200,000,000 with an interest rate calculated based on the reference rate ROBOR 1M, plus a margin of 0.05%.

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

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

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

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

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

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

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

As of September 30, 2024, the line of credit is unused.

10. Trade and other liabilities

At September 30, 2024 and December 31, 2023, trade and other liabilities are as follows:

	September 30, 2024	December 31, 2023
Suppliers on the electricity market	1,559,922,217	1,340,921,907
Suppliers of assets	139,650,684	177,733,800
Suppliers of other activities	74,755,599	90,164,126
Amounts owed to employees	12,311,160	11,787,078
Other liabilities	844,825,597	636,709,895
Total	2,631,465,257	2,257,316,806

As of September 30, 2024 and December 31, 2023, the outstanding energy market liabilities of 1,559,922,217 and 1,340,921,907, respectively, have the following structure:

Notes to the separate interim financial statements as at September 30, 2024

(All amounts are expressed in RON unless otherwise provided))

	September 30, 2024	December 31, 2023
Suppliers on the electricity market, of which:		
- suppliers - operational activity	809,253,768	591,455,744
- suppliers - balancing market	727,187,009	617,379,222
 suppliers - bonus support scheme for promoting high-efficiency cogeneration 	23,481,440	132,086,941
Total	1,559,922,217	1,340,921,907

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 "liabilities related to operating activity" balance during the period under review 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 increase in the "balancing market liabilities" balance was driven by an increase in the volume of transactions recorded in the balancing market in the third quarter of 2024 compared to the fourth quarter of 2023.

The decrease in "debts related to the support scheme" to suppliers (producers) was determined by the decrease in the amount of the monthly bonus for high efficiency cogeneration in September 2024, compared to December 2023, as well as by the payments made to RAAN in May and June 2024 for the cogeneration bonus withheld from payment, according to the enforceable civil decisions no. 806/20.05.2024 (file no. 28460/3/2017) and no. 898/03.06.2024 (file no. 3694/3/2016) issued by the Bucharest Court of Appeal.

As of September 30, 2024, there are payment obligations to suppliers (producers) in the amount of 3,368,966 (CET Govora SA), representing the monthly cogeneration bonus and the ante-supracompensation for 2015. The amounts representing the Company's debts related to the support scheme to CET Govora were withheld for payment based on art. 17 para. 5 of ANRE President's Order no. 116/2013, since the supplier (producer) has payment obligations towards the Company under the bonus support scheme.

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

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

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

On the basis of the Agreement, the Company's receivables from CET Govora SA were offset against the debts to CET Govora SA, represented by the cogeneration bonus for the period May 2014 - October 2015 withheld by applying the provisions of Article 17 paragraph 5 of the Order of the President of ANRE no. 116/2013 and the provisions of the Agreement, in the amount of 40,507,669.

Following the suspension in court, by Civil Judgment no. 3185/27.11.2015, of ANRE Decision no. 738/28.03.2014, which established the amount of overcompensation for the period 2011-2013, CET Govora SA has no longer complied with the obligations assumed by the Agreement. As of May 9, 2016, general insolvency proceedings were opened for CET Govora. In view of the provisions of Law no. 85/2014 - the Insolvency Law, the Company has, as of May 9, 2016, suspended the application of the provisions of Article 17.5 of ANRE President's Order no. 116/2013 for the approval of the Regulation on the establishment of the manner of collection of the contribution for high efficiency cogeneration and payment of the bonus for electricity produced in high efficiency cogeneration and pays the cogeneration bonus due to CET Govora on a monthly basis to CET Govora. By Civil Decision no. 2430/05.10.2016, the High Court of Cassation and Justice admitted the appeal lodged by ANRE against Civil Judgment no. 3185/27.11.2015, partially quashed the contested judgment and rejected the request for suspension filed by CET Govora. Thus, as of 05.10.2016, the effects of ANRE Decision no. 738/28.03.2014 are no longer suspended, and are fully effective.

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(All amounts are expressed in RON unless otherwise provided))

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

The decrease in the "suppliers of assets" balance as of September 30, 2024 compared to December 31, 2023 was due to the payments due.

Payables to "suppliers other activities" are mainly represented by liabilities related to services rendered by third parties not yet due, which have decreased since December 31, 2023.

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

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

	September 30, 2024	December 31, 2023
Sundry creditors	424,801,880	312,041,482
Customers - Creditors	337,324,923	246,451,202
Dividends payable	149,402	192,977
Liabilities - Current building leasing	8,769,718	8,641,987
Liabilities - Non-current building leasing	-	6,481,491
Other debts	73,779,674	62,900,756
Total	844,825,597	636,709,895

- "Sundry creditors", amounting to **424,801,880** as of September 30, 2024, represent mainly:
 - net position of the High Efficiency Cogeneration support scheme, debt position, amounting to 407,470,618. The net position of the support scheme is the difference between:
 - the amount of the contribution to be collected from the suppliers of electricity consumers, the amount of overcompensation for high efficiency cogeneration of electricity and heat production, the undue bonus to be collected from producers, according to ANRE decisions, on the one hand, and
 - the amount of the cogeneration bonus, the pre-compensation and the unallocated bonus to be paid to highefficiency cogeneration producers, beneficiaries of the support scheme, on the other hand
 - 13,463,175 solution study contracts for connection to the ETG
 - 1,642,571 royalty due for the third quarter year 2024.
- "Accounts Receivable" as of September 30, 2024, totaled 337,324,923, of which 326,409,518 represent amounts received in advance under transactions related to the price coupling mechanisms, ICP (Interim Coupling Project), SIDC (Single Intraday Coupling), SDAC (Single Day-ahead Coupling) and FBMC (Flow Based Market Coupling), from OPCOM (172,641,482), IBEX (46,317,940), MAVIR (106,586,972), Bursa Romana de Mărfuri (838,022) and JAO (25,102).
- As of September 30, 2024, dividends due to the Company's shareholders and unpaid amount to **149,402**. These amounts are available to shareholders through the paying agent.
- As at September 30, 2024, the liability for assets related to rights to use assets under leasing buildings, in accordance with IFRS 16 Leases, amounts to 8,769,718, of which:
 - Current liability: 8,769,718
 - Non-current liability: 0.
- "Other liabilities" in the amount of **73,779,674** are mainly represented by guarantees of good payment of electricity market contracts concluded by NPG CO. Transelectrica SA in the amount of 57,340,242, VAT not chargeable during the reporting period in the amount of 16,130,894 and others.

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(All amounts are expressed in RON unless otherwise provided))

Provisions

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

	September 30, 2024	December 31, 2023
Provisions for disputes	23,960,836	24,601,016
Provisions for mandate contracts	33,839,347	40,490,875
Other provisions	88,099	114,100
TOTAL	57,888,282	65,205,991

The provisions for litigation outstanding at 09/30/2024, amounting to 23,960,836, are mainly represented by the provisions set aside for the following litigation:

- File no. 36755/3/2018 plaintiff Conaid Company SRL (17,216,093) more details on this case are set out in Note 19 Disputes and Contingencies.
- File no. 15561/3/2022 claimant SMART SA (4,467,108) more details on this case are given in Note 19 Disputes and Contingencies.
- File no. 3083/3/202020 complainant NUCLEARELECTRICA SA (1,472,785)

On 26.06.2020, Nuclearelectrica sued the Company for payment of the amount of RON 1,290,533.156 representing negative imbalance and RON 182,251.94, legal interest.

After several adjournments of the case (26.06.2020, 16.10.2020, 11.12.2020), for various reasons, at the hearing of 22.12.2020, the Court ordered the Company to pay to the plaintiff the amount of RON 1,290,533.156, as compensatory damages, to pay the amount to be updated with the inflation rate from 27.09.09.2018 and until the date of actual payment, to pay the amount of RON 182,251.94 as statutory penalty interest calculated from 27.09.2018 until 31.01.2020, and to pay further statutory penalty interest calculated from 01.02.2020 until the date of actual payment. It also ordered the defendant to pay the plaintiff the amount of RON 23,441.66 by way of legal costs, consisting of stamp duty. Dismissed the defendant's claim for costs as unfounded. With a right of appeal within 30 days of communication (Decision 2698/2020 22.12.2020).

NPG CO. Transelectrica SA appealed. In the hearing of November 25, 2021, the Bucharest Court of Appeal admits the appeal. Partially alters the appealed civil judgment, in the sense that: Dismisses the claim as unfounded. Upholds the judgment of the first instance dismissing as unfounded the defendant's claim for costs. Orders the respondent-claimant to pay to the appellant-defendant the sum of EUR 20 591,66 by way of costs of the appeal. With appeal within 30 days from the date of communication, the appeal application to be filed at the Bucharest Court of Appeal - Section VI Civil.

Delivered by delivery of the judgment to the parties by the clerk of the court, today, November 25, 2021. Document: Judgment 1927/2021 25.11.2021.

Nuclearelectrica filed an appeal, which was stayed pending the resolution of the action for annulment of the order. Hearing 12.10.2022.

Pursuant to Article 413 para. (1) p. 1 C.civ. proc., suspends the hearing of the appeal lodged by the appellant-claimant SOCIETATEA NAŢIONALĂ NUCLEARELECTRICA S.A. against civil decision no. 1927/A/25.11.2021, rendered by the Bucharest Court of Appeal - Section VI Civil, until the final resolution of file No. 2659/2/2020, pending before the High Court of Cassation and Justice - Administrative and Tax Litigation Section. Definitive.

"Provisions for agency contracts" in the amount of 33,839,347, as of September 30, 2024, represent:

- the variable component related to the OAVT packages allocated and not valorized during the terms of office executed in the period 2013-2017, for executive and non-executive directors;
- the remuneration representing the variable component, the non-competition compensation and that of the remaining gross monthly fixed gross indemnities until the end of the term of office for the dismissed members of the Supervisory Board/ Directorate, i.e. until 2024.

[&]quot;Other provisions" amounting to 88,099 represent unused holiday leave.

11. Other taxes and social insurance obligations

At September 30, 2024 and December 31, 2023, other taxes and social security liabilities include:

	September 30, 2024	December 31, 2023
Contribution to social security funds	11,277,456	14,531,541
Salary tax	2,035,937	2,615,461
Other taxes payable	1,077,089	1,360,733
Total	14,390,482	18,507,735

As of September 30, 2024, the Company has accrued liabilities for social security contributions, salary and other taxes, which were due and payable in October 2024.

12. Income tax

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

The income tax expense for the third quarter of 2024 and the third quarter of 2023, as well as the income tax expense as of September 30, 2024 and September 30, 2023, are presented as follows:

Q3 2024	Q3 2023	September 30, 2024	September 30, 2023
18,566,608	12,413,495	35,765,813	36,461,222
(707,795)	(2,613,297)	1,824,722	(8,993,858)
17,858,813	9,800,198	37,590,535	27,467,364
	18,566,608 (707,795)	18,566,608 12,413,495 (707,795) (2,613,297)	18,566,608 12,413,495 35,765,813 (707,795) (2,613,297) 1,824,722

13. Operating revenues

Period July 01, 2024 - September 30, 2024 compared to July 01, 2023 - September 30, 2023

Operating revenues comprise revenues realized from the provision by the Company, on the electricity market, of transmission and system services, interconnection capacity allocation, balancing market operation services and other revenues.

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

	Average tariff for transmission service	Tariff for the system service
Order No 57/28.08.2024 for the period September 01 - September 30, 2024		11.51*)
Order No 15/29.05.2024 for the period July 01 - August 31, 2024	-	12.84
Order No 109/20.12.2023 for the period July 01 - September 30, 2024	31.67**)	-
Order no. 67/25.05.2023 for the period July 01 - September 30, 2023	-	6.64
Order no. 28/29.03.2023 for the period July 01 - September 30, 2023	31.20	-

^{*)} The change in the value of the tariff for the system service 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 ANRE:

The average electricity transmission tariff has two components: the tariff for feeding electricity into the grid (T_G) and the tariff for withdrawing electricity from the grid $(T)_L$

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

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(All amounts are expressed in RON unless otherwise provided))

The quantity of electricity delivered to consumers to which the tariffs for the services provided on the electricity market have been applied is as follows:

	Q3 2024	Q3 2023
Quantity of electricity delivered to consumers (MWh)	12,918,585	12,470,293

The operating revenues realized in the third quarter of 2024 and the third quarter of 2023 are presented as follows:

	Q3 2024	Q3 2023
Revenues from transmission services	399,497,129	389,754,574
Revenues from the allocation of interconnection capacity	86,629,029	73,630,602
Reactive energy revenues	269,186	383,921
Revenues from Inter TSO Compensation (ITC)	11,145,525	7,524,394
OTC transaction income	10,657,732	8,552,347
Revenues from transmission services - total	508,198,601	479,845,838
Revenues from system services	161,593,753	83,407,666
Revenues from emergency aid	896,748	15,742,087
Revenues from system services - total	162,490,501	99,149,753
Balancing market revenues	783,775,552	514,432,117
Revenues from other benefits and other operating revenues	5,485,824	12,409,832
Revenue from capitalisation of OTC	25,421,144	2,727,619
Other revenue - total	30,906,968	15,137,451
Total revenue	1,485,371,622	1,108,565,159

Revenues from transmission services

Revenues from the transmission service recorded an increase in the third quarter of 2024 compared to the third quarter of 2023 in the amount of 9,742,555, determined both by the increase in the average tariff for the transmission service approved by ANRE (see the table on tariffs approved by ANRE for the period analyzed, presented above), and by the increase in the quantity of electricity delivered to consumers by 3.59%, i.e. by 448,292 MWh.

