

NPG CO. TRANSELECTRICA

CONSOLIDATED ANNUAL REPORT

2024



Report of the Supervisory Board on the consolidated financial statements prepared in accordance with International Financial Reporting Standards

The Supervisory Board is based on the principles of corporate governance, which require a responsible, professional and objective attitude of the Company towards its stakeholders. The Board examines the Company's strategy and the premises of the environment in which it operates in order to plan its development and performance, ensuring a rigorous formulation of objectives.

The consolidated financial statements for 2024 were presented to the Supervisory Board, with the Company's Directorate providing detailed information on the annual results. During the meeting to review the 2024 financial statements, the Audit Committee presented to the Supervisory Board an analysis of the results for the 2024 financial year and recommended to the Supervisory Board to review the consolidated financial statements, prepared in accordance with OMFP No. 2844/2016.

The 2024 Consolidated Annual Report gives a true and fair view of the Group's results for the financial year 2024.

The Audit Committee assists the Supervisory Board in fulfilling its oversight responsibilities for monitoring the financial reporting process, management reporting, the internal control system, the audit process, the risk management system, and the organizational process for monitoring compliance with laws, regulations and the code of conduct.

Best regards,

Supervisory Board represented by

Chairman

Statement of Responsible Persons

To the best of our knowledge, the consolidated financial statements as at and for the 12-month period ended December 31, 2024 have been prepared in accordance with the Order of the Minister of Public Finance No. 2844/2016 with subsequent amendments and additions, for the approval of the Accounting Regulations in accordance with International Financial Reporting Standards and give a true and fair view of the financial position and profit and loss account of the Group.

The Consolidated Annual Report of the Directorate includes fair and consistent information on the development and performance of the Group and a description of the principal risks and uncertainties specific to the business.

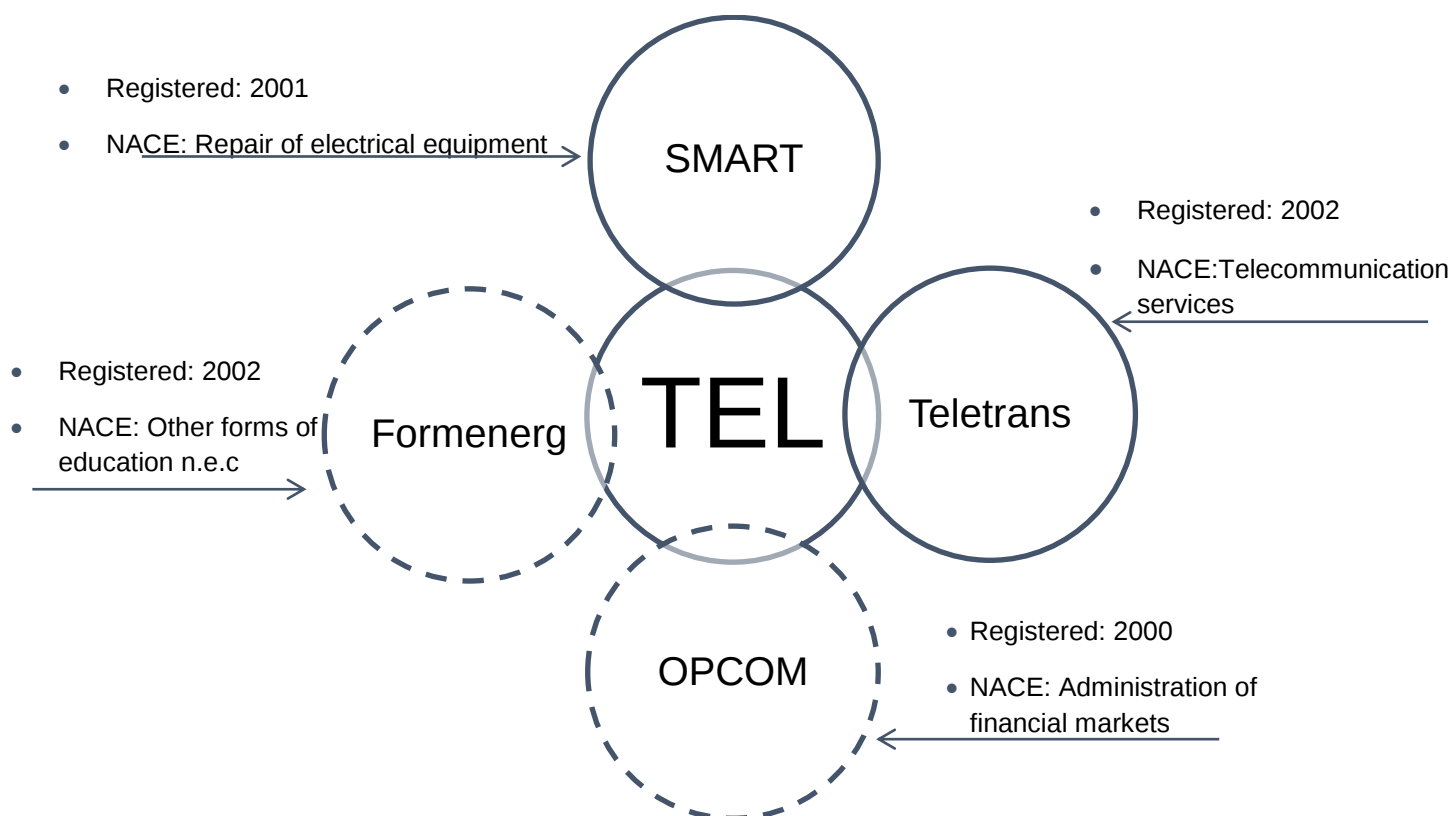
Directorate,

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

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PRESENTATION BRANCHES



At the date of this report, Transelectrica has six subsidiaries (two of which are deregistered from the Trade Register), Romanian legal entities organized as joint stock companies. Transelectrica is the sole shareholder in three of the subsidiaries (Formenerg, Teletrans and Smart) and the majority shareholder in the case of the subsidiary OPCOM.

It should be noted that Transelectrica was also the sole shareholder of Subsidiaries ICEMENERG SA and ICEMENERG SERVICE (subsidiaries which at the date of this report are struck off from the ONRC).

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

The following were not taken into account in the preparation of the consolidated financial statements:

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

SMART



The subsidiary Societatea Comercială pentru Servicii de Mentenanță de Rețelei Electrice de Transport "SMART" SA was established in 2001, by HG no.710/19.07.2001 by reorganizing some activities within Transelectrica.

The main activity of the subsidiary is to carry out overhaul and repair of primary switchgear and equipment in electrical networks (so that ETG installations operate safely at the performance level required by the license), troubleshooting of incidents in electrical installations, energy services, energy services for the energy system and microproduction of electrical equipment. The company has 8 unincorporated branches.

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

The subsidiary is a company with national coverage, strategic in terms of maintenance, repairs, expertise and consultancy provided for:

- Low, medium, high and extra high voltage switchgear and equipment - up to 750kV inclusive,
- Equipment and circuits for protection, automation, measurement, command - control,
- Transformers and autotransformers of all powers and all voltages,
- Overhead and wired power lines of all voltage levels.

The subscribed and paid-in share capital as at December 31, 2024 is RON 38,529 thousand, Transelectrica being the sole shareholder. The SMART subsidiary's results are consolidated with the Company's financial results.

SMART shares are 100% owned by Transelectrica.

