



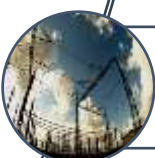



**NPG CO. TRANSELECTRICA SA**  
**SUPERVISORY BOARD REPORT**  
**REGARDING THE MANAGEMENT ACTIVITY**



**REPORT YEAR 2024**

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### **Audit of the separate financial statements by the Supervisory Board**

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

The separate financial statements as at December 31, 2024 are audited and the external auditor's opinion is unqualified, which means that all material information reflected in the main balance sheet line items is relevant, reliable, comparable and pertinent.

The Annual Report of the Supervisory Board, prepared in accordance with the requirements of capital market legislation, has been reviewed by the members of the Supervisory Board. The information presented in the Annual Report gives a true and fair view of the Company's results for the year 2024.

*Yours sincerely,*

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



## Corporate structure

### SUPERVISORY BOARD

National Power Grid Company "Transelectrica SA" ("NPG CO. "Transelectrica SA", "Transelectrica" or the "Company") is a joint-stock company, which is organized and operates in accordance with the laws of Romania, being managed under a two-tier system, pursuant to the decision of the Extraordinary General Meeting of Shareholders of 18 July 2012, by a Directorate (consisting of 5 members) under the supervision of a Supervisory Board (consisting of 7 members).

1/28.02.2024 approved the appointment of the following members of the Company's Supervisory Board for a term of office of four years, starting March 1, 2024 and ending February 29, 2028:

- **Cătălin-Andrei DASCĂL - Chairman of the Supervisory Board**

As of 22 April 2022, Mr. Cătălin Andrei Dascăl was appointed provisional member of the Supervisory Board of NPG CO. Transelectrica SA.

As of 1 March 2024, Mr. Cătălin Andrei Dascăl has joined the Supervisory Board of the National Electricity Transmission Company Transelectrica SA, with a 4-year mandate in the non-executive management of the Company

Mr. Dascăl has joined Transelectrica's non-executive management team with extensive experience in the legal field.

The career of Mr. Cătălin Andrei Dascăl includes managerial and executive positions exercised in acquiring a complex legal expertise, both in public administration and in the private sector.

Thus, among the positions he held, he was a legal advisor at IPCMG - REFAL SPRL, executor and legal expert at the Authority for State Assets Management.

From 2006 to the present, Mr. Dascăl is a lawyer and insolvency practitioner - Insol Europe Member, founder and partner lawyer at "Dascăl Ciotea and Associates SPARL", founder and coordinating partner at "Dascăl Insolvency SPRL".

Also, from 2016 until now, he is the President of the National Union of Insolvency Practitioners in Romania (UNPIR) - Bucharest Branch, and since 2021 he is a member of the National Board of Directors of UNPIR and coordinator of working groups within this structure.

Mr. Cătălin Andrei Dascăl graduated from the Faculty of Law of Nicolae Titulescu University, Bucharest and holds a Licentiate Degree in Legal Studies from the Faculty of Law of the University of Bucharest. At the

same time, he completed postgraduate studies in European Community Law (Faculty of Law, University of Bucharest) and Commercial Law (Academy of Economic Studies, Bucharest).

- **Teodor ATANASIU - Member of the Supervisory Board**

As of August 22, 2022 Mr. Teodor Atanasiu was appointed provisional member of the Supervisory Board of NPG CO. Transelectrica SA.

As of 1 March 2024, Mr. Teodor Atanasiu has joined the Supervisory Board of the National Electricity Transmission Company Transelectrica SA, with a 4-year mandate in the non-executive management of the Company.

From 2017-2022, Mr. Teodor ATANASIU was a member of the Regulatory Council of the National Energy Regulatory Authority.

Mr. Teodor ATANASIU attended the Polytechnic Institute of Cluj Napoca, having graduated from the Faculty of Mechanics.

Also, Mr. ATANASIU holds a diploma of Open University Business School in Financial Management, Competitiveness Management, Customer Relationship Management.

- **Costin-Mihai PĂUN - Member of the Supervisory Board**

As of 22 April 2022, Mr. Costin Mihai Păun was appointed member of the Supervisory Board of NPG CO. Transelectrica SA, taking this position with over 30 years of experience in the European and national energy industry.