Revenues from the allocation of interconnection capacity

Revenues from interconnection capacity allocation showed an increase in Q3 2024 as compared to Q3 2023 in the amount of 12,998,427, corresponding to the level of utilization of available interconnection capacity by the electricity market traders.

The market for the allocation of interconnection capacity is volatile, with prices fluctuating according to demand and the need of electricity market participants to purchase interconnection capacity. The implicit allocations, where capacity and energy are simultaneously provided, are strongly influenced by changes in the price of electricity on the exchanges in Europe.

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)

The revenues recorded from the application of the ITC mechanism come mostly from scheduled exchanges of electricity with countries considered perimeter countries of the mechanism, namely Ukraine and the Republic of Moldova. As of July 01, 2024, Ukraine joined the ITC mechanism and will no longer be considered perimeter country. As a consequence, the exchanges taken into account will be only those with the Republic of Moldova. In general, Romania is a paying country under the mechanism, but exceptionally, income can also be recorded from monthly settlements.

Thus, in the third quarter of 2024, the revenues recorded following the application of the ITC mechanism recorded an increase of 3,621,131 compared to the third quarter of 2023, mainly due to:

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(All amounts are expressed in RON unless otherwise provided))

- change in 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;
- The 2024 period analyzed recorded energy exchanges with both perimeter countries (Ukraine and the Republic of Moldova), in contrast to the similar period of 2023, when exchanges were only with the Republic of Moldova.

Revenues from OTC transactions

Revenues from energy trading for OTC were derived mainly from the sale of surplus energy at positive price, resulting from the difference between the long and medium term forecast and the short term forecast (per settlement interval) on the Intra-day Market managed by OPCOM and, respectively, from the difference between the forecast OTC and the OTC actually realized (per settlement interval) on the Balancing Market.

These revenues were higher in Q3 2024 compared to Q3 2023 by 2,105,385.

In the structure of these revenues, transactions on the Intra-Domestic Market were lower than in the previous year, as a large part of the required OTC 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 the transactions on the Balancing Market were 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 OTC were in the opposite direction to those of the system, which led to the purchase of energy at a negative price, which constitutes revenue for the Company.

Revenues from system services

Revenues from system services recorded an increase in the third quarter of 2024 compared to the third quarter of 2023 by the amount of 78,186,087, determined both by the increase in the tariff approved by ANRE for these services (see the table on tariffs approved by ANRE for the period analyzed, presented above), and by the increase in the quantity of electricity delivered to consumers by 3.59%, i.e. by 448,292 MWh.

Revenues from emergency aid

In the third quarter of 2024, 896,748 in emergency aid was granted. The emergency aid was granted to Ukraine, against the background of damage to the energy infrastructure in that country as a result of armed conflicts.

Revenue on the balancing market

Revenues realized on the balancing market increased in Q3 2024 compared to Q3 2023 by 269,343,435, mainly due to the following:

- The accelerated increase in installed capacity at prosumers, from about 420 MW at the beginning of 2023 to about 1,500 MW in 2024, which, in terms of system impact, corresponds to a reduction in consumption;
- Lack of control/monitoring at the level of the funder for the production of the prosumers they have in their portfolio and little concern for estimating/adjusting the prosumers' production forecasts in relation to the contractual position;
- the low degree of adjustment of the production of renewable energy producers with the net contractual position (we mention here also producers beneficiaries of green certificates, based on the provisions of Law no. 220/2008);
- a sharp increase in supply prices in the balancing market (positive upwards and negative downwards respectively), with an impact on the marginal prices recorded in particular for energy activated for secondary 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.

Starting with July 01, 2024, the ANRE Order no. 127/08.12.2021 for the approval of the Regulation on the terms and conditions for balancing service providers and for frequency stabilization reserve providers and the Regulation on the terms and conditions for the parties responsible for balancing and for the amendment and repeal of some orders of the President of the National Energy Regulatory Authority, with subsequent amendments and additions, entered into force.

Revenue from capitalisation of Own Technological Consumption (OTC)

According to art. III of GEO no. 119/2022 for amending and supplementing GEO no. 27/2022 on the measures applicable to end 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, and approved by Law no. 357/13.12.2022, for the licensed economic operators, providers of electricity transmission services, the additional costs with the purchase of electricity realized in the period from January 1, 2022 to March 31, 2025, in order to cover their own technological consumption, compared to the costs included in the regulated tariffs, shall be capitalized on a quarterly basis, and the assets resulting from the capitalization shall be depreciated over a period of 5 years from the date of capitalization.

Accordingly, in the third quarter of 2024, the Company recorded OTC capitalization income in the amount of 25,421,144, representing additional OTC calculated as the difference between the net OTC acquisition cost and the OTC cost included in the regulatory tariff, for the period July 1 through September 30, 2024.

Period January 01, 2024 - September 30, 2024 compared to January 01, 2023 - September 30, 2023

The tariffs approved by ANRE for the services provided on the electricity market, during the analyzed periods, are as follows:

	Average tariff for transmission service	Tariff for system service
Order No 57/28.08.2024 for the period September 01 - September 30, 2024	-	11.51*)
Order No 15/29.05.2024 for the period June 01 - August 31, 2024		12.84
Order No 116/20.12.2023 for the period January 01 - May 31, 2024	-	9.17
Order No 109/20.12.2023 for the period January 01 - September 30, 2024	31.67**)	-
Order no. 67/25.05.2023 for the period June 01 - September 30, 2023	-	6.64
Order No 144/21.12.2022 for the period January 01 - May 31, 2023	-	7.73
Order no. 28/29.03.2023 for the period April 01 - September 30, 2023	31.20	-
Order no. 33/23.03.2022 for the period January 01 - March 31, 2023	28.10	

^{*)} The change in the value of the tariff for the system service 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 ANRE;

The quantity of electricity delivered to consumers from January 1, 2024 to September 30, 2024 and from January 1, 2023 to September 30, 2023, respectively, is as follows:

	January 01 -	January 01 -
	September 30, 2024	September 30, 2023
Quantity of electricity delivered to consumers (MWh)	38,320,926	37,441,512

The operating revenues realized from January 01, 2024 to September 30, 2024 and from January 01, 2023 to September 30, 2023, respectively, are presented as follows:

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

(All amounts are expressed in RON unless otherwise provided))

	January 01 - September 30, 2024	January 01 - September 30, 2023
Revenues from transmission services	1,200,385,645	1,137,261,930
Revenues from the allocation of interconnection capacity	188,529,365	254,549,436
Reactive energy revenues	1,027,198	7,625,600
Revenues from Inter TSO Compensation (ITC)	22,777,079	9,507,217
OTC transaction revenues	80,757,355	29,958,425
Revenues from transmission services - total	1,493,476,642	1,438,902,608
Revenues from system services	412,986,891	272,604,969
Revenues from emergency aid	61,198,501	19,295,569
Revenues from system services - total	474,185,392	291,900,538
Balancing market revenues	4,012,864,936	1,532,048,147
Revenues from other benefits and other operating revenues	140,746,610	42,726,251
OTC capitalization revenues	49,287,300	2,727,619
Other revenue - total	190,033,910	45,453,870
Total revenue	6,170,560,880	3,308,305,163

Revenues from transmission services

Revenues from the transmission service recorded an increase in the period January - September 2024 compared to the period January - September 2023 by the amount of 63,123,715, determined both by the increase in the average tariff for the transmission service approved by ANRE (see the table on tariffs approved by ANRE for the period analyzed, presented above), and by the increase in the quantity of electricity delivered to consumers by 2.35%, i.e. by 879,414 MWh.

Revenues from the allocation of interconnection capacity

Interconnection capacity allocation revenues decreased in the period January - September 2024 compared to the period January - September 2023 in the amount of 66,020,071, corresponding to the level of utilization of available interconnection capacity by electricity market traders.

The market for the allocation of interconnection capacity is fluctuating, with prices evolving according to demand and the need of electricity market participants to purchase interconnection capacity. Thus, the decrease over the analyzed period was influenced by the supply and demand price formation model. The implicit allocations, where capacity and energy are provided simultaneously, are strongly influenced by changes in the price of electricity on 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 borders with Moldova and Ukraine 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).

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

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

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The use of net revenues from the allocation of interconnection capacity is carried out in accordance with the provisions of ANRE Order no. 171/2019 and Regulation (EU) 2019/943 of 5 June 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)

The revenues recorded from the application of the ITC mechanism come mostly from scheduled exchanges of electricity with countries considered perimeter countries of the mechanism, namely Ukraine and the Republic of Moldova. As of July 01, 2024, Ukraine joined the ITC mechanism and will no longer be considered perimeter country. As a consequence, the exchanges taken into account will be only those with the Republic of Moldova. In general, Romania is a paying country under the mechanism, but exceptionally, income can also be recorded from monthly settlements.

For the first semester of 2024, the tariff applied to exchanges with perimeter countries was 2.8 EUR/MWh. As of July 1, 2024, since Ukraine's entry into the mechanism, the tariff decreased to 2.5 EUR/MWh, being applied only to exchanges on the border with the Republic of Moldova, which led to a reduction in the quantities and amounts invoiced respectively.

Thus, for the period January through September 2024, the revenues recorded from the application of the ITC Facility were 13,269,862 higher than those recorded for the same period in 2023. This increase is mainly due to:

- the change in 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;
- the recording of energy exchanges with both perimeter countries (Ukraine and the Republic of Moldova) in the analyzed period of 2024, in contrast to the similar period of 2023, when exchanges were only with the Republic of Moldova.

Revenues from OTC transaction

Revenues from energy trading for OTC were derived mainly from the sale of surplus energy at positive price, resulting from the difference between the long and medium term forecast and the short term forecast (per settlement interval) on the Intra-day Market managed by OPCOM and, respectively, from the difference between the forecast OTC and the OTC actually realized (per settlement interval) on the Balancing Market.

These revenues were higher in the January through September 2024 period compared to the January through September 2023 period by 50,798,930.

In the structure of these revenues, transactions on the Intra-Domestic Market were lower than in the previous year, as a large part of the required OTC 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.

Revenues 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 OTC were in the opposite direction to the system, which led to the purchase of energy at a negative price. This trend has been more pronounced in the first half of the year, but since July 2024 there has been a decline in revenues.

Revenues from system services

Revenues from system services recorded an increase in the period January - September 2024 compared to the period January - September 2023 by the amount of 140,381,922, determined both by the increase in the tariff approved by ANRE for these services (see the table on tariffs approved by ANRE for the period analyzed, presented above), and by the increase in the quantity of electricity delivered to consumers by 2.35%, i.e. by 879,414 MWh.

For the activity of system services, the specific regulatory framework contains regularization mechanisms that ensure the compensation of the excess or deficit of revenues in relation to the level of expenses necessary to carry out the activity. Thus, according to ANRE's regulations, the surplus/deficit of income in relation to the recognized costs resulting from the performance of this activity is to be compensated by ex-post tariff correction (negative/positive correction) applied by ANRE in the tariff in the years following the one in which the respective surplus/deficit was recorded. The surplus/deficit of revenue over the costs resulting from the carrying out of this activity shall be calculated per tariff scheduling period.

Revenues from emergency aid

Between January and September 2024, emergency aid totaling 61,198,501 was granted to Ukraine, as a result of damage to its energy infrastructure as a result of armed conflicts, and to Serbia, as a result of accidental shutdowns of groups in that country.

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Revenue on the balancing market

Revenues realized in the balancing market increased significantly from January through September 2024 compared to January through September 2023, in the amount of 2,480,816,789 (approx. 162%), mainly driven by the following:

- The accelerated increase in installed capacity at prosumers, from about 420 MW at the beginning of 2023 to about 1,500 MW in 2024, which, in terms of system impact, corresponds to a reduction in consumption;
- Lack of control/monitoring at the level of the funder for the production of the prosumers they have in their portfolio and little concern for estimating/adjusting the prosumers' production forecasts in relation to the contractual position;
- the low degree of adjustment of the production of renewable energy producers with the net contractual position (we mention here also producers beneficiaries of green certificates, based on the provisions of Law no. 220/2008);
- a sharp increase in supply prices on 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.

Starting with July 01, 2024, the ANRE Order no. 127/08.12.2021 for the approval of the Regulation on the terms and conditions for balancing service providers and for frequency stabilization reserve providers and the Regulation on the terms and conditions for the parties responsible for balancing and for the amendment and repeal of some orders of the President of the National Energy Regulatory Authority, with subsequent amendments and additions, entered into force.

Revenue from capitalization of own technological consumption (OTC)

According to art. III of GEO no. 119/2022 for amending and supplementing GEO no. 27/2022 on the measures applicable to end 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, and approved by Law no. 357/13.12.2022, for the licensed economic operators, providers of electricity transmission services, the additional costs with the purchase of electricity realized in the period from January 1, 2022 to March 31, 2025, in order to cover their own technological consumption, compared to the costs included in the regulated tariffs, shall be capitalized on a quarterly basis, and the assets resulting from the capitalization shall be depreciated over a period of 5 years from the date of capitalization.

Accordingly, as of September 30, 2024, the Company recorded OTC capitalization income of 49,287,300, representing additional OTC calculated as the difference between the net OTC acquisition cost and the OTC cost included in the regulatory tariff, for the period January 1 through September 30, 2024.