TELETRANS



Subsidiary TELETRANS SA was established by Transelectrica's AGM Decision no. 13/04.12.2002, on the basis of Law no. 31/1990 and Ministry of Industry and Trade Orders no. 3098 and no. 3101 dated 23.10.2002 and is the provider of specific telecommunications and information technology services for Transelectrica's operational and management management, having as its main object of activity the provision of specific telecommunications services. At the same time, the Subsidiary has the possibility to commercialize specific services on the liberalized communications market in Romania

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

On the basis of the Statute and the applicable normative acts, Teletrans holds the ANCOM certificate as a provider of electronic communication networks or services since 2002 (O.U.G. no. 679/2002), which gives it the right to provide the following electronic communication services:

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

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

The services provided by Teletrans were mainly IT/Tc services to Transelectrica, maintenance services of the local metering system at the Company's substations and telecommunication services through the commercialization of the existing excess capacity in the fiber optic communication infrastructure.

The subscribed and paid-up share capital as at December 31, 2024 is RON 6,874 thousand, Transelectrica being the sole shareholder. The results of the subsidiary Teletrans are consolidated with the Company's financial results.

TELETRANS shares are 100% owned by Transelectrica.

FORMENERG



The company FORMENERG SA was established as a result of the Decision No. 33/19.11.2001 of the General Meeting of Shareholders - "Transelectrica" S.A., by outsourcing the activity of the Branch for Training and Further Training of Personnel in the Energy Sector. FORMENERG started its activity on March 21, 2002.

The FORMENERG subsidiary is a company whose main object of activity is the initial and continuous vocational training, in all areas of activity, of energy-related

personnel from all sectors of the national economy and other beneficiaries, as well as hotel services, rental services and event organization services.

FORMENERG SA is based on an old vocational training center in Romania, with extensive experience in the field of vocational training, currently offering a wide range of courses, both in technical fields (construction, energy, installations, etc.) and of general interest (project management, sales, training, etc.) with a portfolio of over 200 courses. The courses authorized and approved by institutions such as ANRE or the Ministry of Labor and Social Solidarity are delivered by professional and experienced lecturers and trainers.

The Subsidiary is also a training provider authorized by the National Qualifications Authority (NQA).

FORMENERG competences are structured along the following main strands:

- vocational education/training services,
- hotel accommodation services,
- rental services (building, classrooms).

The share capital on December 31, 2024 is 1.948 thousand lei, fully paid up, represented by 194.842 shares with a nominal value of 10 lei each.

FORMENERG shares are 100% owned by Transelectrica.

ICEMENERG - SERVICE

The company ICEMENERG SERVICE - SA has been focused on the design, production and distribution of measuring, management and control devices for the energy system, having ISO 9001 and IQ NET certification by SRAC ROMANIA, ANRE certified.

On 09.06.2017, the Bucharest District Court, Civil Section VII, ordered the debtor ICEMENERG SERVICE - SA, the subsidiary company, to file for bankruptcy by simplified procedure, appointing Solvendi SPRL as provisional liquidator.

18759, the Special Administrator of the Subsidiary ICEMENERG Service SA informed 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 case 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 "Icemenerg-Service" SA by striking it from the Bucharest Trade Register.

OPCOM



OPCOM SA was established on the basis of GD no. 627/2000 on the reorganization of Companiei Naționale de Electricitate SA, as a subsidiary whose sole shareholder was Transelectrica.

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

- To exercise the activity of organization and management of centralized electricity markets;
- Acting as organizer and administrator of the green certificates market;
- Exercise of the activity of managing centralized markets in natural gas;
- Exercising the role of Single Buyer in the framework of the Centralized Electricity Procurement Mechanism.
- For the delivery period prior to October 2023, the determination of payment obligations/collection charges for transactions realized by the Balancing Market Participants and for the TSOs, the

calculation of the single final prices, the final deficit prices, the final surplus prices as well as the determination of the quantitative and value imbalances of the Balancing Responsible Parties, as delegated operator for performing the settlement of balancing energy, and the imbalances of the Balancing Responsible Parties;

- Supervising the functioning of administered markets;
- Collect and publish statistical data on the market, according to the Energy Law;
- Registered Reporting Mechanism (RRM)
- Management and development of IT platforms serving energy markets
- Active participant in the European energy market.

OPCOM is currently working with the Bucharest Stock Exchange to identify projects through which the two entities will propose the trading of derivatives to manage the risk of energy price relativity and the execution of clearing and settlement through a national Clearing House (Central Counterparty in Romania-CCP.RO). In 2021, OPCOM and CCP.RO negotiated the Contract on the framework for the clearing and settlement of transactions concluded on the Centralized Market for Bilateral Contracts for Electricity - Continuous Trading (PCCB-NC) managed within OPCOM. This project is necessary for the energy market and the capital market, contributing to increased liquidity and smooth payments by increasing transaction security and reducing the costs of cleared transactions, thus following European best practices in the field of capital markets together with the energy markets.

At the same time, OPCOM has been qualified by ACER as a Registered Reporting Mechanism, in order to report the bids and transactions established by the participants in the Romanian wholesale energy market.

OPCOM is a member of the Association of Power Exchanges (APEX), the Association of European Power Exchanges (EUROPEX), the Association of European Energy Exchanges (EUROPEX), other national committees and associations.

At the same time, in the framework of the Region's Flow-based Coupling Project, on June 8, 2022, the 16 Transmission and System Operators (TSOs) in the Core Capacity Calculation Region (Core CCR), together with 10 Designated Electricity Market Operators (DMEOs), initiated the day-ahead flow-based market coupling. Also, as part of the Core FB MC project, the market coupling between Croatia and Hungary & Slovenia and Hungary was implemented, contributing to a more complete and better functioning European market coupling.

OPCOM is directly involved in the overall European efforts dedicated to the creation of the single electricity price, being fully integrated and engaged in a series of European and regional cooperations corresponding to its profile, being strongly anchored in the European efforts dedicated to this objective.

Transelectrica does not exercise effective direct control over the decision-making mechanisms of OPCOM, which is managed according to the regulations established by ANRE.

The subscribed and paid-up share capital of OPCOM as at December 31, 2024 is 31,366 thousand lei, Transelectrica being the majority shareholder. The shareholder structure is as follows:

- NPG CO. Transelectrica SA - 97.84%
- Romanian State through the General Secretariat of the Government - 2.16%.

IDENTIFICATION INFORMATION

SMART

Registered office	Bucharest, BUCHAREST, Bd. Gen. Gh. Magheru nr. 33, sector 1
Place of business	Bucuresti, Bd. Gheorghe Sincai nr. 3, "Formenerg" Building, 1st floor, sector 4
Order number in the Trade Register	J40/8613/2001
Tax Registration Number	14232728
Share capital	38.529 thousand lei, divided into 3.852.860 registered shares with a nominal value of 10 lei each
Sole shareholder	Transelectrica
Deed of Incorporation	GD no. 710/2001 on the establishment of the subsidiary "SMART" SA, the Commercial Company for Maintenance Services of the Transmission Electricity Network, by reorganization of some activities within Transelectrica

TELETRANS

Registered office	Bucharest, BUCHAREST, Bd. Hristo Botev nr. 16-18, sector 3
Place of business	Bucharest, Str. Stelea Spătarul nr. 12, sector 3
Order number in the Trade Register	J40/12511/2002
Tax Registration Number	15061510
Share capital	6.874 thousand lei, divided into 687.443 registered shares with a nominal value of 10 lei each
Sole shareholder	Transelectrica
Deed of Incorporation	AGA Decision of NPG CO. Transelectrica no.13 of 20.03.2002 and the orders of the Minister of Industry and Resources no.3098,3101/23.10.2002