As of 1 March 2024, Mr. Costin Mihai Păun has joined the Supervisory Board of the National Electricity



Transmission Company Transelectrica SA, with a 4-year mandate in the non-executive management of the Company.

Throughout his career, he has held several managerial and executive positions, working both nationally and internationally in the fields of electricity transmission, distribution and generation.

Mr. Păun has joined Transelectrica's non-executive management team with an outstanding career in the energy sector.

Thus, Mr. PĂUN has significant experience in coordinating with European Transmission and System Operators (ENTSO-E and MED-TSO), with Electricity Distribution Operators, with National Regulatory Authorities, with the Agency for the Cooperation of Energy Regulators (ACER), with European Institutions (European Commission, DG ENER, DG Conect, etc.) and with International Financial Institutions (European Investment Bank, KfW, etc.).

Mr. PĂUN has designed, managed and implemented European and international projects financed by the European Commission and International Financial Institutions, carried out European consortia, studies and plans for the development of electricity grids, contributed to new solutions in innovation and scientific research initiatives, being responsible for systems operation, regulations, implementation of high voltage projects.

He is co-Founder (2011), was Secretary General (2011-2016) and Vice President (2016-2021) of the Professional Association - Romanian Energy Center (REC).

Mr. Păun was also a member of the Directorate of the Electricity Distribution System Operator "Electrica Distribuție Muntenia Nord" SA (2012-2016), Responsible for the preparation of the European Ten-Year Network Development Plan within ENTSO-E in Brussels (2010-2016), of the Regional Investment Plans in 4/6 ENTSO-E Regions: North Sea, Baltic Sea, Continental South-West Europe, Continental Central-East Europe, Grid Codes, Regulatory Adviser, Energy Policy, Electricity Networks at EURELECTRIC, Union of the Electricity Industry, Brussels (2002-2010), Member of the European Economic and Social Committee - Section Transport, Energy, Infrastructure and Information Society (2003-2006) and Coordinator Regulatory Training and Energy Strategy (1993-1998).

Mr. Costin Mihai PĂUN graduated from the Politehnica University of Bucharest, Faculty of Energetics, with a degree in Electrical Engineering, in which field he also holds a PhD from the Technical University of Timisoara.

He also consolidated his expertise in the field of management through the Master's program "Financial-Banking Management", acquiring the title of Master in Business Administration - Financial-Banking Management at the Romanian-American University of Bucharest.

### **Alexandru-Cristian VASILESCU - Member of the Supervisory Board**

As of 22 April 2022, Mr. Alexandru Vasilescu was appointed member of the Supervisory Board of NPG CO. Transelectrica SA, taking this position with expertise in public administration advisory and management.

As of 1 March 2024, Mr. Alexandru-Cristian Vasilescu has joined the Supervisory Board of the National Electricity Transmission Company Transelectrica SA, with a 4-year mandate in the non-executive management of the Company.

Currently, Mr. Alexandru Vasilescu holds the position of Secretary of State within the General Secretariat of the Government, occupying this position since February 2022.

Mr. Vasilescu has joined Transelectrica's non-executive management team, having a professional portfolio shaped by the following positions: Commercial Directorate of SC Orhideea SRL; Advisor in several institutions of the state administrative apparatus: Romanian Parliament - Chamber of Deputies, Department for SMEs, Business Environment and Tourism, Ministry for Information Society, General Secretariat of the Government. Mr. Alexandru Vasilescu graduated from the Technical University of Constructions in Bucharest, holding a bachelor's degree in construction engineering.

Following his undergraduate studies, he completed a master's program at the Technical University of Constructions in Bucharest, obtaining a diploma in Construction Project Management.

Mr. Vasilescu is currently a PhD student at the Politehnica University of Bucharest.

### **• Luminița ZEZEANU - Member of the Supervisory Board**

Mrs. Luminița Zezeanu, joined the Supervisory Board of NPG CO. Transelectrica SA, as of August 22, 2022, as a member, with a solid expertise in the development and financing of projects from European funds, as well as experience in public administration.

Over the years, Mrs. Luminița ZEZEANU has worked in different areas of public administration, focused on regional development.