Revenue from other benefits and other operating revenues

Revenues from other services and other operating income increased in the period January - September 2024 compared to the period January - September 2023 by 98,020,359, mainly due to the recording of income from indemnities, fines and penalties as a result of the legal recovery, according to the Civil Judgment no. 6169/2023, rendered on December 20, 2023, by the ICCJ - Administrative and Tax Litigation Section and communicated to the Company on May 15, 2024, of amounts (additional payment obligations established by Tax Assessment Decision no. F-MC 439/30.06.2017) executed in 2017 by ANAF, based on the enforceable title no. 13540/22.08.2017.

14. System operation and balancing market expenses

Period July 01, 2024 - September 30, 2024 compared to July 01, 2023 - September 30, 2023

The expenses realized in the third quarter of 2024 compared to the third quarter of 2023 are presented as follows:

	Third quarter 2024	Third quarter 2023
Expenses on own technological consumption	138,518,672	116,211,576
Expenses on electricity consumption in ETG stations	8,621,899	2,654,477
Expenses with Inter TSO Compensation (ITC)	6,093,333	43,633,461
Total operational expenses	153,233,904	162,499,514
Expenses on system services	105,070,688	131,914,004
Balancing market expenses	782,620,157	514,662,899
Total	1,040,924,749	809,076,417

Expenses on Own Technological Consumption

These represent expenses for the purchase of electricity from the free energy market to cover own technological consumption in the transmission grid and were higher in Q3 2024 than in Q3 2023 by 22,307,096, taking into account a number of aspects, as follows:

- Due to its characteristics, the Own Technological Consumption (OTC) in the Electricity Transmission Grid (ETG) is strongly dependent on weather conditions, the structure of electricity production and consumption at national level, 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;
- 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 OTC 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 01, 2024);
- as of 01.04.2024, the mechanism of centralized electricity purchase 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 scheme.
- 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 to cover OTC through MACEE was almost zero. The required energy was purchased through bilateral contracts (at an average price of 550 lei/MWh) and from DAM;
- The accelerated increase in installed capacity at prosumers (from about 420 MW at the beginning of 2023 to about 1,500 MW at the beginning of 2024), together with the increasing share of wind and solar, led to a decrease in energy prices in short-term markets. As a result, the average price of energy purchased from the DAM in the period from July to September 2024 was lower than the price in the similar period of 2023;
- 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.

Expenses on electricity consumption in ETG stations

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

These expenditures increased by 5,967,422 in Q3 2024 compared to Q3 2023.

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Expenses with Inter TSO Compensation (ITC)

ITC expenses are the monthly payment obligations/collection fees for each transmission system operator (TSO). They are determined under the mechanism of compensation/dispensation of the effects of the use of the transmission electricity network (ETG) for electricity transits between TSOs of countries that have joined this mechanism under ENTSO-E. In the third quarter of 2024, these expenses were lower by 37,540,128 compared to the same period of the previous year.

Expenses on system services

System services expense decreased in the third quarter 2024 compared to the third quarter 2023 in the amount of 26,843,316.

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

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

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

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

- ✓ at a maximum price of 82.30lei/hMW for the secondary regulating reserve / frequency restoration reserve with automatic increase activation and automatic decrease activation:
- ✓ at a maximum price of 37.94lei/hMW for the fast tertiary regulation reserve on boost / frequency restoration reserve with manual activation on boost;
- ✓ at a maximum price of 16.38lei/hMW for the fast tertiary dimming reserve at discount / frequency restoration reserve with manual activation at discount.

Also, 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 the level of NPG CO. Transelectrica SA on the basis of the offer price.

As of July 01, 2024, 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 parties responsible for balancing and for the amendment and repeal of some orders of the President of the National Energy Regulatory Authority, with subsequent amendments and additions, which defines the new types of reserves to be purchased by NPG CO. Transelectrica SA, in accordance with the requirements of the European codes, entered into force. These are the Frequency Stabilization Reserve (symmetrical band), the Frequency Restoration 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.

Balancing market expenses

The balancing market expenses realized in Q3 2024 of 782,620,157 were 267,957,258 higher than in Q3 2023. These expenses result from participant notifications/realizations in this market.

The evolution of electricity production and consumption at national level and the European context of evolution of the electricity market, the way of realization of contracting on the markets prior to the balancing market, have had and will continue to have a significant impact on the evolution of revenues/costs on the balancing market.

Period January 01, 2024 - September 30, 2024 compared to January 01, 2023 - September 30, 2023

The expenses realized in the period January 01, 2024 - September 30, 2024 compared to the period January 01, 2023 - September 30, 2023 are presented as follows:

	January 01 - September 30, 2024	January 01 - September 30, 2023
Expenses on own technological consumption	434,599,714	377,416,146
Congestion expenses	107,222	88,286
Expenses on electricity consumption in ETG stations	34,189,630	28,110,959
OTC expenses transit RED (cf. ANRE decision)	12,840,055	-
Expenses with Inter TSO Compensation (ITC)	26,698,092	63,954,441
Total operational expenses	508,434,713	469,569,832
Expenses on system services	406,027,734	362,648,636
Balancing market expenses	4,011,905,718	1,531,819,945
Total	4,926,368,165	2,364,038,413

Expenses on own technological consumption

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

Technology Own Consumption expenditures were higher by 57,183,568 in January through September 2024 compared to January through September 2023, due to a number of factors, as follows:

- Due to its characteristics, the Own Technological Consumption (OTC) in the Electricity Transmission Grid (ETG) is strongly dependent on weather conditions, the structure of electricity production and consumption at national level, 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;
- 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 OTC 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 respectively (from April 01, 2024);
- as of 01.04.2024, the mechanism of centralized electricity purchase 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 scheme.
- 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 to cover OTC through MACEE was almost zero. The required energy was purchased through bilateral contracts (at an average price of 550 lei/MWh) and from DAM;
- The accelerated increase in installed capacity at prosumers (from about 420 MW at the beginning of 2023 to about 1,500 MW at the beginning of 2024), together with the increasing share of wind and solar, led to a decrease in energy prices in short-term markets. Thus, the average price of energy purchased from the DAM in January-September 2024 was lower than the price in the similar period of 2023;
- 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 higher compared to the same period in 2023.

Congestion expenses

During the period January through September 2024, congestion totaled 107,222. Due to the simultaneous unavailability of the 400 kV Bradu - Braşov and 400 kV Ţânţăreni - Sibiu Sud power lines, which are located in the south - north direction of the NES, a very

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high transit of electricity through Romania from the south - east part of Europe to the center - north part of Europe, as a result of transactions on the European electricity market, high production in wind power plants and scorching temperatures, it was necessary to select units in the southern part of Romania (Oltenia and Dobrogea areas) for power reduction in order to manage network congestion. The 400 kV Bradu - Braşov line was taken out of service to remove a tree fallen on the line, cut by unknown persons. The 400 kV line Ţânţăreni - Sibiu Sud was put back into operation after the completion of the line inspection.

Expenses on electricity consumption in ETG stations

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

These expenditures increased by 6,078,671 in January through September 2024 compared to January through September 2023.

OTC expenses transit RED (acc. to ANRE decision)

In the period January - September 2024, OTC expenses related to additional transits of electricity from the networks of concessionary distribution operators at the voltage level of 110 kV (for the quota assigned to the OTS) were recorded in the amount of 12,840,055. By ANRE Decisions no. 2642/14.11.2023 and no. 2643/14.11.2023, the forecast OTC quantities and the corresponding costs for additional transits of electricity from the 110 kV electricity grids for 2024 were approved for Distribuție Energie Oltenia S.A. and E-Distribuție Dobrogea S.A.

Expenses with Inter TSO Compensation (ITC)

ITC expenses represent the monthly payment obligations/collection fees for each transmission system operator (TSO). They are established under the mechanism of compensation/dispensation of the effects of the use of the transmission electricity network (ETG) for electricity transits between TSOs of the countries that have joined this mechanism under ENTSO-E. In the period January - September 2024, these expenses were lower by 37,256,349 compared to the same period of the previous year.

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.

Expenses on system services

System services expenditures increased from January through September 2024 compared to January through September 2023 in the amount of 43,379,098.

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

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

In the period January - September 2024, the contracting of system services in the regulated regime was carried out only for reactive energy, according to ANRE Decision no. 1078/2020, being provided by the Society for the Production of Electricity in Hydropower Plants "Hidroelectrica" SA.

In accordance with the provisions of Article II of ANRE Order no. 18/30.05.2024, for a period of 3 months (period 01.06.2024-31.08.2024), in accordance with Regulation 2019/943 of the European Parliament and of the Council of June 5, 2019, the procurement of balancing capacity services for frequency stability contracted by NPG CO. Transelectrica SA was carried out as follows:

- ✓ at a maximum price of 82.30lei/hMW for the secondary regulating reserve / frequency restoration reserve with automatic increase activation and automatic decrease activation:
- ✓ at a maximum price of 37.94lei/hMW for the fast tertiary regulation reserve on boost / frequency restoration reserve with manual activation on boost;
- ✓ at a maximum price of 16.38lei/hMW for the fast tertiary dimming reserve at discount / manually activated frequency restoration reserve at discount.

Also, 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 the level of NPG CO. Transelectrica SA on the basis of the offer price.

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As of July 01, 2024, 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 the parties responsible for balancing and for the amendment and repeal of some orders of the President of the National Energy Regulatory Authority, with subsequent amendments and additions, which defines the new types of reserves to be purchased by NPG CO. Transelectrica SA, in accordance with the requirements of the European codes, entered into force. These are the Frequency Stabilization Reserve (symmetrical band), the Frequency Restoration 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 fast tertiary reserve power curtailment. Thus, there were increases in the reserve purchase price from 9.82 lei/hMW to values up to 250 lei/hMW;
- 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 ANRE Order 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 ANRE Order no. 18/30.05.2024, there was an upward trend in the purchase price for RRFa at increasing and reducing power and RRfm at reducing power.

Balancing market expenses

The balancing market expenses realized in the period January - September 2024 showed an increase of 161.90% compared to the similar period of 2023, i.e. by the amount of 2,480,085,773. These expenses result from the notifications/realizations of the participants on this market and are significantly influenced by the evolution of electricity production and consumption at national level, the European context of the evolution of the electricity market and the way of realization of contracting on the markets prior to the balancing market.

5. Amortization		
	Third quarter 2024	Third quarter 2023
Amortization of tangible and intangible assets	70,872,829	66,057,038
Amortization of intangible assets - additional OTC	18,806,410	16,926,334
Amortization of assets related to rights of use of leased assets	1,988,060	1,988,059
Total	91,667,299	84,971,431
	January 01 -	January 01 -
Amortization and depreciation of tangible and intangible assets	September 30, 2024	September 30, 2023
Amortization and depreciation of tangible and intangible assets Amortization of intangible assets - additional OTC	•	· ·
	September 30, 2024 202,944,928	September 30, 2023 195,304,241

Amortisation of tangible and intangible assets in the amount of 202,944,928 represents the depreciation recorded from January to September 2024, calculated at the revalued amount of the assets as of December 31, 2023, correlated with the commissioning of the capital works and the acceptance of the assets.

Expenses with amortization of intangible assets - additional OTC in the amount of 54,401,071 were recorded in accordance with the provisions of OMF no. 3900/2022 on the approval of accounting specifications in application of the provisions of Article III of GEO no. 119/2022 for amending and supplementing GEO no. 27/2022 on the measures applicable to end customers in the electricity and natural gas market in the period from April 1, 2022 to March 31, 2023, as well as for amending and supplementing some normative acts in the energy sector.

According to Article III of GEO no. 119/2022 approved by Law no. 357/13.12.2022 with subsequent amendments and additions, for licensed economic operators, providers of electricity transmission services, the additional costs of electricity purchase incurred in the period from 1 January 2022 to 31 March 2025, in order to cover their own technological consumption, compared to the costs

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included in the regulated tariffs, are capitalized quarterly, and the assets resulting from capitalization are depreciated over a period of 5 years from the date of capitalization.

Amortization expense of intangible assets recognized under IFRS 16 in the amount of 5,964,179 (the Company partially operates in leased office premises). In accordance with IFRS 16 - Leases, the right to use the premises leased by the Company in the Platinium office building at 2-4 Olteni Street, Platinium Platinium, is recognized as an asset measured at the level of the rent payable until the end of the lease contract. The asset recognized in accordance with IFRS 16 is depreciated at the level of the monthly rent and is recorded under the indicator "depreciation and amortization of tangible and intangible assets".

16. Personnel expenses

•	Third quarter 2024	Third quarter 2023
Expenses on personnel salaries	82,680,431	70,035,083
Social expenses	6,235,972	4,996,881
Expenses on vouchers granted to employees	3,899,200	4,464,335
Expenses related to the service contract and other committees, commissions	1,253,283	1,037,046
Social security and social protection expenses	6,813,852	5,014,759
Provisions set aside for salary and similar costs	(2,717,644)	(1,008,982)
Other expenses	(8,032)	7,495
Total	98,157,062	84,546,617
	January 01 - September 30, 2024	January 01 - September 30, 2023
Expenses on personnel salaries	245,514,249	204,711,585
Social expenses	11,148,920	9,206,951
Expenses on vouchers granted to employees	12,346,080	15,122,015
Expenses related to the service contract and other committees,		
commissions	3,615,691	3,316,046
Social security and social protection expenses	19,710,698	15,341,772
Provisions set aside for salary and similar costs	(6,677,530)	(5,160,015)
Other expenses	(7,944)	19,267
Total	285,650,164	242,557,621

Total personnel expenses realized in the third quarter and January through September 2024 show an increase compared to the same period of the prior year, primarily driven by increases in expense items such as: staff salary expenses, social expenses, expenses related to the Directors' contract and other committees and commissions, insurance and social protection expenses, as well as the reversal to income of part of the provisions set aside for dismissed executive and non-executive directors, representing the variable component relating to the packages of OAVTs allocated and not valorized during the terms of office executed in the period 2013-2017 and compensation provided for in the mandate contracts concluded in 2020 for the period 2020-2024, together with the payments made on the basis of enforceable court judgments received by the Company.