FORMENERG

Registered office / Place of business	Bucharest, BUCHAREST, Bd. Gheorghe Sincai, nr. 3, sector 4
Order number in the Trade Register	J40/ 2265/ 2002
Tax Registration Number	14529126
Share capital	1.948 thousand lei, divided into 194.842 registered shares with a nominal value of 10 lei each
Sole shareholder	Transelectrica
Deed of Incorporation	Transelectrica AGM Decision No. 33 of November 19, 2001

OPCOM

Registered office / Place of business	Bucharest, BUCHAREST, Bd. Hristo Botev nr. 16-18, sector 3
Order number in the Trade Register	J40/7542/2000
Tax Registration Number	13278352
Share capital	31.366 thousand lei divided into 3.136.609 registered shares with a nominal value of 10 lei each
Shareholders	Transelectrica - 97.84% Romanian State - 2.16%
Deed of Incorporation	Government Decision No 627/13.07.2000

GOVERNANCE STRUCTURES

The executive management of the Subsidiaries at the date of this report is ensured by the following persons:

SMART:

Gheorghe BOLINTINEANU	General Manager
Mihai Liviu NEGOESCU	Economic Manager

TELETRANS:

Decebal BĂESCU	General Manager
Florin Nicolae MÂRZA	Economic Manager

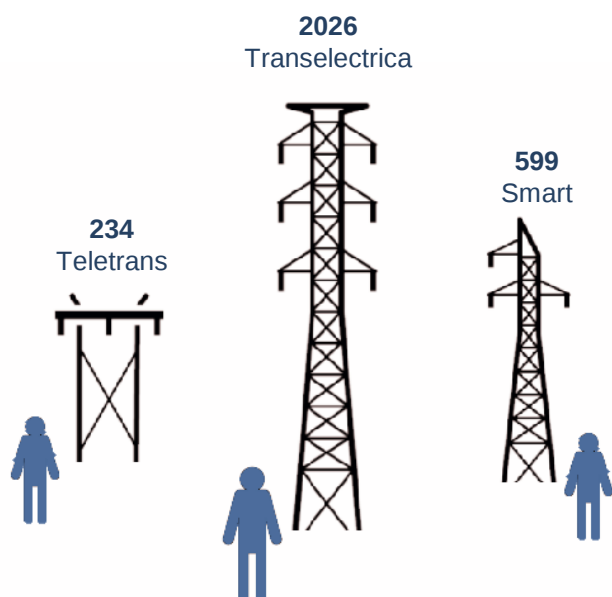
FORMENERG:

Lucian BICA	General Manager
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OPCOM:

Cristina SETRAN	General Manager
Silvia FEDIUC	Economic Manager

Number of employees in 2024



Indicators consolidated figures	
Total assets	10.825.542 thousand lei
Turnover	7.623.458 thousand lei

CONSOLIDATION RESULTS 2024-2022

The Group's financial results were as follows

Thousands RON	2024	2023	2022		24/23
Operating revenues	7.903.976	4.724.837	6.307.383	▲	67%
Operational expenses*	(6.956.949)	(4.143.342)	(5.422.330)	▲	68%
EBITDA	947.027	581.495	885.053	▲	63%
Depreciation	(371.792)	(340.445)	(281.217)	▲	9%
EBIT	575.235	241.049	603.836	▲	139%
Financial result	9.675	(2.358)	(8.213)	▼	n/a
EBT	584.910	238.691	595.623	▲	145%
Income tax	(4.802)	(21.245)	(73.990)	▼	(77%)
NET RESULT	580.108	217.446	521.633	▲	167%

*Operating expenses excluding depreciation

Thousands RON	2024	2023	2022		24/23
Non-current assets	6.277.384	5.896.242	4.466.199	▲	6%
Current assets	4.548.158	2.705.335	3.733.729	▲	68%
TOTAL ASSETS	10.825.542	8.601.577	8.199.928	▲	26%
Shareholders' equity	5.907.117	5.295.134	3.904.692	▲	12%
Non-controlling interests	-	-	-	-	-
Non-current liabilities	926.478	952.326	707.516	▼	(3%)
Current liabilities	3.991.948	2.354.117	3.587.720	▲	70%
SHAREHOLDERS' EQUITY AND LIABILITIES	10.825.542	8.601.577	8.199.928	▲	26%

Thousands RON	2024	2023	2022		24/23
Net cash from operating activities	890.295	698.971	485.887	▲	27%
Cash used in investment activity	(618.474)	(311.612)	(451.758)	▲	98%
Cash used in financing activity	(56.638)	(154.209)	34.897	▼	(63%)
Net decrease in cash and cash equivalents	180.274	193.219	69.026	▼	(7%)
Cash and cash equivalents as at January 1	526.900	333.681	264.656	▲	58%
Cash and cash equivalents at the end of the period	707.174	526.900	333.681	▲	34%

In 2024, the Group's results improved in the years under review. The Group's operating revenues increased by 67% compared to 2023 and by 25% compared to 2022. Operating expenses (including depreciation and depreciation) increased compared to 2023 by 63% and compared to 2022 by 28%. Compared to previous years the financial result showed a profit of 9,675 thousand lei.

At the same time, in order to finance three essential investment projects for the efficiency and modernization of the electricity transmission network, the Company obtained 56.2 million euro through the REPowerEU component of the PNRR, approved by the Council of the European Union, two of them being intended for the subsidiaries SMART SA and Teletrans SA.

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

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

As regards **the Re PowerEU Plan**, *Investment 16 - digitization, streamlining and modernization of the national electricity transmission grid (allocation 56.237.200 euro)* was approved, as follows:

- *Investment 6.a - Installation of photovoltaic power plants (PPP) and electricity storage facilities for supplying internal services installed in NPG CO. Transelectrica S.A. substations (allocation 29.557.000 euro);*
- *Investment 6.b - SMART SA - subsidiary NPG CO. Transelectrica S.A. (allocation EUR 18,240,000);*
- *Investment 6.c - Optimization of the communication network and creation of a data center -Teletrans SA, subsidiary NPG CO. Transelectrica S.A. (allocation 8.440.200 euro).*

In this context, in the first quarter of 2024, a grant agreement is to be signed with the General Secretariat of the Government.

TELETRANS

Investments in the re-engineering and modernization of energy networks through the introduction of digitization and smart grids are essential measures to support the process of sector integration and energy transition. Digitization will significantly contribute to the secure operation of the energy system by increasing efforts and response capacity in the event of system failures. Transelectrica's IT&C infrastructure represents an infrastructure of national strategic importance, especially in the current geopolitical context, cyber security being a central component of stability and safety in the operation of the ETG/SEN by ensuring data protection, with impact on the safety of operational decision-making in the process of NES management by Transelectrica.

The optimization of the communication network and the creation of a data center involves the implementation of three components:

- Data center - purchase of equipment and software necessary for the endowment of a data center in the Sibiu-Brasov area, at Transelectrica headquarters; Estimated value: 23.362.855 lei

The Data Center will be a secure physical location protected against intrusion and natural and technological hazards in which 9 IT infrastructure containers and 3 Power containers will be installed in which IT equipment (e.g. Servers, Switch, UPS, etc) will be installed. The Data Center will ensure the security of the physical elements through which Transelectrica's telecommunication system is coordinated, which will provide all security elements according to standards. The center will manage Transelectrica's equipment, ensuring continuous and uninterrupted operation of IT equipment and a constant backup of transmitted and stored data. The data center will also ensure increased connectivity and mobility between the critical services required by Romanian electricity producers, transporters and distributors, which will lead to the provision of electricity to consumers.