Between 2006-2014, he held the position of Directorate of Project Authorization, Managing Authority for the Operational Program - Ministry of Regional Development and Public Administration.

As of 1 March 2024, Mrs. Luminița Zezeanu has joined the Supervisory Board of the National Electricity Transmission Company Transelectrica SA, with a 4-year mandate in the non-executive management of the Company.

He resumed this management position in 2015-2016, and in 2017 he became Secretary of State at the Ministry of Regional Development, Public Administration and European Funds.

Mrs. Luminița ZEZEANU has continued her work in this field, and between 2017 and 2019 she was Directorate General at the Managing Authority for the Regional Operational Program - Ministry of Regional Development and Public Administration.

Since August 2022 and until August 2023 he served as Directorate of European Funds at SNTGN Transgaz. He is currently State Secretary at the Ministry of European Investments and Projects.

Mrs. Luminița ZEZEANU graduated from the Faculty of Accounting and Management Informatics of the Bucharest Academy of Economic Studies and continued her postgraduate studies in the UK at the London Metropolitan University, where she studied international trade.

#### • **Dumitru-Virgil ORLANDEA - Member of the Supervisory Board**

Mr. Virgil Dumitru Orlandea has been appointed member of the Supervisory Board of the National Electricity Transmission Company Transelectrica SA as of March 1, 2024 for a 4-year term of office in the non-executive management of the Company. Mr. Orlandea previously held the position of member of the Supervisory Board from October 2021 to October 2023.

Since 2011, he has been active in the energy field, holding relevant positions in the energy industry.

Between 2010 and 2012, Mr. Orlandea was a member of the Directorate and Supervisory Boards of important companies in the Romanian energy sector, such as Electrica SA, Electrica Serv SA, Hidroelectrica, Transelectrica and Oil Terminal. From 2013 until 2016, Mr. Orlandea worked at NPG CO. Transelectrica SA in the position of Directorate of Support Services. Subsequently, until 2021, he continued his activity within the Company from the position of coordinator of the project Center of Excellence in Energetics Sibiu,

respectively Center for Research and Development of Technologies for Working under Voltage and Rapid Intervention in the National Energy System.

Mr. Virgil Dumitru Orlandea graduated from the "Carol I" National Defense University of Bucharest, College of Resource Management and Procurement, "Lucian Blaga" University of Sibiu, Faculty of Economics - Master in "Integration of Tourism and Services" and Faculty of Economics - Master in "Management and Marketing Strategies and Policies of the Firm", "Alexandru I. Cuza" Police Academy Bucharest - Master in "Human Resources Management in the Public Order Authorities System".

#### • **Rareș-Stelian RUSU - Member of the Supervisory Board**

As of 1 March 2024, Mr. Rareș Stelian Rusu has joined the Supervisory Board of the National Electricity Transmission Company Transelectrica SA, with a 4-year mandate in the non-executive management of the Company. Mr. Rusu has extensive management experience gained through his career in both the private and public sectors.

With an extensive expertise within the Company, Mr. Rusu held the position of Director of the Transmission Territorial Unit Cluj-Napoca in 2009-2012, followed by that of Project Manager in 2012-2013. He was also Advisor to the Transelectrica Directorate, Manager of the Integrated Management Unit, Commercial-Procurement and Manager of the Transmission Territorial Unit Cluj, in 2020-2021. From 2021-2022, he was non-executive director of OPCOM SA, a subsidiary of NPG CO. TRANSELECTRICA SA.

Mr. Rareș Stelian Rusu has more than 25 years of experience in central and local public administration, both in the executive and non-executive areas within the Romanian Government, the Chamber of Deputies, as well as in the private sector, holding managerial positions and legal advisory positions.

As of 2021, Mr. Rusu serves as Vice-President of the National Agency of Civil Servants.

Mr. Rareș Stelian Rusu holds a bachelor's degree in political science from the "Faculty of Political Science and Public Administration" of the "Babeș-Bolyai" University of Cluj-Napoca, as well as a bachelor's degree in law from the Faculty of Law of the "Dimitrie Cantemir" University of Cluj-Napoca. He also completed a master's degree in energy engineering at the Faculty of Electrical Engineering of the Technical University of Cluj-Napoca.