17. Other operating expenses

	Third quarter 2024	Third quarter 2023
Other expenses on services performed by third parties	33,524,879	29,353,801
Postage and telecommunication expenses	254,398	186,870
Expenses on royalties and rents	1,738,346	1,682,616
(Net) operational expenses on impairment allowances for current assets	(1,747,999)	554,353
Other expenses, of which:	21,895,238	13,989,874
- losses on sundry receivables and debtors - expenses (net of provisions for other operating charges	8,280 (672,816)	9,724 (7,958)

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-	Third quarter 2024	Third quarter 2023
- compensation expenses under mandate contracts/ OAVTs acc.to court decision	3,298,660	984,740
- expenses on taxes, duties and similar charges (ANRE tax, natural monopoly tax, other local taxes)	8,908,966	4,760,942
- expenses on goods	5,938,281	497,199
- expenses on energy purchased for administrative consumption	1,753,703	1,169,130
- other operating expenses	2,660,164	6,576,097
Total	55,664,862	45,767,514

In the third quarter of 2024, these expenses increased in the amount of 9,897,348 compared to the third quarter of 2023, mainly due to the change in certain expense items such as:

- increase of some expenditure items, namely: expenditure on civil protection and security, expenditure on the implementation of pan-European codes, Teletrans maintenance, staff training, goods, purchased energy for administrative consumption, taxes, duties and similar payments (recording of expenses with the monitoring fee according to AMEPIP Order no. 277/2024);
- the recording of expenses related to the OAVTs paid on the basis of enforceable court judgments (performance bonus related to the OAVT Certificates granted to former executive and non-executive and non-revoked members, remuneration under the mandate contracts concluded in the period 2013-2017) and expenses paid on the basis of enforceable court judgments granted to former executive and non-executive members who were dismissed, representing compensation provided for in the mandate contracts concluded in 2020, for the period 2020-2024;
- recording of adjustments for the impairment of receivables (ADERRO GP ENERGY SRL, etc.), adjustments for the impairment of inventories, as well as the reversal to income of provisions for litigation (ELM ELECTROMONTAJ CLUJ SA, ENERGOBIT SA), respectively adjustments for the impairment of inventories, etc.

- -	January 01 - September 30, 2024	January 01 - September 30, 2023
Other expenses on services performed by third parties	96,097,031	80,827,877
Postage and telecommunication expenses	713,022	606,698
Expenses on royalties and rents	5,180,275	4,867,174
(Net) operating expenses related to impairment adjustments on current assets	(1,399,046)	(350,854)
Other expenses, of which:	73,416,834	54,646,076
- losses on sundry receivables and debtors	2,926,236	12,911
- expenses (net of provisions for other operating charges	(969,179)	(25,485)
- compensation expenses under mandate contracts/ OAVTs acc. to		
court decision	6,535,008	5,044,882
- expenses on taxes, duties and similar charges (ANRE tax, natural	17,454,370	19,419,641
monopoly tax, other local taxes)	14.216.500	2 222 167
- expenses on goods	14,216,599	3,333,167
- expenses on international dues	5,680,784	5,247,257
- travel expenses	5,258,957	4,347,452
- expenses on energy purchased for administrative consumption	5,078,047	2,344,713
- sponsorship expenses		
	4,914,300	2,439,400
- other operating expenses	12,321,712	12,482,138
Total	174,008,116	140,596,971

For the period January through September 2024, these expenditures increased in the amount of 33,411,145 compared to the period January through September 2023, primarily due to variances in certain expense items such as:

- the increase of some expenditure items, namely: civil protection and security costs, costs related to the implementation of pan-European codes, Teletrans maintenance costs, staff training costs, costs related to goods, costs related to energy purchased for administrative consumption etc.;
- the reduction of certain items of expenditure, such as: expenditure on taxes, duties and similar charges, other non-deductible operating expenses etc.;

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- the recording of expenses related to the OAVTs paid on the basis of enforceable court judgments (performance bonus related to the OAVT Certificates granted to former executive and non-executive and non-revoked members, remuneration under the mandate contracts concluded in the period 2013-2017) and expenses paid on the basis of enforceable court judgments granted to former executive and non-executive members who were dismissed, representing compensation provided for in the mandate contracts concluded in 2020, for the period 2020-2024;
- recording of adjustments for the impairment of receivables (ROMELECTRO SA, OPCOM SA, ADERRO GP ENERGY SRL, etc.), adjustments for the impairment of inventories, as well as the reversal to income of adjustments for the impairment of current assets (ROMELECTRO SA, CET GOVORA SA etc.), provisions for litigation (ELM ELECTROMONTAJ CLUJ SA, ENERGOBIT SA) and adjustments for the impairment of inventories etc.

18. Net financial result

Third quarter 2024	Third quarter 2023
1,547,423	1,647,243
1,520,354	3,090,903
1,094	781,788
3,068,871	5,519,934
(492,373)	(791,844)
(2,309,949)	(3,415,406)
(2,802,322)	(4,207,250)
266,549	1,312,684
January 01 - September 30, 2024	January 01 - September 30, 2023
<u> </u>	September 30, 2023
4,985,772	4,056,113
3,124,014	25,642,117
14,693,567	2,275,611
22,803,353	31,973,841
(1,857,110)	(2,934,881)
(4,485,212)	(25,464,343)
	(242,140)
(6,342,322)	(28,641,364)
16,461,031	3,332,477
	1,520,354 1,094 3,068,871 (492,373) (2,309,949) (2,802,322) 266,549 January 01 - September 30, 2024 4,985,772 3,124,014 14,693,567 22,803,353 (1,857,110) (4,485,212) (6,342,322)

As of September 30, 2024, the Company recorded a net financial result (profit) in the amount of 16,461,031, higher by 13,128,554 compared to the same period of the previous year. It was mainly influenced by the dividends received from the subsidiary OPCOM SA in the total amount of 14,649,757, the increase in interest income received during the period under review, as well as the exchange rate evolution of the national currency against the 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.

As at September 30, 2024, in the total amount of 1,857,110 (interest expense), the amount of 360,197 represents the interest calculated on the fixed assets related to the rights to use the leased assets - buildings, in accordance with IFRS 16 - Leases.

The exchange rate of the national currency recorded on September 30, 2024 compared to that recorded on September 30, 2023, is as follows:

Currency	30.09.2024	30.09.2023
Lei / Euro	4.9756	4.9746

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19. Disputes and contingencies

i) Disputes in progress

Management periodically reviews the situation of ongoing disputes and, in consultation with its legal representatives, decides on the need to create/cancel provisions for the amounts involved or to disclose them in the financial statements.

Based on existing information, the Company's management believes that as of the date of these financial statements, there are no material pending litigations in which the Company is a defendant, except for the following:

• INDEPENDENT AUTHORITY FOR NUCLEAR ACTIVITIES (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 Autonomous Authority for Nuclear Activities RAAN proposed by the insolvency administrator Tudor&Asociatii SPRL and voted by the General Meeting of Creditors according to the minutes of 28.02.2014.

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

NPG 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 RON 78,096,209 on the grounds that "it does not appear as being due 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 out of time, 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 Tribunal is: Admit the exception of forfeiture. Admit in part the main action as well as the related appeal. Orders the defendant to pay to the plaintiff the amount of RON 16,950,117.14 claim arising in the course of the proceedings, ordering its entry in the table of creditors established against the debtor RAAN with this amount. Dismisses the related claims. On the basis of Article 453(2) of the Code of Civil Procedure, orders the defendant to pay the applicant RON 1,000 costs. With appeal. Delivered in open court. Judgment 163/20.06.2019.

Transelectrica appealed within the legal deadline. At the term 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: 03.10.2024.

At the term of 03.10.2024, the court grants a term on 23.01.2025, for the continuation of the proceedings, namely for the collection of the claims, the valuation of the assets, as well as for the performance of the other liquidation operations.

There are also 2 other cases between RAAN and Transelectrica at different stages of judgment, as follows:

a) File No. 28460/3/2017 - Bucharest Tribunal - Section VI - Civil. Re: order the undersigned to pay the total amount of RON 12,346,063.10.

The TMB's decision in short: Dismisses the claim brought by the plaintiff Regia Autonomă pentru Activități Nucleare against the defendant National Power Grid Company Transelectrica SA, as unfounded. Dismisses, as unfounded, the parties' application for costs. With right of appeal within 30 days of communication. The appeal shall be lodged with the Bucharest Tribunal - 6th Civil Section. Document: Decision no. 777/24.06.2020. RAAN filed an appeal, which was heard on 27.09.2021. CAB's solution: Admit the appeal. Changes the judgment under appeal to the extent that: Admits the appeal. Orders the defendant to pay to the plaintiff the amount of RON 12,346,063.10, representing the principal debt and penalties. With the right to appeal within 30 days of notification, to be lodged with the Bucharest Court of Appeal, Section VI. Pronounced by making the solution available to the parties through the court clerk's office, today, 20.05.2024. Document: civil decision no. 806/20.05.2024.

b) File No. 3694/3/2016 - Bucharest Tribunal - Civil Section VI.

By its application, the plaintiff R.A.A.A.N. seeks an order that the undersigned pay the total amount of RON 15,698,721.80. In its statement of claim, NPG CO. Transelectrica SA asked the court to reject the claim regarding late payment penalties and to find that the mutual debts are set off by operation of law and that they are extinguished up to the amount of the lesser of the two, namely the total amount of RON 12.727,101.99, representing the countervalue of the bonus value of electricity produced in high-efficiency cogeneration and delivered to NES for the period March - September 2015 and the regularization before overcompensation for the period 01.01.2014 - 31.12.2014 requested by the plaintiff, by the summons.

At the hearing on 11.06.2020, TMB's summary judgment: dismissed the application as unfounded. With appeal within 30 days of communication. Document: judgment no. 630/11.06.2020.

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RAAN appealed, which was allowed by the CAB.

The CAB's solution: Appeal allowed. Changes the judgment under appeal in its entirety, to the effect that: Admits the claim. Orders the defendant to pay to the applicant the amount of RON 12,727,101.99, representing the amount of bonus and regularization of the ante-overcompensation for which invoices SRTF series no. 1500031 of 24.04.2015, SRTF series no. 1500033 of 22.05.2015, SRTF series no. 1500036 of 22.06.2015, SRTF series no. 1521311 of 23.07.2015, SRTF series no. 1500041 dated 17.08.2015, SRTF series no. 1500045 dated 23.09.2015, SRTF series no. 1521339 dated 26.10.2015 and SRTF series no. 1521282 dated 8.04.2015, as well as the amount of RON 2,917,619.81, representing late payment penalties related to the principal debit, for which invoices SRTF series no. 1500059 dated 31.12.2015 and SRTF series no. 1500060 dated 31.12.2015 were issued. With a right of appeal within 30 days of communication. The appeal shall be filed with the Bucharest Court of Appeal - Section VI Civil. Pronounced, today, 03.06.2024, and made available to the parties through the court registry. Document: Decision 898/03.06.2024.

• COURT OF AUDITORS OF ROMANIA

Following an audit carried out in 2017, the Court of Auditors ordered certain measures to be implemented by the Company as a result of certain deficiencies found during this audit. The Company lodged several appeals against the measures ordered by the Court of Auditors of Romania (CoA) by Decision no. 8/27.06.2017, requesting their cancellation, as well as against the Decision no. 77/03.08.2017, registered at the Company's registry under no. 29117/08.08.2017, respectively the Audit Report no. 19211/26.05.2017. The appeals were filed before the Bucharest Court of Appeal, among which file No. 6581/2/2017 concerning the annulment of the findings in paragraph 6 and the measure ordered in paragraph II.9, at the trial term of 31.03.2023: According to the minutes of 29.03.2023, file No. 6581/2/2017 was filed in the 12th Panel of first instance of the Eighth Administrative and Tax Litigation Department under no. 6581/2/2017* The solution in brief: In order to give the parties the opportunity to submit written submissions and to deliberate, the Court adjourns the hearing to the following dates 31.03.2023, 13.04.2023, 28.04.2023, 12.05.2023. At the hearing on 26 May 2023, the application was granted. Partial annulment of Decision No 77/03.08.2017, as regards the rejection of point 6 of Appeal No 26140/17.07.2017, Decision No 8/27.06.2017 as regards the findings in point 6 and the measure ordered in point 11.9, and Control Report No 19211/26.05.2017 as regards the findings in point 3.2. Orders the defendant to pay to the applicant the costs totalling 10,450 RON, representing the court stamp duty and the fees of the court expert. With appeal within 15 days of notification. Decision 920/2023 26.05.2023.

Judgment fixed for 23.01.2025.