- Network traffic analyzers - purchase of L2-7 traffic analyzer, 4 SFP ports; SFP multimode and SFP singlemode - to be used in the diagnosis and testing of ethernet circuits within Transelectrica's IP communications network; Estimated value: 3.590.000 lei

The telecommunication network of NPG CO. Transelectrica S.A. requires modernization and updating according to the latest technologies in order to align with European quality standards. Network capacity certification guarantees the functioning of intermediate equipment and physical and logical links for the secure provision of data transmission and internet access services. As today's systems are diversified and especially decentralized, there is a need for tools capable of obtaining fast network results, such as traffic analyzers. The proposed investment aims to purchase 8 pieces of L2-7 Traffic Analyzer Set with 4 SFP ports (multimode and singlemode), with the role of accurately diagnosing possible network malfunctions.

- IT&C network security - purchase of equipment: storage system, firewall, switch internal links, switch infrastructure, switch PoE; Server, distribution router; Estimated value: 15.248.145 lei

As far as the security of the IT&C network is concerned, at present, even though there is a series of equipment that ensures the security of Transelectrica's IT&C network, it is necessary to equip it with additional equipment to increase the degree of protection and filtering of malicious information. In order to ensure a higher level of security of Transelectrica's IT&C network, it is necessary to purchase a series of IT equipment to filter data traffic at the network level, with the aim of eliminating information that presents a security risk, store information to ensure a permanent backup of the company's information and ensure a constant data transfer flow. This equipment is mainly needed in the context of increasingly frequent cyber-attacks as well as for backup purposes.

The whole investment will contribute to increasing the resilience of the NES/ETG by addressing bottlenecks that may occur in the electricity transmission network by tackling the causes related to cyber security through:

- to reduce the risks of cyber-attacks on Transelectrica's IT&C infrastructures by improving the level of logistical preparedness (equipping) with modern, up-to-date equipment and applications, much more powerful in terms of information performance (this aspect is crucial in the current conditions of hybrid warfare, on all levels, including technological, information, etc., and it is mandatory to increase the resilience of IT and communication systems) and
- Ensuring business continuity and disaster recovery functions - fundamental in a time of border warfare and increased risk of attack;
- achieving communication and interoperability with the entities of the Romanian energy system and with the transmission and system operators within ENTSO-E;
- ensuring the resilience of the Transelectrica communication system;
- ensuring business continuity and disaster recovery functions;
- cyber-security to prevent cyber-attacks, which have been on the rise in Europe lately amid Russia's war on Ukraine.

Also, the implementation of the sub-investments described above will result in increasing the level of technical availability of the critical fiber optic infrastructure from 98% to 99.5%, with impact on the safety of operational decision-making in the process of NES management by Transelectrica, directly contributing to ensuring stability and safety in the operation of the ETG/NES.

The investments will be implemented until the second quarter of 2026, and the total estimated value will be 42.201.000 lei excluding VAT.

SMART

The investment aims to reduce the number and duration of accidental events, as well as their consequences for ensuring the operation of the NES/ETG, to adapt maintenance actions to the specifics and manufacturing technologies of the new equipment installed in the ETG and to reduce the number and duration of preventive maintenance actions - planned, which involves the decommissioning of equipment and facilities of Transelectrica and renewable energy production plants connected to the ETG.

The equipment that will be purchased will contribute to reducing the number and duration of interventions in case of accidental events in the network, as well as their consequences for ensuring the functioning of the Transmission Grid and the National Energy System; reducing the number and duration of preventive maintenance actions - planned in Transelectrica substations and increasing the response capacity (by reducing the intervention periods for restoring the power supply).

These positive effects will strengthen the security and stability of the NES/ETG, which contributes to ensuring the security of electricity supply by Transelectrica as the national transmission and system operator.

Strong and quality maintenance services are one of the main prerequisites to ensure the ETG Performance Standard and to ensure a constant supply of electricity throughout the country.

Equipping SMART SA with appropriate modern machinery and equipment will have positive effects on the quality of maintenance services provided to ETG. This will have a positive impact on bottlenecks that may occur at ETG.

The proposed investment aims to reduce the impact of these bottlenecks, aiming to reduce the intervention periods (by means of intervention means - machinery, ensuring rapid access and with all necessary equipment) and their number by purchasing machinery, machinery for working at height, working under voltage (this type of intervention eliminates the decommissioning of the equipment in question, which eliminates interruptions in the power supply), etc.

The investment aims to equip SMART S.A. with state-of-the-art equipment and machinery and with the cleanest technology in the field, in order to provide maintenance services at the highest standards, suitable for a transmission and system operator, as well as to digitalize the maintenance services offered to the national energy infrastructure, through the implementation and development of software solutions. The procured products will be new and in line with DNSH principles.

The investment consists of:

- equipping SMART S.A. with technological equipment (equipment for the control and monitoring of overhead power lines and substations, instruments for working under voltage, equipment for measurements and laboratory determinations, equipment for the design center of SMART SA, equipment for working at height, technological equipment for interventions) adequate for ensuring the maintenance services of the ETG at the highest quality standards,
- digitization of maintenance services provided by SMART SA for ETG in Romania, through the implementation and development of software solutions, which will ensure real-time information transfer (management, databases, activity / scheduling of overhauls and works, etc.) between SMART SA branches.

The new equipment will allow SMART S.A. to use the LST (Live Live Working) technology, a modern technology which means that interventions at the OHL and substations will be made without removing (disconnecting) them from under voltage, which ensures continuity in the supply of electricity to consumers.

Important events

By Resolution no.3 of February 13, 2025, the Extraordinary General Meeting of the shareholders of Teletrans SA decided, pursuant to art.12 paragraph (2) letter f) of the company's Articles of Association, the merger by absorption of S.C. Formenerg S.A. (as absorbed company) with Teletrans S.A. (as absorbing company). The date of December 31, 2024 was approved as the reference date of the Merger and the date of April 30, 2025 as the effective date of the Merger.

ACTIVITIES OF SUBSIDIARIES

In 2024, the two Subsidiaries included in the consolidation carried out activities in accordance with their main areas of activity as follows:

• TELETRANS



The Company for Telecommunications and Information Technology Services in Electric Transmission Networks "TELETRANS" is the provider of telecommunications, information technology and process computing/SCADA solutions and services for the Company and a large portfolio of public and private customers.

1. Process Informatics / SCADA

- EMS/SCADA system integration services for renewable generators and new control-command systems in retrofitted substations.
- Preventive or corrective maintenance services for the main critical information systems that provide system operator, transmission and balancing market functions.
- Services for process information systems management - database administration and updating, schema and archive backups, back-up.

2. IT & C

Fiber optic data transport services:

- Provision of STM1/STM4 and Ethernet over SDH/DWDM capabilities;
- Data transport services at STM16/STM64, 1Gb, 10Gb, Lambda level;
- n x Mb, n x 1Gb, 10 Gb services on IP/MPLS equipment;
- Specialized technical assistance.

IP communication services:

- Internet provided in over 100 points of the national fiber optic network;
- Secure VPN over IP/MPLS networks;
- Metropolitan/national customer interconnection through exchange centers;
- IT outsourcing;
- Managerial Informatics.