## ADVISORY COMMITTEES OF THE SUPERVISORY BOARD

At the date of this report, the Advisory Committees of the Supervisory Board have the following tasks and

### Audit Committee

The members of this committee are: Luminița ZEZEANU (chair), Teodor ATANASIU, Rareș Stelian RUSU, Costin-Mihai PĂUN, Alexandru-Cristian VASILESCU.

The Audit Committee assists the Supervisory Board in fulfilling its responsibilities in the areas of financial reporting, internal control and risk management.

Audit Committee tasks related to financial reporting and statutory audit:

- monitors the financial reporting process at Company level,
- monitors the statutory audit of the annual financial statements and consolidated annual financial statements,
- regularly reviews the effectiveness of financial reporting,
- verify and monitor the independence of the statutory auditor or audit firm and, in particular, the provision of additional services to the audited entity,
- make recommendations to the Council on the appointment of the external auditor (statutory auditor or audit firm) of the Company on the selection, appointment, re-appointment and replacement of the external auditor, as well as the terms and conditions of its remuneration,
- monitor the independence and objectivity of the external auditor, in particular by monitoring the rotation of partners in the audit firm,
- receive and consider the external auditor's report on significant matters arising from the statutory audit and, in particular, on material weaknesses in internal control relevant to the financial reporting process,
- assists the Board in monitoring the credibility and integrity of the financial information provided by the Company, in particular by reviewing the relevance and consistency of the accounting standards applied by the Company (including the consolidation criteria).

Tasks of the Audit Committee in the field of managerial internal control:

- monitor the effectiveness of the Company's internal control, internal audit, as appropriate, and risk management systems,

- regularly review the effectiveness of the internal control and risk management system adopted by the Company,
- ensures that the audit reviews carried out and the audit reports produced as a result of them are in accordance with the audit plan approved at Company level,
- propose to the Board the control, verification and reporting procedures necessary for the exercise of the essential powers of control over the way in which the Directorate manages the Company, as well as the verification of the activity carried out in the name and on behalf of the Company,
- verifies the fulfillment of non-financial reporting obligations at Company level.

### Nomination and Remuneration Committee

The members of this committee are: Alexandru-Cristian VASILESCU (Chairman), Cătălin-Andrei DASCĂL, Dumitru Virgil ORLANDEA, Luminița ZEZEANU, having the following activities:

- makes proposals for members of the Supervisory Board and members of the Directorate,
- elaborates and makes proposals to the Supervisory Board regarding the selection procedure for members of the Supervisory Board, members of the Company's Directorate and for other management positions,
- make proposals on the remuneration of the members of the Company's Directorate and other management positions, within the general remuneration limits approved by the General Meeting of Shareholders.

### Committee on Investment and Energy Security

Costin-Mihai PĂUN (chair), Cătălin-Andrei DASCĂL, Luminița ZEZEANU, Teodor ATANASIU, Dumitru-Virgil ORLANDEA

The tasks of the Investment and Energy Security Committee shall be to:

- consulting and monitoring the implementation of the Company's medium, short and long-term Strategy and Investment Plan;
- advising and consulting with the members of the Supervisory Board, the members of the Directorate and the executive management of the Company, within and in correlation with the Company's

Strategy and ROF, without prejudice to the responsibility of the members of the Supervisory Board, the members of the Directorate and other persons who according to Applicable Law have responsibilities relating to the management and supervision of the Company;

- consulting and monitoring the implementation of actions related to maintaining and increasing energy security of the Company's activities.

The Investment and Energy Security Committee has the following objectives:

- monitoring the establishment and achievement of the Company's strategic targets and directions for the development of the high-voltage electricity networks,
- monitoring the establishment and fulfillment of strategic criteria for the definition:
  - The Annual Investment Plan - AIP (including the investment prioritization algorithm);
  - Ten-Year ETG Development Plan 2022-2031;
  - The Company's vision for updating the ETG Ten-Year Development Plan 2022-2031,
- post-investment monitoring and monitoring indicators within the investment project,
- Regular monitoring and review of energy security and actions leading to increased energy security.