Between January and July 2020, the Court of Auditors of Romania carried out a control action at all NPG CO. Transelectrica's Territorial Transmission Units, and between 25.05-27.08.2020, the verification action continued at the Company's executive headquarters. The subject of the CCR's control action was "control of the situation, evolution and management of the state's public and private patrimony, as well as the legality of the realisation of revenues and expenses for the period 2017-2019" at NPG CO. Transelectrica SA.

After finalising the control on the management of the State's public and private patrimony, as well as the legality of the realisation of revenues and the legality of the expenses for the period 2017-2019, control finalised on 06.10.2020, the Control Report was issued with no. 40507/06.10.2020 and on 09.11.2020, the Court of Auditors of Romania, through Department IV, issued Decision No. 15 containing 10 measures, with a deadline for implementation of 31.05.2021, which was extended by the Court of Auditors of Romania, at the Company's request, until 31.12.2021.

The Company objected and filed Contestation No. 50090/26.11.2020, registered with the Court of Auditors under No. 139775/26.11.2020, requesting the annulment of the measures. Following the examination and analysis by the auditors of the Court of Auditors of the Appeal filed by the Company, by Decision No. 2 of 10.03.2021, the annulment of one of the 10 measures ordered was admitted.

On 02.04.2021, the Company filed an appeal for the annulment of the administrative act, a file registered at the Bucharest Court of Appeal under no. 2153/2/2021.

At the term of 10.12.2021, CAB dismisses the application brought by the applicant National Power Grid Company "Transelectrica" SA against the defendant Court of Auditors of Romania, as unfounded. Dismisses the application for suspension as unfounded. With the right to appeal within 15 days from the date of communication and with the right to appeal within 5 days from the date of communication with regard to the claim regarding the suspension; the appeal shall be filed with the Bucharest Court of Appeal.

On July 24, 2023, the Company was notified of the judgment, and on 10.08.2023 filed an appeal with a trial date for hearing on 07.03.2024.

At the term of 07.03.2024, the ICCJ dismissed the appeal lodged by the plaintiff National Power Grid Company "Transelectrica" SA against Judgment no. 1889 of 10 December 2021 of the Bucharest Court of Appeal - Ninth Section of Administrative and Tax Litigation, as unfounded. Definitive. Delivered today, March 7, 2024, by placing the judgment at the disposal of the parties through the court registry.

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OPCOM

The Bucharest Court of First Instance has registered file No. 22567/3/2019, which has as its object "claims", in which the Company is the plaintiff, the defendant being OPCOM SA.

By its application, the applicant NPG CO. Transelectrica SA requested the court to order, by the judgement to be delivered:

- order the defendant OPCOM SA to pay the amount of 4,517,460 RON, corresponding to the invoice series TEL 16 AAA no. 19533/29.07.2016, representing the VAT value of the contribution made by NPG CO. Transelectrica SA to the share capital of OPCOM SA, issued under Loan Agreement no. 7181RO/2003, a commitment to finance the investment project "Electricity Market Project";
- order the defendant OPCOM SA to pay the amount of 1,293,778.27 RON, 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 the non-payment on time of the invoice TEL 16 AAA series no. 19533/29.07.2016.
- order the defendant OPCOM SA to pay the costs.

At the term of 03.12.2021, the Bucharest Tribunal rendered the following brief solution: "Admit the plea of prescription of the substantive right to bring an action. Dismisses the action as time-barred. With the right to appeal within 30 days from the date of communication, which shall be filed with the Bucharest Tribunal, 6th Civil Section. Pronounced by making the solution available to the parties through the court clerk's office, today, 03.12.2021. Document: Hotarâre nr.3021/2021 03.12.2021".

The company has appealed.

At the term of 12.10.2022, the Bucharest Court of Appeal rendered the following brief decision: Dismisses the appeal as unfounded. Orders the appellant to pay to the respondent the amount of RON 11,325.21 by way of costs. With appeal within 30 days from the communication of the judgment. Pronounced today, October 12, 2022, by making the judgment available to the parties through the court registry. Document: Decision 1532/12.10.2022.

NPG CO. Transelectrica SA appealed against the civil Decision no. 1532/12.10.2022 rendered by the CAB, the case was submitted to the ICCJ where it was settled by Judgment no. 1640/19.09.2023 by which the supreme court ordered the following: "Admit the main appeal filed by the appellant-claimant National Power Grid Company "TRANSELECTRICA" S.A. and the cross-appeal filed by the appellant-defendant Operatorul Pietei de Energie Electrica si Gaze Naturale "OPCOM" S.A. against the civil decision no. 1532 of October 12, 2022, rendered by the Bucharest Court of Appeal - Fifth Civil Section, which it reverses and sends the case for retrial to the same court. Final".

In view of the cassation decision of the ICCJ, the case was submitted to the Bucharest Court of Appeal with a hearing for appeal/judgment on 26.11.2024.

On the Bucharest Tribunal's docket, the file No. 24242/3/2021, in which OPCOM SA is the plaintiff and NPG CO. Transelectrica SA is the defendant, is pending before the Bucharest Tribunal.

This case concerns the nullity of the act - contribution in kind, materialised by intangible assets, the trading platform - the Commercial Exchange and the Regional Electricity Exchange, financed by loans contracted by NPG CO. Transelectrica SA from the IBRD, under loan agreement no. 7181RO/17.07.2003, and by NPG CO. Transelectrica SA's own sources, which were realised under service and deliverables contracts no: P081406-O-C.78, P081406-O-C.125 and P081406-O-C.300/2005, materialised by AGEA Decision No 6/15.06.2016 and, subsequently, AGOA Decision No 2/25.05.2017 and AGOA Decision No 7/24.05.2018.

At the hearing on 11.04.2022, the court put to the parties the objections raised by NPG CO. Transelectrica SA, by way of defence. The evidence proposed to be given in this case was also discussed at that time. The court adjourned the hearing of the case to the fixed date of 22.11.2022, in order to administer the evidence of the financial-accounting expert's report to be carried out in this case. After several postponements, the next date is set for 27.06.2023 for lack of expert's report. At the term of 27.06.2023, on the basis of the decision of the General Assembly of Judges of the Bucharest Tribunal No. 4/20.06.2023, the case is adjourned, and the next term is set for 10.10.2023. The court adjourned the hearing of the case to the fixed date of 07.11.2023.

At the term of judgment of 07.11.2023, the court's solution is: Qualifies the plea of inadmissibility as a substantive defense. Dismisses the motion to dismiss as without merit. With the right to appeal, within 30 days from the communication for the parties, the appeal to be filed at the Bucharest Tribunal, Section VI Civil. Pronounced today, 07.11.2023, on the basis of art. 396 para. 2 C.C.P.Civ. by making the solution available to the parties at the court registry.

OPCOM appealed and a hearing was set for 12.09.2024. At the term of 12.09.2024, the case was adjourned to 24.10.2024, the court determining OPCOM's obligation to pay the difference in court stamp duty to the amount of the contribution in kind.

At the term of 24.10.2024, the court took note that OPCOM SA deposited the difference of the stamp duty, ordered the administration of the evidence proposed by the parties, postponing the administration of the evidence with interrogatory in the charge of Transelectrica SA, in order to respond at least 5 days before the deadline set to this evidence proposed by Opcom, ordering the postponement of the case to the term of **05.12.2024**.

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• CONAID COMPANY SRL

In 2013, Conaid Company SRL sued CNTEE Transelectrica for its unjustified refusal to sign an additional act to the connection contract or a new connection contract and claimed compensation for expenses incurred up to that time in the amount of 17,419,508 RON and unrealised profits for the period 2013-2033 in the amount of EUR 722,756,000. So far, the Company has not concluded an additional act to the connection contract as the suspensive conditions included in the contract have not been fulfilled by Conaid Company SRL. A new connection contract should have been concluded by 11 March 2014, by which time the technical connection permit expired. The **file No. 5302/2/2013** is pending before the High Court of Cassation and Justice, Administrative and Tax Litigation Section, with the object to compel the issuance of an administrative act, procedural stage - appeal, the hearing for the judgement is 09.12.2015. On that date, the High Court of Cassation and Justice allowed, in principle, the appeals and set a date for the appeals to be heard on the merits on 8 April 2016. Panel 4, with summons to the parties.

The hearing of the case was postponed to 17.06.2016, when the court remained in judgment, postponing the judgement to 29.06.2016, when it rendered Decision no. 2148/2016, by which it ordered the following: "Dismisses the objections raised by the appellant-plaintiff Conaid Company S.R.L., through the insolvency administrator RVA Insolvency Specialists SPRL and the defendant-appellant National Electricity Transmission Company Transelectrica S.A. Admit the appeal lodged by the defendant National Electricity Transmission Company Transelectrica S.A. against the hearing of 18 February 2014 and the civil judgment no. 1866 of 11 June 2014, delivered by the Bucharest Court of Appeal - 8th Department - Administrative and Tax Litigation. Sets aside the contested conclusion and the judgment in part and refers the case back to the Bucharest Tribunal - Section VI Civil Division for the resolution of the applicant's action against the National Electricity Transmission Company Transelectrica S.A. Maintains the other provisions of the judgment with regard to the applicant's action against the National Energy Regulatory Authority. Dismisses the appeals lodged by the plaintiff Conaid Company S.R.L., through its receiver RVA Insolvency Specialists SPRL and by the intervener Duro Felguera S.A. against the civil judgment no. 1866 of 11 June 2014, delivered by the Bucharest Court of Appeal - 8th Department - Administrative and Tax Disputes. Dismisses the appeal filed by the defendant Compania Națională de Transport al Energiei Electrice Transelectrica S.A. against the judgment of 25 March 2014, delivered by the Bucharest Court of Appeal - 8th Department - Administrative and Tax Litigation. Definitive. Delivered in open court on 29 June 2016.

The case was registered with the Bucharest Tribunal - Section VI Civil, under no. 12107/3/2017. By Civil Judgment No 4364/23.11.2017, the General Court accepts the plea of inadmissibility and dismisses the application as inadmissible. The application to intervene in the applicant's interest is dismissed. With appeal within 30 days of communication. The appeal was lodged with the Bucharest Tribunal, Civil Section VI and was made available to the parties through the clerk's office, on 23 November 2017.

On 02.11.2018, on the Bucharest Tribunal - Civil Section VI - was registered a new application for summons filed by Conaid Company SRL, in file No. 36755/3/2018, by which the plaintiff requested the court to order Transelectrica SA to "compensate the damage caused to the plaintiff, as a result of the culpable non-performance of obligations by the defendant, in the amount of 17,216,093.43 RON, consisting of the actual loss suffered and the unrealised benefit, provisionally estimated at 100,000 euro. Given the unjustified refusal of Transelectrica SA to conclude and sign an additional act to Contract no. C154/27.04.2012, and in the event that the court considers that, from a formal point of view, the obligation regarding the suspensive conditions cannot be considered as having been fulfilled by the applicant, this non-fulfilment is due to the exclusive fault of Transelectrica SA, the defendant having prevented the fulfilment of the conditions".

At the hearing on 15 October 2019, dismisses as unfounded the objections of lack of standing and lack of interest. Joins the exception of prescription to the merits. With appeal on the merits. Delivered by delivery of the judgment to the parties through the court registry. The parties are summoned to appear on 26.11.2019 for further investigation of the case. With appeal on the merits. Delivered by delivery of the judgment to the parties through the court registry.

The case is adjourned for the taking of expert evidence and a hearing is set for 21.01.2020.

On 21.01.2020, the case is adjourned in order to carry out the expertise and the next date is 31.03.2020.

At the hearing of 31.03.2020, the short solution was as follows: Suspended by right on the basis of Article 42 paragraph 6 of the Decree of the President of Romania 195/2020 on the establishment of a state of emergency on the territory of Romania, for the entire period of the state of emergency.

After several adjournments, the next hearing is set for 28.09.2022, with a view to the taking of expert evidence.

On 28.09.2022, the case is adjourned for lack of reply to the objections and the next date is 07.12.2022.

On 07.12.2022, the case is adjourned for failure to reply to the objections and the next date is 22.02.2023 and then 03.05.2023 for the same cause.

On 03.05.2023, the case is adjourned to take cognisance of the reply to the objections and the next date is 13.09.2023. A trial date was set for 06.12.2023.

On 06.12.2023, the Bucharest Tribunal remained in pronouncement, postponing the judgement to 20.12.2023, then to 03.01.2024 when it ordered the following: "Rejects the request for an increase in the expert's fee, submitted by exp. Chirilă Adelaida Adriana, as unfounded. The plea of limitation of the substantive right to bring proceedings, raised by way of defence, is admissible. Dismisses the application as time-barred". With an appeal within 30 days of notification. The appeal is filed with the Bucharest Tribunal, Civil Section VI. Delivered by the clerk of the court, today, 03.01.2024.

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• MUNICIPALITY OF REŞIŢA

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

Solution in brief: Admitted the objection of lack of territorial jurisdiction of the Tribunal Caraş-Severin. Declares that the Court of Bucharest has jurisdiction to resolve the claim brought by the plaintiff Municipality of Reşiţa - through the Mayor, in contradiction with the defendant National Company for the Transmission of Electricity "Transelectrica" SA, in favour of the Bucharest Tribunal. No appeal, according to art.132 paragraph 3 of the Civil Procedure Code. Delivered in open court. Decision 313/11.03.2019.