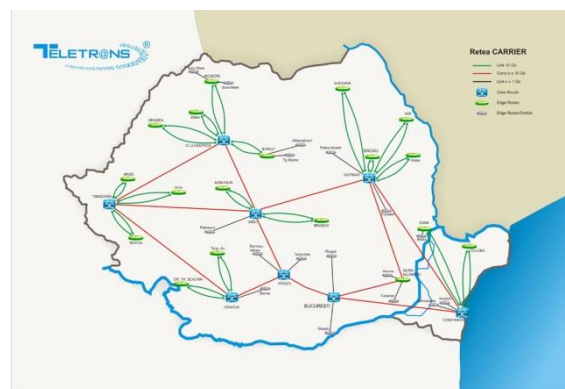
3. Colocation

- Colocation centers in Bucharest (RoNIX node) and Timisoara
- Territorial presence points in 35 county presidencies
- 400 kV and 220 kV substations of Transelectrica.

Infrastructure

- backbone of approximately 5000 km, with national coverage, in a 9-ring redundant topology, providing DWDM/SDH/ PDH and Ethernet telecommunication services;
- DWDM&IP/MPLS backbone of approximately 4,000 km with national coverage in a redundant 4-ring topology.

The fiber-optic network on which the two backbones are built is based on reliable OPGW technology and provides access points in 110 localities as well as cross-border links to Hungary, Bulgaria and Serbia (in the future also to Ukraine, Moldova and Turkey).



Teletrans holds the certifications of Quality Management System according to ISO 9001, Environmental Management System according to ISO 14001, Occupational Health and Safety Management System according to ISO 45001 and Information Security Management System at Executive level according to ISO/IEC 27001:2013.

Affiliations

The Subsidiary is a member of several professional organizations in the IT&C and energy sectors

- at national level:
 - Romanian National Committee of the World Energy Council
 - National Association of Internet Service Providers in Romania
 - Romanian Society of Energy Engineers
 - National Association for Information Systems Security
- internationally:
 - International Council on Large Electric Systems
 - European Utilities Telecom Council
 - European Internet Protocol Networks.

• SMART



The main activity carried out by the company is carrying out overhaul and repair of primary equipment in electrical networks, repair of incidents at electrical installations, provision of services in the energy field, microproduction of electrical equipment.

Smart S.A. was set up with the purpose of performing maintenance and repair services NPG CO. Transelectrica S.A.'s installations and must provide the necessary resources for the maintenance activity of the ETG, according to the mission established at its establishment.

In addition, the company may also carry out other related activities in support of its main object of activity, in accordance with the legislation in force and with its own bylaws, under the conditions of safe operation of the National Electricity System.

The maintenance activity involves planned technical overhaul and control works in substations, OHL power lines and accidental intervention works. The line inspections involve movements and interventions on the entire 8,931.6 km route of the ETG in all relief and weather conditions. More than 70% of the work carried out by SMART S.A. consists of work at height, which is done using specialized equipment (PRB, crane, climbing equipment, special accessories, etc.).

"Smart" S.A. has designed, documented and implemented an Integrated Quality, Environmental, Occupational Health and Safety Management System in accordance with the requirements of the following reference standards:

- ISO 9001:2015 "Quality management systems. Requirements." - for quality;
- ISO 14001:2015 "Environmental Management Systems. Specification and user guidance" - for the environment;
- ISO 45001:2018 "Occupational safety and health management systems"- for occupational safety .

The Integrated Quality-Environment-Occupational Health and Safety Management System is certified by SRAC and IQNet with certificates no. 1111/11.01.2021 for ISO 9001:2015, no. 112/11.01.2021 for ISO 14001:2015 and no. 139/11.01.2021 for ISO 45001:2018, valid until 23.12.2024, with annual surveillance. Through the integrated management system the company guarantees to customers that the services provided are at least in compliance with the specified requirements. Smart S.A. has also obtained authorization, from CNCAN, for the quality management system in the nuclear field, namely: Authorization No.LI824 for the provision of services for nuclear installations, valid until 16.04.2026 according to CNCAN Chairman's Orders No. 65,66,71, 72/2003.

Smart S.A. is certified by the National Energy Regulatory Authority for the following types of works:

- **A3** - testing of electrical equipment and installations in order to certify the technical compliance of power plants with the applicable technical standards: Certificate no. 15264/4.11.2019 valid indefinitely with the required endorsements.
- **D1** - design of overhead and underground power lines with any standardized nominal voltages: Certificate no. 15265/4.11.2019 valid indefinitely with the required endorsements.
- **D2** - execution of overhead and underground power lines with any standardized nominal voltages: Certificate no. 15266/4.11.2019 valid indefinitely with the required endorsements.
- **E1**- design of transformer substations, electrical substations and installations belonging to the electrical part of power plants with any standardized nominal voltages: certificate no. 15267/4.11.2019 valid indefinitely with the required endorsements.
- **E2** - execution of transformer substations, electrical substations and works on the electrical part of power plants with any standardized nominal voltages: Certificate no. 15268/4.11.2019 valid indefinitely with the required endorsements.

The Subsidiary has a multi-site Testing Laboratory (one laboratory in each Subsidiary) which is accredited by RENAR with accreditation certificate no. LI 824/17.04.2018, valid until 16.04.2026, with annual surveillance. A number of 78 electrical tests and physico-chemical analysis of electro-insulating materials are accredited.

Smart also holds authorizations issued by MAI-IGSU for the following activities:

- Installation and maintenance of fire containment and fire extinguishing systems and installations, except those containing certain fluorinated greenhouse gases, authorization no.5501/08.02.2016 granted for an indefinite period.
- Installation and maintenance of signaling, alarm and fire alarm systems and installations, authorization no.5502/08.02.2016 with indefinite validity.
- Design of fire signaling, alarm and alert systems and installations in case of fire, authorization no.6599/10.01.2017 with indefinite validity.
- Design of fire containment and fire extinguishing systems and installations, authorization no.7087/08.06.2017 granted for an indefinite period.

Smart S.A. is certified for logging activity by the Ministry of Environment, Water and Forests with certificate no. 1220/25.07.2024 valid until 31.07.2026.

The company carries out activities

- as a maintenance service provider:
 - Reviews and inspections
 - Repair of electrical equipment and installations
 - Responding to accidental events
 - Technical expertise, diagnostics and analysis
 - Configuration, adjustment and parameterization of command-control systems
- as a provider of retrofitting and modernization services:
 - Power stations
 - Overhead power lines
- as a provider of specialized technology services:
 - Working under voltage - LST
 - Transformer insulation rehabilitation Design
- as a design and consultancy provider
 - Design
 - Consulting and assistance.



Smart's national and international affiliations are as follows

- ✓ A - LST - R (Association for Stress Stress Working in Romania - Founding Member)
- ✓ CIGRE (International Council of Large High Voltage Electricity Networks)
- ✓ CNR - CIGRE (Association of the Romanian National Committee CIGRE)
- ✓ CNR - WEC (Romanian National Committee of the World Energy Council)
- ✓ SIER (Romanian Society of Energy Engineers)
- ✓ ASRO (Romanian Standardization Association).