The Investment and Energy Security Committee makes recommendations to the Supervisory Board for:

- Improving the vision and internal transparency of network strategy and development activity and investment in high-voltage electricity networks,
- prioritizing investment and asset development in line with ANRE requirements,
- obtaining synthetic and relevant reports that facilitate immediate decisions with a major impact on the achievement of the specific indicators of the electricity transmission activity,
- fulfillment of the obligations regarding the efficiency of the electricity transmission activity, electricity transmission service, operational efficiency (team coordination).

The Investment and Energy Security Committee will provide support to the Supervisory Board on maintaining and enhancing energy security, facilitating immediate and high-impact decisions in achieving specific energy security indicators in the transmission business.

#### • **Risk Management Committee**

Teodor ATANASIU (chair), Alexandru-Cristian VASILESCU, Cătălin-Andrei DASCĂL, Rareș Stelian RUSU, Dumitru Virgil ORLANDEA

It is a new committee set up following the amendment of Government Emergency Ordinance 109/2011.





## Activity of the Supervisory Board

### ACTIVITY OF THE SUPERVISORY BOARD

During 2024, the members of the Supervisory Board met in 28 meetings, of which we present below a selection of the items on the agenda.

The following topics were prioritized:

- agreement for the conclusion of additional acts to the credit agreements with Banca Comercială Română and Banca Transilvania, extending the validity of the credit lines by 12 months, until March 30, 2025 and March 9, 2025,
- to start the selection procedure for the members of the Company's Directorate by applying the provisions of Article 35 of GEO 109/2011 approved by Law no.187/2023 with subsequent amendments and additions,
- adoption of the management component of the Company's management plan as elaborated in application of the provisions of Article 30 paragraph (1) of GEO 109/2011,
- the agreement to carry out the procurement operation for the award of the sectoral execution contract "400kV Stâlpu power station "and Modernization of 110kV and medium voltage cells in Stâlpu power station",
- the simplified separate interim financial statements for the financial year ended March 31, 2024, the activity report of the Directorate on the results for the first quarter of 2024 prepared in accordance with the provisions of GEO 109/2011 on the co-corporate governance of public enterprises, the report for the first quarter of 2024 on the economic and financial activity of the Company prepared in accordance with the requirements of the capital market,
- the separate and consolidated financial statements as at and for the year ended December 31, 2022, the Annual Report on the separate and consolidated financial statements for the year ended December 31, 2022, the Supervisory Board's 2022 Activity Report prepared in accordance with the provisions of Article 55 of GEO 109/2011 on the corporate governance of public enterprises,

- agreement on the performance of the procurement operation for the award of the sectoral works contract "400KV sc Gădălin-Suceava LEA",

In 2024, 9 (nine) meetings of the **Audit Committee** were held, during which the Interim Financial Statements for the financial year 2023 were audited, the Income and Expenditure Budget for 2024 and the estimates for the years 2025-2026 were audited. The Report of the Audit Committee of the Supervisory Board of NPG CO. Transelectrica SA for the year 2023 on the Company's internal control and significant risk management systems was prepared and the Company's separate/consolidated financial statements for the year 2023 were verified, accompanied by the Financial Auditor's Report.

During the same period, 22 (twenty-two) meetings of the **Nomination and Remuneration Committee** were held, during which the members of this Committee drafted the Report of the Nomination and Remuneration Committee for the year 2023 and carried out the necessary procedures for the selection of the members of the Company's Directorate.

Proposals and recommendations were also made for the position of provisional member of the Company's Directorate.

The following details the topics discussed at the 2024 Board of Supervisors meetings:

- At its meeting on **23.01.2024**, the Supervisory Board reviewed the Company's Investment Program for 2024 and the estimated investment expenditures for 2025 and 2026,
- reviewed the Revenue and Expenditure Budget for the year 2024 as well as the estimates for the years 2025-2026.
- In the meeting of **05.02.2024**, the Supervisory Board, expressed its agreement to the conclusion of the addendum to the credit agreement with Banca

Transilvania having as object the extension of the validity of the utilization of the credit line by 12 months, until March 09, 2025 and expressed its agreement on the assumption by the Company of the commitment to ensure the flow the implementation of the investment project "DigiTEL Green Pilot Project - Upgrading of the 220/110/20kv Mostiștea substation to a digital substation with reduced environmental impact" for which the financing contract was signed with the Ministry of Energy, to be financed by the Modernization Fund and to cover the countervalue of the expenses, other than those financed by non-reimbursable funds, including VAT related to the project,

- approved the Annual Public Internal Audit Plan for the year 2024 and the Report on the public internal audit activity for the year 2023 carried out at the level of the Company and in the Subsidiaries, for submission to the General Secretariat of the Government and approved the Public Internal Audit Reports.