At the term of 25.10.2019, the plea of lack of territorial jurisdiction of the Bucharest Tribunal is admitted. Declares that the Court of Caras-Severin has jurisdiction to hear the case. Declares that there is a negative conflict of jurisdiction between the Bucharest Tribunal and the Caras-Severin Tribunal. Suspends the case and forwards the file to the High Court of Cassation and Justice, with a view to resolving the negative conflict of jurisdiction. No recourse. The judgement will be pronounced by making the solution available to the parties through the court registry. Decision 2376/25.10.2019.

The High Court of Cassation and Justice at the term of 16.07.2020, by decision no. 1578, established the competence to resolve the case in favor of the Caras Severin Court - Civil Section I.

At the term of 16.11.2020, the court adjourned the case and granted time to study the pleadings submitted at this term of the case file by the representative of NPG CO. Transelectrica SA, setting a new term of the case for 22.03.2021.

At the term of March 22, 2021, the summary judgment is: Suspends the judgment on the claim filed by the plaintiff Municipality of Reşiţa, through the Mayor, against the defendant National Company for the Transmission of Electricity "Transelectrica" SA, having as its object claims, pursuant to art. 413 paragraph (1) item 1 C.pr.civ. With appeal, while the suspension of the course of the trial lasts, to the higher court.

The suspension of the judgment of the case was ordered until the final resolution of file No. <u>3154/115/2018* of the Caras Severin</u> Court.

At the term of 19.01.2023, the solution in brief is: Rejects the plea that the application is out of time since the defendant does not have standing to invoke the method of establishing the stamp duty. Rejects the plea that the application to amend the application for the summons is out of time. Postpones the discussion of the exception of the positive effect of res judicata until the deadline for the filing in full of the decision of the High Court of Cassation and Justice in file No. 3154/115/2018**. Adjourns the ruling on the requests for evidence consisting of the defendant's cross-examination and the accountant's expert's report. The case is adjourned and judgment is set for 02.03.2023.

At the term of 02.03.2023, the summary judgment is as follows: suspends the judgment on the application filed by the plaintiff Municipality of Reşiţa, against the defendant National Company for the Transmission of Electricity "Transelectrica" SA, in respect of claims. The court ordered the resumption of the trial and set a date for 16.11.2023. The judgment was set for 22.02.2024.

At the term of 22.02.2024, the court adjourned the judgment of the case to 14.03.2024 and subsequently to 06.06.2024, in order to return the file no. 2494/115/2018**, submitted on appeal to the Court of Appeal Timisoara, for when the parties have a term in knowledge under art. 229 Code of Civil Procedure in the presence of the representatives of the parties.

At the term of 06.06.2024, the court rejects the request for postponement made by the plaintiff Municipality of Resita, postpones the judgment of the case, due to the absence of the expert's report to the date of 27.06.2024 for when the parties have term in knowledge under art. 229 Civil Proced. through the representatives of the parties.

At the hearing of 27.06.2024, the court orders the communication to the expert of a copy of the notes of the hearing, on pages 172-174, submitted by the defendant National Power Grid Company "Transelectrica" SA. Orders that a copy of the explanations submitted by the applicant, Reşiţa Municipality, in response to the expert's request, be communicated to the expert. Postpones the judgment of the case, due to the absence of the expert's report, to 19.09.2024, for when the parties have a term of hearing on the basis of art. 229 of the Code of Civil Procedure through their representatives.

At the hearing on 19.09.2024, the court granted the plaintiff's request for an adjournment of the case and ordered that a copy of the expert's report be communicated to the plaintiff. Postpones the discussion of the final fee for the expert's report until both parties have studied it. Postpones the hearing of the case, in view of the absence of the expert's report, to 10.10.2024, when the parties shall have a term of notice pursuant to art. 229 of the Code of Civil Procedure, through their representatives.

On 10.10.2024, the court orders the plaintiff and the defendant to pay RON 1,000 each in expert fees. It orders an additional expert's report to be carried out:

- to calculate the statutory penalty interest by reference to the amount of RON 2,129,765.86, representing the annual rent charged by the claimant and not to the amounts calculated by the expert as rent for temporary occupation of land in the national forest fund;
- to abolish the calculation of the statutory penalty interest for 2017, since it is not the subject-matter of the claim;
- eliminating the calculation of the statutory penalty interest for 2015 and 2016;
- calculating the rent for the period 28.09.2016-30.03.2018 by reference to the amount of 2.129.765,86 representing the annual rent and the legal penalty interest by reference to the amount of 2.129.765,86, representing the annual rent charged by the claimant and not to the amounts calculated by the expert as rent for the removal of land from the national forest fund.

Orders that a copy of this judgment be communicated to the expert. Fixes the hearing for the expert's report for 12.12.2024.

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• SMART SA

File no. 15561/3/2022, registered with the Bucharest Court of First Instance, has as subject-matter of the application for summons, by which the plaintiff SMART SA requests to order the defendant Transelectrica SA to pay the amount of RON 4,467,108, representing the amount of tax liabilities related to the increased income due to the increase in the tax base resulting from the adjustment of income for the years 2014, 2015 and 2016 + costs.

At the term of 23.03.2023, a term of 15.06.2023 is set for the expert's report.

After several adjournments, due to the absence of the expert's report, the trial is set for October 17, 2024.

At the term of 17.10.2024, in order to take cognizance of the expert's report, adjourned the case to 23.01.2025.

ANAF

In 2017, the general tax inspection started at Transelectrica SA headquarters on December 14, 2011, which covered the period from December 2005 to December 2010, was completed.

The general tax inspection started on 14.12.2011 and ended on 26.06.2017, the date of the final discussion with Transelectrica SA. Following the completion of the inspection, ANAF - DGAMC established additional tax obligations to be paid by the Company, namely corporate income tax and VAT, as well as accessory tax obligations (interest/late payment increases and late payment penalties) related to the technological system services (STS) invoiced by energy suppliers, considered non-deductible following the tax inspection.

According to the tax assessment decision no. F-MC 439/30.06.2017 totaling RON 99,013,399, ANAF - DGAMC established additional tax obligations to be paid by the Company, in the amount of RON 35,105,092, as well as accessory tax obligations (interest/ late payment increases and late payment penalties), in the amount of RON 63,908,307.

Mainly, ANAF's tax inspection report recorded the following additional payment obligations: corporate income tax in the amount of RON 13,726,800, as well as accessories, due for a number of unused invoices identified as missing (they were destroyed in the fire that broke out on the night of June 26-27, 2009, at the work point in the Millenium Business Center building at 2-4 Armand Călinescu Street, sector 2, where the Company was operating), documents with special regime.

These invoices were the subject of a dispute with ANAF, which issued a tax inspection report on September 20, 2011 estimating the VAT collected on a number of unused invoices identified as missing.

The company challenged within the legal deadline, in accordance with OG no. 92/2003 on the Fiscal Procedure Code, the tax assessment decision no. F-MC 439/30.06.2017.

ANAF has issued enforceable title no. 13540/22.08.2017 on the basis of which the additional payment obligations established by the tax assessment decision no. F-MC 439/30.06.2017 were executed.

The company has requested the annulment of the enforceable title no. 13540/22.08.2017 at the Court of Appeal - file no. **7141/2/2017**. Solution in short: Admit the objection of lack of subject matter jurisdiction of the Bucharest Court of Appeal - SCAF. Declines in favor of the Sector 1 Bucharest District Court. No appeal. Pronounced in public session on 08.02.2018. Document: Decision no.478/2018 of 08.02.2018.

Following the declination of jurisdiction, file No. **8993/29999/2018** was registered on the District Court of Sector 1, whereby the Company challenged the enforcement of execution initiated on the basis of enforceable title no. 13540/22.08.2017, which is based on the Tax Assessment Decision no. F-MC 439/30.06.2017.

After the Company challenged the tax administrative act Decision no. F-MC 439/30.06.2017, ANAF communicated to the Company Decision no. 122/13.03.2018 rejecting as unfounded the appeal filed by NPG CO. Transelectrica SA, the decision being received on 16.03.2018, after the filing of the summons subject of file no. 1802/2/2018.

Operative part of the judgment On the basis of Article 413 para. (1) item 1 of the Civil Procedure Code suspends the judgment until the final resolution of file No. 1802/2/2018, pending before the Bucharest Court of Appeal, Section VIII Administrative and Tax Disputes. With appeal for the entire duration of the suspension, the appeal application to be filed at the District 1 Bucharest District Court. Delivered in open court - Document: Decision - Adjournment 17.04.2018.

The hearing of the case was resumed and, at the hearing of 10.10.2024, for the communication of the documents submitted on the file by the appellant to the respondent, the hearing of the case was adjourned to **21.11.2024**.

On the Court of Appeal's docket is file No. **1802/2/2018** by which the Company challenged the tax administrative act Decision No. F-MC 439/30.06.2017.

At the hearing on 06.11.2018, the expert evidence in the field of accounting - taxation was admitted. Judgment date: 12.05.2020. At the judgment of the CAB of 21.07.2020, judgment was adjourned.

On 30.07.2020, the case was reinstated for further clarifications.

At the hearing of 20.10.2020, the application was partially admitted with the following brief solution: the pending applications were partially admitted, Decision No 122/13.03.2018, regarding the settlement of the appeal lodged against the tax assessment decision No F-MC 439/30.06.2017, issued by the National Agency for Tax Administration - General Directorate for the Settlement of

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Appeals, the tax assessment decision No. F-MC 439/30.06.2017, issued on 12.07.2017, by the National Agency for Tax Administration - General Directorate for the Administration of Large Taxpayers, Tax Assessment Decision no. F-MC 439/30.06.2017, issued by the National Agency for Tax Administration - General Directorate for the Administration of Large Taxpayers and Tax Inspection Report no. F-MC 222 concluded on 30.06.2017, which was the basis for the issuance of the tax assessment decision, to the effect that: - it removes the obligation to pay corporate income tax in the amount of RON 18,522,280, VAT in the amount of RON 5,694,636 and the tax accessory charges related to these main tax debts in the amount of RON 48,436,653, tax liabilities established for the 349 tax invoices with special regime found to be missing from the management of the applicant. - Removes the non-deductibility in the calculation of taxable profit of the sum of RON 27 001 727, representing system technology services invoiced by the energy suppliers, considered non-deductible following the tax inspection and the obligation to pay the principal and accessory tax claims in relation to that sum. - removes the non-deductibility from the calculation of taxable profit of the amount of RON 343,629.91, representing 'weed removal services' and the obligation to pay the principal and ancillary tax claims in relation to that amount - removes the non-deductibility from the calculation of taxable profit of the amount of RON 230.685.491, representing expenses for promotional and protocol products and the obligation to pay the main and accessory tax claims in relation to this amount - removes the non-deductibility of VAT in the amount of RON 46.417,1, corresponding to the amount of RON 343.629,91, representing "weed removal services" and the obligation to pay the main and accessory tax claims in relation to this amount - removes the non-deductibility of VAT in the amount of 37.693,88 relating to the amount of RON 230.685,49, representing expenditure on promotional and protocol products and the obligation to pay the principal and accessory tax claims in relation to that amount - removes the mention of the obligation of the Sibiu Transmission Branch of NPG CO. Transelectrica S.A to record the amount of RON 576,846.80 as taxable income, at the latest on 30.06.2010, the date on which the registration of the audited entity in the creditor's list with this amount was accepted, the mention relating to the character of taxable income for the calculation of the profit of the amount of 576,846.80 in accordance with the provisions of art. 19 para. 1 of Law no. 571/2003 on the Tax Code with subsequent amendments and additions, in conjunction with item 23 let. d of HG 44/2004 containing the Methodological Norms for the application of Law no. 571/2003, chapter on corporate income tax, respectively chapter VII on the function of the accounts of Order no. 3055 of October 29, 2009 for the approval of the Accounting Regulations in accordance with the European Directives and the obligation to pay the principal and accessory tax claims in relation to this amount - removes from the Minutes the finding made in relation to the "determination of the deductible value added tax lower than that recorded by the plaintiff, thus resulting in a difference in the amount of RON 13,141" (Annex no. 15) and the obligation to pay the principal and ancillary tax claims in respect of that amount - dismisses the obligation to pay the penalties for late payment which have a punitive legal regime, calculated for a period of more than 6 months from the date of the commencement of the tax inspection, in respect of the principal tax liabilities which were upheld by the court in the present judgment, as established by Tax Assessment Decision no.F-MC 439/30.06.2017, issued on 12.07.2017, by the National Agency for Tax Administration - General Directorate for the Administration of Large Taxpayers, by the Tax Assessment Decision no. 122/13.03.2018, on the settlement of the appeal lodged against the Tax Assessment Decision No. F-MC 439/30.06.2017, issued by the National Agency for Tax Administration - General Directorate for Settlement of Appeals. The other provisions of Decision No 122/F-MC 439/30.06.2017, issued by the National Agency for Tax Administration -General Directorate for the Settlement of Appeals, Tax Decision No. F-MC 439/30.06.2017, issued on 12.07.07.2017, by the National Agency for Tax Administration - General Directorate for the Administration of Large Taxpayers, Assessment Decision No. F-MC 439/30.06.2017, issued by the National Agency for Tax Administration - General Directorate for the Administration of Large Taxpayers. Dismisses, in the remainder, the pending claims as unfounded. Dismisses as unfounded the application for an award of costs consisting of the court stamp duty. Orders the defendants, jointly and severally, to pay to the plaintiff the costs in the amount of RON 4 000, representing the fee for the expert's report in the field of accounting and taxation, in proportion to the admissibility of the claim. With the right to appeal within 15 days from the date of communication, the appeal to be filed with the Bucharest Court of Appeal. Decision no. 382/20.10.2020.