STATEMENT OF THE FINANCIAL POSITION

The consolidated statement of financial position is presented as follows:

<i>Thousands RON</i>	December 31, 2024	December 31, 2023	December 31, 2022
Non-current assets			
Tangible assets	5.915.254	5.558.143	4.063.849
Assets representing rights of use under a lease - buildings	8.150	15.048	23.689
Intangible assets	313.147	282.378	337.941
Financial assets	40.833	40.673	40.720
Total non-current assets	6.277.384	5.896.242	4.466.199
Current assets			
Inventories	58.144	61.975	53.068
Trade and other receivables	3.782.840	2.116.460	3.342.852
Profit tax recoverable	-	-	4.128
Cash and cash equivalents	707.174	526.900	333.681
Total current assets	4.548.158	2.705.335	3.733.729
Total assets	10.825.542	8.601.577	8.199.928
Shareholders' equity			
Share capital	733.031	733.031	733.031
Share premium	49.843	49.843	49.843
Legal reserves	146.606	146.606	146.606
Revaluation reserves	1.596.896	1.738.703	734.233
Other reserves	256.747	195.751	39.351
Retained earnings	3.123.993	2.431.200	2.201.628
Total equity attributable to owners of the Group	5.907.117	5.295.134	3.904.692
Non-controlling interests	-	-	-
Total equity	5.907.117	5.295.134	3.904.692
Non-current liabilities			
Long term deferred revenues	538.015	519.116	439.028
Long term Borrowings	7.918	31.906	55.588
Other loans and assimilated debts - Non-current building lease liabilities	1.604	7.073	15.949
Deferred tax liabilities	257.169	296.343	110.070
Employee benefits obligations	116.159	97.888	86.881
Other non-current liabilities	5.613	-	-
Total non-current liabilities	926.478	952.326	707.516
Current liabilities			
Trade and other liabilities	3.855.245	2.200.950	3.352.175
Other loans and assimilated debts - Current building lease liabilities	7.328	9.253	9.141
Other tax and social security liabilities	25.537	26.047	17.377
Current Borrowings	32.641	31.600	97.950
Provisions	35.953	67.191	71.557
Short term deferred revenues	22.232	16.138	39.520
Income tax payable	13.013	2.938	-
Total current liabilities	3.991.948	2.354.117	3.587.720
Total shareholders' equity and liabilities	10.825.542	8.601.577	8.199.928

PROFIT AND LOSS ACCOUNT

The profit and loss account at Group level is presented as follows:

<i>Thousands RON</i>	December 31, 2024	December 31, 2023	December 31, 2022
Operating revenues			
Transmission revenues	2.024.457	1.956.027	1.884.909
System service revenues	633.277	390.661	533.616
Balancing market revenues	4.965.725	2.269.419	3.478.995
Other revenues	280.518	108.730	409.863
Total operating revenues	7.903.976	4.724.837	6.307.383
Operating expenses			
System Operating Expenses	(715.613)	(640.426)	(901.663)
Balancing market expenses	(4.965.535)	(2.268.981)	(3.479.716)
System services expenses	(523.611)	(499.185)	(466.608)
Depreciation and amortization	(371.792)	(340.445)	(281.217)
Personnel expenses	(489.463)	(447.429)	(385.954)
Repairs and maintenance expenses	(66.410)	(55.445)	(51.380)
Materials and consumables	(23.014)	(21.172)	(40.372)
Other operational expenses	(173.302)	(210.705)	(96.637)
Total operating expenses	(7.328.741)	(4.483.788)	(5.703.547)
Operating result	575.235	241.049	603.836
Financial revenues	26.879	35.896	65.058
Financial expenses	(17.204)	(38.254)	(73.271)
Net financial result	9.675	(2.358)	(8.213)
Result before income tax	584.910	238.691	595.623
Income tax	(4.802)	(21.245)	(73.990)
Result for the year from continuing operations	580.108	217.446	521.633
PROFIT OF THE PERIOD			
Attributable:			
Group Owners	580.108	217.446	521.633
Non-controlling interests	-	-	-
Basic and diluted earnings per share (lei/share)	7,91	2,97	7,12

CASH FLOWS

The cash flow situation at Group level is as follows:

<i>Thousands RON</i>	December 31, 2024	December 31, 2023	December 31, 2022
Cash flows from operating activities			
Net profit/loss	580.108	217.446	521.633
Cash flows before changes in working capital	812.652	641.438	558.304
Changes in:			
Inventories	6.923	(8.448)	(5.211)
Customers and similar accounts	(1.655.313)	1.171.127	(354.120)
Trade and other liabilities	1.683.048	(1.209.775)	360.748
Other taxes and social security contributions	(510)	8.669	(3.150)
Deferred revenues	43.495	95.960	1.956
Cash flows from operating activities	890.296	698.971	558.527
Paid interests	(2.759)	(3.815)	(8.090)
Paid income tax	(32.150)	(36.116)	(64.551)
Net cash generated from operating activities	855.387	659.040	485.886
Cash flows used in investment activity			
Acquisition of tangible and intangible assets	(687.111)	(439.270)	(465.944)
Participation titles held in SELENE CC Societe Anonyme		242	-
Proceeds from EC non-reimbursable financing	42.494	117.145	9.583
Received Interests	7.008	6.482	3.055
Proceeds from sale of tangible assets	3.374	1.801	13
Dividends received/paid	15.761	1.988	1.535
Other financial assets	-	-	-
Net cash used in investment activity	(618.474)	(311.612)	(451.758)
Cash flows used in financing activities			
Repayments of non-current borrowings	(23.978)	(23.850)	(23.753)
Use of working capital credit line	48.733	-	67.618
Use of credit line Smart	1.281	1.371	2.994
Repayments of current borrowings	(48.733)	(67.618)	-
Building lease payments	(12.247)	(11.331)	(11.322)
Dividends paid	(21.695)	(52.781)	(640)
Net cash used in financing activities	(56.638)	(154.209)	34.897
Cash and cash equivalents at January 1	526.900	333.681	264.656
Net decrease in cash and cash equivalents	180.275	193.219	69.025
Cash and cash equivalents at the end of the period	707.174	526.900	333.681

LITIGATION

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

- **RAAN**

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

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

On 14.06.2016, bankruptcy proceedings were ordered against RAAN.

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

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

Date to continue the procedure for the collection of claims, the realisation of assets and the performance of other liquidation operations: **11.06.2025**.

There are also other cases between RAAN and Transelectrica that are at various stages of judgment. RAAN's actions against NPG CO. Transelectrica SA deriving from contract no. C137/08.04.2011.

*File no. **28460/3/2017** - Subject of the file: obliging the underwriter to pay the total amount of 12,346,063 lei. CAB decision 09/27/2021: Suspends the judgment of the appeal until the final settlement of files no. 28458/3/2017, no. 26024/3/2015. The decision of 23.05.2022: Rejects as unfounded the request to reinstate the pending case. Keeps the judgment of the appeal suspended. At the deadline of 20.05.2024, the appeal was admitted, the appealed sentence was changed in the sense that: the summons request was admitted. It obliges the defendant to pay the plaintiff the sum of 12,346,063.10 lei, representing the principal debt and penalties, with the right of appeal. Decision 806/20.05.2024. Transelectrica filed an appeal, without time limit.*

*File no. **3694/3/2016** - Claims 15,698,721.88 lei. Court term on 08.11.2021: the case has been suspended until the final settlement of Files no. 26024/3/2015 and no. 28458/3/2017. Decision 06/03/2024: the appeal was accepted, the appealed sentence was changed in its entirety, in the sense that: the summons request was accepted. The defendant was obliged to pay the plaintiff the sum of 12,727,101.99 lei, representing the bonus value and regularization of the ante-overcompensation for which SRTF series invoices were issued, as well as the sum of 2,917,619.81 lei, representing the related delay penalties the main debit, for which SRTF series invoices were issued, with the right of appeal. Decision 898/03.06.2024. Transelectrica lodged an appeal, without time limit.*

- **REȘIȚA MUNICIPALITY**

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

The subject-matter of the case: by means of the application, the plaintiff Reșița Municipality seeks an order that the defendant Transelectrica SA pay the following amounts: 2,129,765.86 lei, representing the rent for the area of land temporarily occupied from the forest fund for 2015; 2,129,765.86 lei, representing the rent for land for 2016; 2,129,765.86 lei, representing the rent for land for 2018; legal interest from the due date until the actual payment.