- The preliminary financial statements as of and for the year ended December 31, 2023 were audited at the meeting held on **02/21/2024**

- took note of the Preliminary Report for the fourth quarter and January-December 2023 on Transelectrica's economic and financial activity, prepared in accordance with the capital market requirements,

- the activity report of the Directorate for the fourth quarter and January-December 2023, prepared in accordance with the provisions of GEO 109/2011.

- In the meeting of **April 27, 2024**, the Supervisory Board expressed its agreement on the conclusion of the additional act to the credit agreement with Banca Comercială Română, with the purpose of extending the validity of the credit line by 12 months, until March 30, 2025,

- has expressed its agreement to carry out the procurement operation with the object "*Services/works in the facilities managed by NPG CO. Transelectrica SA*".

- In the meeting held on **04.03.2024** in accordance with the provisions of art.18 paragraph (4) of the Company's Articles of Association, the SC members elected Mr. DASCĂL Cătălin-Andrei as Chairman of the Supervisory Board.

At the same meeting, in accordance with the provisions of Article XX paragraph (4) of the Regulation on the organization and functioning of the

Supervisory Board, the Nomination and Remuneration Committee was constituted and appointed as members

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

The Audit Committee was constituted and appointed as members:

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

The Investment and Energy Security Committee was established and appointed as members:

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

The Risk Management Committee was constituted and appointed as members:

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

- In the meeting of **March 21, 2024** pursuant to art. III of Law no.187/2023 on amending and supplementing GEO no.109/2011 with subsequent amendments and additions, it was decided to extend for a period of 2 months, starting from March 25, 2024 and until May 24, 2024, the terms of office of provisional members of the Directorate for: Ștefăniță Munteanu, Cătălin Constantin Nadolu, Florin Cristian Tătaru and Bogdan Toncescu, but not later than the finalization of the selection procedure according to the provisions of GEO 109/2011 if the procedure will be carried out within this period.

At the same meeting, the Supervisory Board elected Mr. Ștefăniță Munteanu as Chairman of the Directorate, alternatively called Chief Executive Officer - "CEO" of the Company.

- In the meeting of **March 26.2024**, the separate and consolidated financial statements as at and for the year ended December 31, 2023 were audited, the Independent Auditor's Report on the separate and

consolidated financial statements for the year ended December 31, 2023 was noted, the Annual Report on the separate and consolidated financial statements of the Company was noted, took note of the Note on the appropriation of net profit as of December 31, 2023, the Note on the proposal of gross dividend and the Note on the establishment of reserves related to the income realized from the allocation of transmission capacity on interconnection lines in 2023 from the surplus realized from the taxable and non-taxable revaluation reserves upon change of use.

During the same meeting, the final form of the 2023 Activity Report of the Supervisory Board was approved, prepared in accordance with the provisions of art.55 of GEO 109/2011 on the corporate governance of public enterprises,

- approved the final form of the 2023 Report of the Audit Committee of the Supervisory Board on the internal control and significant risk management systems within Transelectrica, prepared in accordance with the provisions of the new Corporate Governance Code of the BUCHARAREST,
- approved the final form of the Remuneration Report for the year 2023 and the final form of the "Remuneration Policy for the Company's executive and non-executive management, revised to March 2024",
- took note of the Report on the Directorate's activities from January to December 2023.

- At the meeting held on **March 27, 2024**, the members of the Supervisory Board expressed their agreement to start the selection procedure for the members of the Company's Directorate, with the application of the provisions of art.35 of GEO no. 109/2011, as amended by Law no. 187/2023, as amended.

At the same meeting, the *management component of the Company's management plan* was adopted as drafted in application of the provisions of Article 30 paragraph (1) of GEO 109/2011.