The parties appealed in March 2022.

On 12.04.2022, the Bucharest Court of Appeal adjourned the case to 10.05.2022, in order to give the plaintiff the opportunity to acquaint himself with the content of the statement of claim.

At the hearing on 24.05.2022, the CAB rejected as unfounded the request for clarification and for the supplementing of the operative part. Admitted the request for correction of the substantive error to the effect that the amounts of the principal and ancillary tax liabilities in respect of the 349 tax invoices, as set out in the contested tax assessment decision, be stated as correct. orders the correction of the clerical error so as to remove the erroneous name of the applicant from the contested judgment. Appeal lodged within 15 days of service.

The parties have appealed. The case is in the filter procedure at the ICCJ. Hearing 13.12.2023.

On 13.12.2023, the ICCJ remained in judgment until 20.12.2023 when by judgment no. 6169/2023 it ordered the following:

- Admit the appeals filed by the plaintiff National Electricity Transmission Company "Transelectrica" S.A., the defendant Directorate General for the Administration of Large Taxpayers and the defendant National Agency for Tax Administration against the civil judgment no.382 of October 20, 2020, delivered by the Bucharest Court of Appeal Section VIII Administrative and Tax Litigation.
- ✓ Partially quashes the judgment under appeal and, on appeal: Dismisses the application for annulment of the Decision on the settlement of the appeal No. 122/13.03.2018 and of the tax assessment decision No. F-MC 439/30.06.2017 in respect of:

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- withholding the non-deductibility of expenses in the amount of RON 343,629.91, representing "weed removal services" and the related VAT;
- to withhold the non-deductibility of expenses in the amount of 230.685, representing the value of promotional and protocol goods and the related VAT;
- the obligation to pay penalties for late payment which have a sanctioning legal regime, calculated for a period of more than 6 months from the date of the start of the tax inspection.
- Fixes the amount of the costs to which the defendants are jointly and severally ordered to pay at the amount of RON 6000, representing the fee for the expert's report in the field of accounting-tax expertise.
 - ✓ Upholds the other provisions of civil judgment No 382 of October 20, 2020.
- ✓ Admit the appeals filed by the plaintiff National Electricity Transmission Company "Transelectrica" S.A. and by the defendant Directorate General for the Administration of Large Taxpayers against the civil judgment no.134 of May 24, 2022, rendered by the Bucharest Court of Appeal Section VIII Administrative and Tax Litigation. Partially quashes civil judgment no. 134 of May 24, 2022 and,

rejudging:

- ✓ Admit in part the request for clarification and completion of the operative part of civil judgment no. 382 of October 20, 2020, filed by the plaintiff National Power Grid Company Transelectrica S.A.
 - ✓ Orders the following to be added to the operative part of civil judgment no.382 of October 20, 2020:
 - Annuls also the Tax Inspection Report No. F-MC 222/30.06.2017 in so far as the Tax Assessment Decision No. F-MC 439/30.06.2017 was annulled;
 - annuls the principal tax liabilities established for 2005 and the ancillary tax liabilities relating thereto, as the right of the tax authority to establish such liabilities is time-barred;
 - Annuls the tax administrative tax acts regarding the non-deductibility of expenses with SMART's share of benefits.
- ✓ Strikes out the entries relating to the amounts of corporation tax and ancillary tax annulled in respect of the 349 tax invoices in both the judgment correcting the substantive error and the main judgment.
 - ✓ Maintains the other provisions of the civil judgment no.134 of May 24, 2022.
- ✓ Orders the appellants defendants to pay to the appellant plaintiff National Power Grid Company "Transelectrica" S.A. the amount of RON 200, representing the costs of the appeal.

Final. Pronounced today, December 20, 2023, by making the judgment available to the parties through the court registry.

Civil judgment no. 6169/2023, rendered on December 20, 2023, by the ICCJ - Administrative and Tax Litigation Section, was notified to the Company on May 15, 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 Management and Supervisory Boards in respect of the contracts of mandate entered into between the Company and them. The Company has made a provision for these disputes.

ii) Contingencies

At September 30, 2024, **contingent liabilities** amount to RON 19,034,260. These relate to litigations involving claims for additional costs following the increase in the minimum wage in the construction sector for investment contracts, of which we list the most significant:

• File no. 25896/3/202020 - claimant Electromontaj Bucharest (10,000,000)

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

Hearing for judgment: 25.08.2022 - submission of expert's report.

At the term of August 25, 2022, the judgment was adjourned until September 13, 2022. On 13.09.2022, the TMB dismisses the objections to the expert's report in the accounting specialization filed by the defendant as unfounded. Admit the objections to the expert's report in the specialty of accounting filed by the plaintiff. Address to the expert, Cojocaru Mihaela Cojocaru, to reply to the objections and to file the reply on the file. Appeal on the merits.

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

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At the court's term of May 16, 2023, the court adjourned the case to September 12, 2023, to file a response to the expert's objections. At the hearing on 12.09.2023, the court adjourned the judgment to 26.09.2023 and adjourned the hearing to 07.11.2023.

After several adjournments, at the term of January 18, 2024, the TMB dismisses the action as unfounded. With right of appeal within 10 days of communication.

Electromontaj SA filed an appeal and set a hearing for 13.09.2024.

At the term of September 13, 2024, 2024, grants the appellant-claimant a term of **November 8, 2024**, to pay the difference in the court stamp duty assessed against the appellant-claimant. Forwards the case file to the panel competent according to law to deal with the appellant-claimant's request for recusal of the 11th Appellate Panel, pursuant to Article 50(1) of the Code of Civil Procedure.

• File No 30801/3/2021 - Claimant Romelectro (2,271,075)

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

At the hearing of 20.04.2022, the TMB's solution is: "Consents to the evidence of an expert accountant with the following objectives: - to specify from the expert whether Romelectro fulfills the condition set out in Article 66 of GEO 114/2018, i.e. whether 80% of Romelectro's turnover is realized from construction works, both in the year preceding the reference period (2018) and in the reference period (2019):

- to calculate the expert the cost difference generated by the increase in the salaries of the human resources actually employed by Romelectro in the performance of the work related to Contract No. C145/2018, during the reference period and the first two months prior to it, respectively:
- a) Specify for each employee (human resource actually employed) whether his/her gross salary was below 3000 lei/month or higher in November and December 2018;
 - b) When the HR salary was increased to 3000 lei/month;
 - c) What is the difference between the previous salary and the salary imposed by GEO no. 114/2018;
 - d) Whether between 01.11.2018 31.12.2018, Romelectro has reduced the salaries of the human resources employed;
- (e) Specify the actual cumulative cost difference in the actual cumulative cost difference in the salary of the human resources utilized by Romelectro in the actual performance of the works covered by Contract No. C145/2018, for the reference period.
- to determine the expert, on the basis of the analytical estimates, which is the percentage, i.e. the amount by which Transelectrica must adjust the price of Contract no. C145/2018 for the labor related to the works remaining to be executed on 01.01.2019, as a result of the legislative changes instituted by GEO no. 114/2018 in the sense of increasing the minimum wage in the construction sector to the amount of 3000 lei/month;
- to determine the expert the days/months of delay recorded in the execution of the works related to Works Contract no. C145/2018 as a result of the financing problems encountered by Romelectro S.A. due to Transelectrica's refusal to pay the price at the adjusted value, respectively how the execution schedule was influenced by Transelectrica's failure to adjust the Contract price as a result of the legislative changes introduced by GEO 114/2018 in the sense of increasing the minimum wage in the construction sector to the amount of 3000 lei/month.

Sets April 29, 2022, at 9:00 a.m., for the parties to be summoned. At the hearing on April 29, 2022, the case is adjourned for the taking of evidence and set a date of October 14, 2022.

After several adjournments of the judgment of the case, at the term of 12.01.2024, the short solution is: it grants a term of 08.03.2024 to take cognizance of the content of the expert's report.

After several adjournments, at the term of 27.05.2024, the short solution: Rejects the request for completion of the expert's report, filed by the defendant National Power Grid Company TRANSELECTRICA SA, as unfounded. Admit the request for a new expert's report submitted by the plaintiff ROMELECTRO S.A. Instructs the expert to redo the expert's report. Instructs the expert to take into account all the documents provided by the parties, including the subcontracting agreements, when drawing up the new expert's report. Sets October 18, 2024 as the hearing for the submission of the expert's report, when the parties will be summoned. Instructs the expert to submit the expert report at least 10 days before the hearing of October 18, 2024.

At the term of October 18, 2024, adjourned the case for 10.01.2025 for lack of expert report.

• File No. 8193/3/2022 - claimant Tempos Sev (2,437,253)

The file concerns claims - OUG 114/2018 for contract C80/2018 - *Refurbishment of 220/110kV Hăşdat station*. At the term of June 10, 2022, the case is adjourned to 10/14/2022.

At the hearing of October 14, 2022, the judgment was adjourned to October 21, 2022. Solution: "Pursuant to art. 258 and art. 255 of the Code of Civil Procedure, the parties are granted written evidence and the defendant is also granted the evidence of the plaintiff's cross-examination and of the expert's report. Orders that the accountant's expert's report is to have the objectives indicated by the defendant in its statement of objections, to which are to be added the additional objectives indicated by the defendant in the note of evidence lodged at the hearing on 14.10.2022, and the objectives indicated by the applicant in the notes of the hearing lodged at the same hearing. Orders the applicant to file the documents requested by the defendant in the Note of Evidence of October 14, 2022. The applicant is ordered to file the reply to the interrogatory which was communicated with the statement of defense, under the signature of the legal representative, subject to the application of the provisions of Article 358 of the Code of Civil Procedure. Pronounced today, 21.10.2022, by the court clerk's office making the solution available to the parties." Trial date 05.05.2023.

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

After several adjournments, at the hearing of 14.06.2024, the short solution: Due to the absence of the expert's report, the case is adjourned to 18.10.2024.

At the term of October 18, 2024, adjourned the case for 13.12.2024 for lack of expert report.

• File No. 8442/3/2022 - claimant Tempos Sev (1,429,832)

The file concerns claims - GEO no. 114/2018 for contract C80/2018 - Refurbishment of 220/110kV Hăşdat station.

At the term of 16.09.2022, the plea of joinder is allowed. Refers the case back to the panel first responsible for dealing with file No. 8193/3/2022, namely the 12th Merits panel, with a view to joining file No. 8442/3/2022 to file No. 8193/3/2022. Appealed together with the merits. Delivered, today, 16.09.2022, by the court registry, which made the judgment available to the parties. Document: Final judgment (divestiture) 16.09.2022.

Following the joinder of file No. 8442/3/2022 to file No. 8193/3/2022, presented above, the issues at stake will be examined in the first case (8193/3/2022).

• File No. 8440/3/2022 - claimant Tempos Sev (2,437,253)

The file concerns claims - OUG 114/2018 for contract C80/2018 - Refurbishment of 220/110kV Hăsdat station.

At the hearing of 13.09.2022, the case was adjourned to 08.11.2022, in order to administer the evidence ordered.

At the hearing on 08.11.2022, the case is adjourned.

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

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

After several adjournments, at the term of 11.06.2024, the short solution: For the taking of the evidence of the expert construction, adjourn the case to **10.12.2024**.

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

• Audit by the Court of Auditors of Romania

As of September 04, 2023, the Court of Auditors, through Department IV, is carrying out a compliance audit at NPG CO. Transelectrica SA. The scope of the audit being:

a) contracting and procurement;

b) salaries and other rights granted to the Company's staff.

The subject of the compliance audit is "the situation, evolution and management of public and private state assets, as well as the legality of the realization of revenues and expenditure for the period 2020-2022" at NPG CO. Transelectrica SA.

The audit has not been finalized at the date of preparation of these financial statements.

20. Related parties

i) Transactions with subsidiaries owned by the Company

Entity	Country of Origin	September 30, 2024 % of shares	December 31, 2023 % of shares
SMART SA	Romania	100	100
TELETRANS SA	Romania	100	100
ICEMENERG SA *)	Romania	-	-
OPCOM SA	Romania	97.84	97.84
FORMENERG SA	Romania	100	100
ICEMENERG SERVICE SA **)	Romania	-	-

The net value of shares held by the Company in its subsidiaries is 78,038,750 as of September 30, 2024 and December 31, 2023, respectively.

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The gross value of the Company's holdings in its subsidiaries is presented as follows:

SMART SA

The company SMART SA with registered office in B-dul Magheru, nr. 33, sector 1, Bucharest and with its head office at the working point in B-dul Gheorghe Şincai, nr. 3, "Formenerg" Building, 1st floor, sector 4, Bucharest, whose main object of activity is to perform maintenance works for the transport-dispector system, was established by HG no. 710/19.07.2001 on November 1, 2001.

The Extraordinary General Meeting of the Shareholders of S Smart SA approved with Resolution no. 14/10.12.2014 the capital increase of S Smart SA by contribution in kind with the value of the land for which the certificate of attestation of ownership was obtained.

On 30.12.2014, the Trade Register Office of the Bucharest Court of Bucharest resolved the application for registration of the share capital increase of S Smart SA.

As of 25.01.2016, the National Office of the Trade Register of Commerce has made the change in the shareholding structure of S Smart SA, namely the mention regarding the management of the state portfolio, a change required, according to art. 10 of GEO no. 86/2014, amended and updated.