Decision of the CS Tribunal: Suspend the judgment on the application brought by the plaintiff Municipality of Reșița, through the Mayor, against the defendant Transelectrica, regarding the claims, pursuant to Article 413 paragraph (1), item 1 of the Civil Procedure Code. With appeal while the suspension of the course of the trial lasts, to the higher court. Document: Order - Stay of proceedings 22.03.2021.

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

At the term of 02.03.2023, the judgment on the application brought by the plaintiff Municipality Reșița, against the defendant Transelectrica, was suspended. With right of appeal throughout the stay of the proceedings.

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

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

On 10.10.2024, the plaintiff and the defendant were ordered to pay the expert's fees of 1000 lei each, and an additional expert's report was ordered.

At the term of 12.12.2024, a new term of judgment was granted in order to study the supplementary expert's report and to formulate any objections by the parties' representatives.

At the term of **27.02.2025**, the court rejects the plea of prescription of the right to bring the action regarding the claims consisting in the rent for 2015 and the plea of lateness of the filing of the amendments to the action, pleaded by the defendant Transelectrica S.A. It qualifies the plea of res judicata as a substantive defense relating to the positive effect of res judicata. Dismisses the claim brought by the defendant Municipality of Reșița against the defendant Transelectrica S.A. With a right of appeal within 30 days of communication. The next court Date is on **29.05.2025**.

- **ANAF**

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

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 **case 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. Pronounced in public session. Document: Conclusion - Adjournment 17.04.2018. Trial date: **17.04.2025**.

The trial of the case was resumed and at the deadline of 10.10.2024 for the communication of the documents submitted to the file by the appellant to the respondent, the trial of the case was postponed to 21.11.2024 and subsequently to 06.03.2025. On 06.03.2025, the court postponed the ruling of the case

to 17.04.2025. At the deadline of 17.04.2025, the court postponed the case to **19.06.2025** due to the lack of an expert report.

Case no. 1802/2/2018 - At the deadline of 20.10.2020 - solution in brief: the applications were admitted in part.

Decision no.122/13.03.2018, regarding the settlement of the appeal lodged against the tax assessment decision no.F-MC 439/30.06.2017 issued by ANAF - General Directorate for the Settlement of Appeals and on 12.07.2017 by ANAF - General Directorate for the Administration of Large Taxpayers, as well as the Tax Inspection Report no.F-MC 222 concluded on 30.06.2017, which was the basis for the issuance of the tax assessment decision, was partially annulled, in the sense that:

- ✓ removes the obligation to pay the profit tax amounting to RON 18,522,280, VAT in the amount of RON 5,694,636 and the fiscal accessories related to these main fiscal liabilities, in the amount of RON 48,436,653, tax obligations established for the 349 tax invoices with special regime found missing from the applicant's management.
- ✓ removes the non-deductible character for the calculation of taxable profit of the amount of 27,001,727 lei, representing the system technological services invoiced by energy suppliers, considered non-deductible following the tax inspection and the obligation to pay the main and accessory tax claims in relation to this amount.
- ✓ removes the non-deductible character for the calculation of the taxable profit of the amount of 343,629.91 lei. representing "weed removal services" and the obligation to pay the main and accessory tax claims in relation to this amount.
- ✓ removes the non-deductible character for the calculation of the taxable profit of the amount of 230,685.491 lei, representing the expenses with promotional products and the obligation to pay the main and accessory tax claims in relation to this amount.
- ✓ to remove the non-deductibility of VAT in the amount of 46,417.1 lei, amounting to 343,629.91 lei, 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 lei related to the amount of 230.685,49 lei, representing expenses for promotional and protocol products and the obligation to pay the main and accessory tax claims in relation to this amount.
- ✓ remove the mention regarding the obligation of the Sibiu Transmission Branch of NPG CO. Transelectrica S.A. to register the amount of 576,846.80 lei as taxable income, at the latest on 30.06.2010, the date on which the registration of the audited entity in the creditors' estate with this amount was accepted, the mention regarding the character of taxable income for the calculation of the profit of the amount of 576,846.80 lei in accordance with the provisions of art. 1 of the Law no. 571/2003 on the Tax Code with subsequent amendments and additions, in conjunction with item 23 lit. d of GD 44/2004 containing the Methodological Norms for the application of Law no. 571/2003, the chapter on income tax, respectively Chapter VII on the function of accounts of Order no. 3055 of October 29, 2009 for the approval of the Accounting Regulations in compliance with the European Directives and the obligation to pay the main and accessory tax claims in relation to this amount.
- ✓ removes from the Minutes the finding made with regard to the "determination of the deductible value added tax lower than that registered by the plaintiff, thus resulting in a difference in the amount of 13,141 lei" (Annex no.15) and the obligation to pay the main and accessory tax claims in relation to this amount.
- ✓ removes the obligation to pay late payment penalties that have a sanctioning legal regime, calculated for a period of more than 6 months from the date of the start of the tax inspection, in respect of the principal tax liabilities that have been upheld by the court in the present judgment, as established by Tax Assessment Decision no.F-MC 439/30.06.2017, issued on 12.07.2017, by ANAF- DGAMC, the

Tax Assessment Decision no./F-MC 439/30.06.2017, issued by ANAF - General Directorate for the Settlement of Appeals.

The other provisions of the Decision No 122/13.03.2018, regarding the settlement of the appeal lodged against the assessment decision No F-MC 439/30.06.2017, are maintained. Dismisses, in the remainder, the pending claims as unfounded

Dismisses as unfounded the application for an award of costs in the form of stamp duty. Orders the defendants, jointly and severally, to pay to the applicant 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 application.

Transelectrica and ANAF appealed in March 2022. Solution on 24.05.2022: Rejects as unfounded the request for clarification and completion of the operative part. Admits the request for correction of the material error to the effect that the amounts of money by way of principal and accessory tax liabilities in respect of the 349 tax invoices, as set out in the contested tax assessment decision, shall be stated as correct. order the correction of the clerical error so as to remove the erroneous name of the applicant from the contested judgment.

The parties have appealed. ICCJ hearing: 13.12.2023.

On 13.12.2023, the ICCJ stayed its ruling, on 20.12.2023 the court admitted the appeals filed by the plaintiff Transelectrica, the defendant General Directorate for the Administration of Large Taxpayers and the defendant National Agency for Tax Administration against the civil judgment no.382 of 20 October 2020, delivered by the Bucharest Court of Appeal - Administrative and Tax Litigation Section VIII. Partially quashed the judgment under appeal and, on appeal: dismissed the application for annulment of the decision on the resolution of appeal No 122/13.03.2018 and of the Tax Decision No. F-MC 439/30.06.2017 with regard to: - the non-deductibility of expenses in the amount of 343,629.91 lei, representing "weed removal services" and related VAT; - the non-deductibility of expenses in the amount of 230.685, representing the value of goods of a promotional and protocol nature and the related VAT; - the obligation to pay penalties for late payment which have a penalty legal regime, calculated for a period of more than 6 months from the date of commencement of the tax inspection. fixed the amount of the costs to which the defendants were jointly and severally liable at the sum of 6,000 lei, representing the fee for the expert's report in the field of accounting and taxation. Maintained the other provisions of civil judgment no. 382 of 20 October 2020. Maintained the appeals filed by the plaintiff Transelectrica and the defendant Direcția Generală de Administrare a Marilor Contribuabili against civil judgment no. 134 of 24 May 2022, delivered by the Bucharest Court of Appeal - Administrative and Tax Litigation Section VIII. Partially quashed civil judgment No 134 of 24 May 2022 and, on remittal: granted in part the application for clarification and supplement to the operative part of civil judgment No 382 of 20 October 2020, brought by the applicant Transelectrica. It ordered to supplement the operative part of the civil judgment no.382 of 20 October 2020 with the following: - annulled also the Tax Inspection Report no. . F-MC 222/30.06.2017 insofar as it annulled the Tax Decision no. F-MC 439/30.06.2017; - annulled the main tax obligations established for 2005 and the related accessory ones, as the right of the tax body to establish such obligations was time-barred; - annulled the tax administrative acts regarding the non-deductibility of the expenses with the benefit share of SMART. Removed the references to the amounts of corporation tax and ancillary charges annulled in respect of the 349 tax invoices from both the judgment correcting the material error and the main judgment. Maintained the other provisions of civil judgment No 134 of 24 May 2022. ordered the appellants - defendants to pay to the appellant - plaintiff Transelectrica the sum of 200 lei as costs of the appeal. Definitive. Ruling 6169/20.12.2023.

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

- **CONAID COMPANY SRL**

The subject matter of case no. **36755/3/2018** is the finding of unjustified refusal to conclude an additional act to the ETG C154/2012 connection contract and claims in the amount of 17,216,093.43 lei, the damage suffered and 100,000 euro, the value of the estimated unrealized benefit.

At the hearing of **03.01.2024**, the TMB admits the plea of limitation of the substantive right to bring an action, raised in the statement of claim. Dismisses the claim as time-barred. With appeal within 30 days of communication. Judgment 4/2024. Conaid Company SRL appealed, trial date set for **March 27, 2025**. At the deadline of 27.03.2025, the court admits the appeal. It annuls the appealed civil sentence and sends the case to the first instance, for resolution of the merits. With appeal within 30 days from notification.

- **OPCOM**

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

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

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

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

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

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

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

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

New case 22567/3/2019* the case was remitted for retrial. At the term of February 18, 2025, the appeal was dismissed as unfounded. The appellant-plaintiff was ordered to pay the respondent-defendant the sum of 28,777.79 lei by way of costs. With the right to appeal within 30 days of communication. Decision 235/18.02.2025.

Case file no. 24242/3/2021 - Bucharest Tribunal - Civil Section VI - Object of the case: the plaintiff OPCOM requests the nullity of the act - contribution in kind.

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

OPCOM appealed. At the hearing on March 13, 2025, the appeal was dismissed as unfounded and the plaintiff was ordered to pay to the State the amount of 179,550.57 lei representing the court stamp duty. With appeal within 30 days of communication. Decision 423/13.03.2025

- **GRAND VOLTAGE**

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

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

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

The CAB allowed the appeal and partially altered the judgment of the General Court in that: it ordered the defendant to pay the applicant the sum of 904,267.6 lei. Upholds the remainder of the judgment of the first instance. Final. Judgment 1885/11.12.2024. The amount has been paid.

- **COURT OF AUDITORS**

Following an audit carried out in 2017, the Court of Auditors ordered certain measures to be implemented by the Company as a result of certain deficiencies found during this audit. The Company lodged several appeals against the measures ordered by the Court of Auditors of Romania (CoA) by Decision no. 8/27.06.2017, requesting their cancellation, as well as against the Decision no. 77/03.08.2017, registered at the Company's registry under no. 29117/08.08.2017, respectively the Audit Report no. 19211/26.05.2017. The appeals were filed before the Bucharest Court of Appeal, among which case no. 6581/2/2017 concerning the annulment of the findings in paragraph 6 and the measure ordered in paragraph II.9, at the trial term of 31.03.2023: According to the minutes of 29.03.2023, case no. 6581/2/2017 was filed in the 12th Panel of first instance of the Eighth Administrative and Tax Litigation Department under no. 6581/2/2017* The solution in brief: In order to give the parties the opportunity to submit written submissions and to deliberate, the Court adjourns the hearing to the following deadlines 31.03.2023, 13.04.2023, 28.04.2023, 12.05.2023.

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

Transelectrica's appeal dismissed as unfounded on January 23, 2025. Final decision no.288/2025.

- The subject of the case file 2153/2/2021 is the annulment of the administrative act issued as a result of the control carried out by the CCR between January and July 2020, which ordered 10 measures to be implemented by the Company contained in Decision No 15/2020.

At the hearing on 10.12.2021 the CAB dismisses the Company's application to intervene. Transelectrica's appeal was dismissed as unfounded on 07.03.2024. Final judgement no.1319/2024.

- **OTHERS**

The company is involved in significant litigation, 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 Energy 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 GROUP is also involved in litigation with former members of the Directorate and the Supervisory Board in respect of the contracts of mandate entered into between the Company and them. The Company has made a provision for these disputes.

The Company is involved in litigation against SMART Subsidiary as follows:

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

Subject matter:

SMART SA requested that Transelectrica be ordered to pay the amount of 118 + VAT, representing "expenses for assistance services incurred on the Company's account as well as the payment of unrealized benefits (legal interest).

Status of the case file:

Judgment of the District Court Sector 3 Bucharest: Dismisses the application as unfounded. With the right to appeal within 30 days of communication. Document: Decision 6134/21.06.2022.

On 02.11.2022 SMART SA filed an appeal against the civil judgment no.6134/21.06.2022 pronounced by the Sector 3 Bucharest District Court. The case was registered with the Bucharest Tribunal.

At the term of 11.09.2024, SMART's appeal was dismissed as unfounded. With appeal within 30 days of communication.

- **Case file no.15561/3/2022 - Bucharest Tribunal**

Subject matter:

SMART SA requested Transelectrica to be ordered to pay the amount of 4.467.108 lei related to the execution of an administrative contract.

Status of the case file:

At the trial term of 23.01.2025, the solution was that in order to settle the dispute amicably, the judgment of the case was adjourned to **15.05.2025**.

➤ **OTHERS**

The Group 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 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, PET Communication, ISPE, Grand Voltage SRL, EXPLOCOM GK SRL and others).

The Group recognized impairment adjustments for customer and other receivables in dispute and for customers in bankruptcy.

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

➤ **Subsidiary Control**

SMART SA

ANOFM - Bucharest

On 23.01.2024, the verification of compliance with the provisions of Law 76/2002, HG 174/2002, Law 270/2017, HG 33/2018 updated, for the period October 2020 - November 2023 was carried out, finalized by the verbal report no. 1184/AMOFMB/23.01.2024.

ANAF

Subject: Verification of the commercial relationship with Express Oil Pick-Up SRL.

Status of the case file: ongoing.