Thus, on September 30, 2024, the share capital of S SMART SA is 38,528,600, divided into 3,852,860 registered shares, each share having a value of 10 lei, fully subscribed and paid in by the Company.

TELETRANS SA

The company TELETRANS SA with registered office in B-dul Hristo-Botev, no. 16 - 18, sector 3, Bucharest and with its head office at the working point in Stelea Spătarul street, no. 12, sector 3, Bucharest has as its main object of activity the process and managerial computer maintenance services, specific telecommunications and information technology services in RET, telephony, data transmissions and was established by GMS Decision no. 3/2002.

The share capital at September 30, 2024 is 6,874,430, fully subscribed and paid up.

ICEMENERG SA

The Subsidiary Company Institutul de Cercetări și Modernizări Energetice - ICEMENERG SA with registered office in B-dul Energeticienilor, nr. 8, sector 3, Bucharest, has as its main object of activity research and development in physical and natural sciences, innovation, studies, development strategies, design activities, urban planning, engineering and other technical services and was established by HG no. 1065/04.09.2003.

In the Company's books, as at September 30, 2024, the share capital of the Subsidiary Icemenerg SA amounts to 1,083,450, fully subscribed and paid in.

*) On 07.04.2014, was admitted by the National Trade Register Office, the file with registration number 121452/03.04.2014, having as object the deletion of the subsidiary Institutul de Cercetari si Modernizari Energetice - ICEMENERG SA Bucharest. By Order no. 123/13.03.2014 (act of registration and authorization of officials), the "National Institute of Research and Development for Energy Bucharest" was registered in the Trade Register (HGR no. 925/2010). The Company filed a complaint against the resolution of the Director of the ORC ordering the registration in the Trade Register of the deregistration of the Subsidiary ICEMENERG SA Bucharest.

The Bucharest Tribunal, Civil Section VI, by Judgment no. 3569/14.07.2014 rendered in file No. 15483/3/2014, in which the Company was in conflict with the defendants Filiala Institutul de Cercetări şi Modernizări Energetice "Icemenerg" S.A. Bucharest and Institutul Național de Cercetare-Dezvoltare pentru Energie-Icemenerg Bucharest, rejected the Company's complaint, on the grounds that HG no. 925/2010 had not been abolished until the moment of the cancellation at the ORC. On 24.02.2015, the Court of Appeal communicated the decision rendered in file No. 15483/3/2014 și.e. Decision no. 173/2015, rejecting the appeal of NPG CO. Transelectrica SA as unfounded, the decision being final.

Against Decision no. 173/2015, issued by the Bucharest Court of Appeal, Transelectrica SA filed an appeal for annulment, which is the subject of file No. 1088/2/2015, pending before the Bucharest Court of Appeal - Section VI Civil, with a hearing for judgment on 13.05.2015. On 13.05.2015, by Decision no. 777/2015, the Bucharest Court of Appeal rejected the appeal for annulment as unfounded, the decision being final.

In 2015, the company recorded an impairment adjustment in the amount of 1,083,450 for the shares held in the subsidiary Institutul de Cercetări şi Modernizări Energetice - ICEMENERG SA Bucharest, which was written off.

In the meetings held on 28.03.2016 and 30.08.2016, the EGMS did not approve the reduction of the share capital of NPG CO. Transelectrica SA by the amount of 1,084,610, representing the subscribed and paid-up share capital of the Subsidiary ICEMENERG

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SA Bucharest, by reducing the Romanian State's participation in the share capital of NPG CO. Transelectrica SA, in application of the provisions of GD no. 925/2010.

OPCOM SA

The company OPCOM SA with registered office at B-dul Hristo Botev no. 16-18, sector 3, Bucharest, with legal personality, has as its main object of activity the organization, management and supervision of the energy market and was established by HG no. 627/2000.

On 13.02.2018, the Extraordinary General Meeting of the Subsidiary OPCOM SA approved the increase of the share capital of the Company OPCOM SA ("OPCOM SA"), the Operator of the Electricity and Natural Gas Market OPCOM SA, by the amount of RON 678,790 by contribution in kind represented by the value of the land for which the company obtained the Certificate of Attestation of Ownership of Land, series M03 no. 12899/27.02.2014, issued by the Ministry of Economy. The contribution in kind was valued by an expert appraiser appointed by the ONRC. In exchange for the contribution in kind to the share capital, the company issued to the new shareholder the Romanian State through the Ministry of Economy, which exercised from the date of the resolution of the EGMS the powers of the person involved, a number of 67,879 new registered shares with a nominal value of RON 10 each. On 20.03.2019, the National Trade Register Office of the Bucharest Tribunal resolved the application for registration of the share capital increase of OPCOM SA.

As at 31.12.2018, the share capital represented by the increase with the contribution in kind of the Company in the amount of 22,587,300 is recorded in the financial statements subject to the approval of the GMS by OPCOM, being presented as fully subscribed and unpaid share capital.

As of September 30, 2024, the share capital is 31,366,090, of which 8,778,790 is fully subscribed and paid-in share capital. The share capital difference in the amount of 22,587,300 is represented by the Company's contribution in kind, i.e. intangible assets - "OPCOM Commercial Power Exchange" and "OPCOM Regional Power Exchange", financed from the Company's own sources and IBRD funds and valued according to the Valuation Report No. 786/15.03.2016 issued by JPA Audit & Consultancy Ltd.

As of September 30, 2024, the share capital of OPCOM SA is RON 31,366,090, representing a number of 3,136,609 registered shares with a share value of RON 10 and a shareholding of NPG CO. Transelectrica SA in profits and losses of 97.84%.

FORMENERG SA

The company FORMENERG SA with registered office in B-dul Gh.Şincai, nr. 3, sector 4, Bucharest, with legal personality, has as its main object of activity the initial and continuous vocational training in all fields of activity of energy personnel, as well as other beneficiaries and was established by GMS Decision no. 33/2001.

The share capital at September 30, 2024 is 1,948,420, fully subscribed and paid up.

ICEMENERG SERVICE SA

By GD no. 2294/09.12.2004, the transfer of the shares held by the Subsidiary "Institutul de Cercetări și Modernizări Energetice - ICEMENERG" - S.A. Bucharest to the Subsidiary "ICEMENERG-SERVICE" - S.A. Bucharest to the National Company for the Transport of Electricity "Transelectrica" - S.A. was approved.

The Company recognized an impairment adjustment in 2016 in the amount of 493,000 for shares held in the subsidiary ICEMENERG SERVICE SA.

The share capital at September 30, 2024 is 493,000, subscribed and fully paid up.

**) On 09.06.2017, the Bucharest District Court, Civil Section VII, ordered the debtor ICEMENERG SERVICE - SA, appointing Solvendi SPRL as provisional liquidator.

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

In file No.18051/3/2017, According to the Insolvency Proceedings Bulletin no. 9152/26.05.2022, the Bucharest Tribunal - Civil Section VII by civil judgment no.2429 approved the final report of the judicial liquidator, and on the basis of Article 175 paragraph 2 of Law no.85/2014 on insolvency prevention and insolvency proceedings, closed the insolvency proceedings against the debtor Societatea Filiala "Icemenerg-Service" SA by striking it from the Bucharest Trade Register. The company was not notified of the judgment until 09/30/2024.

Balances with subsidiaries held by the Company are as follows:

AFFILIATED	Trade receivables*)		Trade	liabilities
ENTITY	September 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
SMART SA	308,182	505,575	21,358,988	26,136,624
TELETRANS SA	169,422	163,073	26,716,333	32,618,057
FORMENERG SA	-	-	1,904	-
OPCOM SA	250,679,484	137,025,151	273,424,923	170,043,524
TOTAL	251,157,088	137,693,799	321,502,148	228,798,205

^{*)} Trade receivables are shown gross.

Transactions with the Company's subsidiaries during the reporting period are detailed as follows:

AFFILIATED	Sales			
ENTITY	Third quarter 2024	Third quarter 2023	9 months 2024	9 months 2023
SMART SA	165,925	175,129	789,975	683,026
TELETRANS SA	177,715	1,006,164	596,840	1,754,073
FORMENERG SA	-	-	-	-
OPCOM SA	1,298,584,928	527,492,729	2,033,211,330	935,309,343
TOTAL	1,298,928,568	528,674,022	2,034,598,145	937,746,442

ENTITY		Acquisitions			
AFFILIATE	Third quarter 2024	Third quarter 2023	9 months 2024	9 months 2023	
SMART SA	28,271,871	26,305,321	70,247,106	65,534,712	
TELETRANS SA	13,616,990	12,250,610	40,047,870	36,221,668	
FORMENERG SA	1,600	550	1,600	2,174	
OPCOM SA	304,552,042	493,134,556	1,395,107,565	2,656,978,692	
TOTAL	346,442,503	531,691,037	1,505,404,141	2,758,737,246	

In the first 9 months of 2024, the Company received dividends from its subsidiary OPCOM amounting to 14,649,757.

ii) Salaries of the Company's management

Salaries paid to management for services rendered consist mainly of base salary, as well as termination and post-employment benefits. These are itemized as follows:

	Third quarter 2024	Third quarter 2023	9 months 2024	9 months 2023
Short-term benefits	5,882,377	4,736,593	17,416,057	14,233,926
Other long-term benefits	211,364	-	237,944	79,250
Total	6,093,741	4,736,593	17,654,001	14,313,176

21. Credit risk

Credit risk is the risk that the Company incurs a financial loss as a result of a customer or counterparty to a financial instrument failing to meet its contractual obligations. This risk arises mainly from trade receivables and cash and cash equivalents.

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

Financial assets that may subject the Company to collection risk are primarily trade receivables and cash and cash equivalents. The Company has put in place a number of policies to ensure that the sale of services is made to customers with adequate collection by including in commercial contracts the obligation to provide financial guarantees. The amount of receivables, net of adjustments for impairment, represents the maximum amount exposed to collection risk. The maximum exposure to collection risk at the reporting date was:

September 30, 2024	December 31, 2023
1,700,191,231	1,620,132,453
437,222,925	280,338,797
223,524,327	215,086,522
899,907,906	519,358,908
<u> </u>	
3,260,846,389	2,634,916,680
	437,222,925 223,524,327 899,907,906

The ageing of **receivables** at the date of the statement of financial position is shown below:

	Gross value September 30,	Impairment adjustment September 30,	Gross value December 31,	Impairment adjustment December 31,
	2024	2024	2023	2023
Not reached maturity	1,608,916,692	680	1,531,342,224	330,772
Due date exceeded from 1 to 30 days	575,689	-	(329,026)	-
Due date exceeded from 31 to 90	(3,824)	-	169,704	-
days				
Due date exceeded from 90 to 180 days	1,560,800	-	200,418	15,266
Due date exceeded from 180 to 270	173,157	-	30,019,270	30,014,000
days				
Due date exceeded from 270 to 365	45,375	1,388	206,356	17,254
days				
More than a year	212,394,420	123,469,010	184,044,637	95,143,838
Total	1,823,662,309	123,471,078	1,745,653,583	125,521,130

The ageing of **other receivables** at the date of the statement of financial position is shown below:

	Gross value September 30, 2024	Impairment adjustment September 30, 2024	Gross value December 31, 2023	Impairment adjustment December 31, 2023
Not reached maturity	632,549,286	-	468,005,322	1,841,664
Due date exceeded from 1 to 30 days	378,531	-	11,004,350	-
Due date exceeded from 31 to 90 days	641,043	342,478	16,352,177	347,123
Due date exceeded from 90 to 180 days	1,944,607	1,845,055	481,065	15,824
Due date exceeded from 180 to 270 days	5,073,389	1,887,139	142,180	34,948
Due date exceeded from 270 to 365 days	23,456,895	23,451,874	372,881	1,770,073
More than a year	82,543,071	58,313,024	83,523,474	80,446,498
Total	746,586,822	85,839,570	579,881,449	84,456,130

Transelectrica's policy is to record impairment adjustments for loss of value amounting to 100% for customers in litigation, insolvency and bankruptcy and 100% of trade and other receivables not collected within a period of more than 180 days, excluding outstanding receivables generated by the support scheme. The Company also conducts an individual analysis of trade and other uncollected receivables.

The highest impairment adjustments at September 30, 2024, calculated for trade receivables and related penalties, were recorded for Romelectro (39,784,774), JAO (30,011,010), CET Govora (24,645,019), Arelco Power (14,788,022), Total Electric Oltenia SA (14,185,577), Romenergy Industry (13,512,997), Elsaco Energy (9,276,118), RAAN (8,516,707), OPCOM (8,487,394), Next Energy Partners (8,395,132).

In order to recover the claims adjusted for impairment, the Company has taken the following measures: legal action, registration in the creditor's list etc.

The evolution of **doubtful receivables impairment adjustments** is presented as follows:

	September 30, 2024	December 31, 2023
Balance at January 1	125,521,130	132,837,163
Recognition of impairment adjustments	6,032	31,664,485
Reversal of impairment adjustments	2,056,084	38,980,518
Balance at end of period	123,471,078	125,521,130

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

	September 30, 2024	December 31, 2023
Balance at January 1	84,456,130	76,330,845
Recognition of impairment adjustments	4,725,950	25,239,079
Reversal of impairment adjustments	3,342,510	17,113,794
Balance at end of period	85,839,570	84,456,130

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

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

Notes to the separate interim financial statements as at September 30, 2024

(All amounts are expressed in RON unless otherwise provided))

22. 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,
- > Ştefăniță 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.