- At its meeting on **03.04.2024**, the Supervisory Board expressed its agreement to the Company's commitment to ensure the necessary financial flow for the implementation of Subinvestment 5.a - Installation of photovoltaic power plants (PPPs) and electricity storage facilities intended to supply internal services installed in Transelectrica SA substations, for which the financing contract will be signed with the General Secretariat of the Government for financing through Component 16 - REPowerEU (National Recovery and

Resilience Plan) and for covering the countervalue of expenses, other than those financed from non-reimbursable funds, including VAT related to the Subinvestment.

- The meeting of **09.04.2024** finalized the note regarding the ratification by the GMS of the Supervisory Board's Decisions on the appointment of provisional Members of the Directorate for the period 25.06.2021 - present and the establishment of the general limits of remuneration and other benefits to be granted by the Company to the provisional members of the Directorate.

- In the meeting held on **23.04.2024**, the Supervisory Board expressed its agreement to carry out the procurement operation for the award of the sector works contract "400kV Gădălin-Suceava 400kV LEA",

- has expressed its agreement to perform the procurement operation "Modernization of the command - control - protection - metering system 220kV, 110kV in the 220/110.20kV station and upgrading of medium voltage and internal services DC and AC in the 220/110/20kV Ghizdaru station,
- expressed its agreement to carry out the procurement operation for the award of the sectoral contract for the design and execution of works "Upgrade to 400kV of Teleajen Station and retrofitting of 110kV Teleajen Station",
- expressed its agreement to carry out the procurement operation for the award of the sectoral execution contract "400kV Stâlpu substation" and "Modernization of 110kV and medium voltage cells in Stâlpu substation".

- At the meeting held on **13.05.2024**, the simplified separate interim financial statements for the financial year ended March 31, 2024 were audited, the Report for the first quarter of 2024 on the economic and financial activity of the Company, prepared in accordance with the requirements of the capital market and the Activity Report of the Directorate on the results for the first quarter of 2024 prepared in accordance with the provisions of GEO no.109/2011 on the corporate governance of public enterprises.

- In the meeting of **May 22, 2024**, the members of the Supervisory Board took note of the fact that on May 24, 2024, the mandates of the provisional members of the Directorate: Ștefăniță Munteanu, Cătălin Constantin Nadolu, Florin Cristian Tătaru and Bogdan Toncescu will expire and appointed Ștefăniță Munteanu, Cătălin Constantin Nadolu, Florin Cristian

Tătaru and Bogdan Toncescu as privisory members of the Directorate.

The term of office of the appointed members of the Directorate shall have a duration of 5 months starting on 25.05.2024, but the term of office shall not exceed the date of completion of the selection procedure of the members of the Company's Directorate under the conditions of GEO 109/2011 on the corporate governance of public enterprises, approved with amendments and additions, if the procedure is completed within this period.

At the same meeting, the form of the mandate contract to be concluded with the provisional members of the Directorate was approved, the remuneration of the provisional members was approved, and Mr. Ștefăniță Munteanu was appointed as Chairman of the Directorate, alternatively called Chief Executive Officer - "CEO" of the Company.

During the same meeting, the Supervisory Board expressed its agreement to carry out the procurement operation for the award of the sector works contract "Purchase and installation of compensation coil in the 400kV Porțile de Fier substation"

- At its meeting of **10.06.2024** the Council of The Supervisory Board agreed that the Company is committed to ensure the necessary financial flow for the implementation of the investment project "LEA 400 kV d.v. Gutinaș - Smârdan" for which the application for the continuation of the grant funding will be submitted for the Sustainable Development Program 2021-2027 and to cover the value of all expenses related to the project, including VAT related to the project.

- At the meeting of **14.06.2024** the members The Supervisory Board expressed their agreement in principle to carry out the procurement operation for the award of the sector contract "Optimization of voltage regulation and power quality parameters by installing FACTS equipment in Gutinaș, Suceava and Roșiori substations, with the mention of preparing the documentation for the subdivision.

- The meeting of **21.06.2024**  
The Selection Plan is the integral component of the Recruitment and Selection of the members of the Company's Directorate, with the following annexes: ***the Profile of the Directorate, the Profile of the members of the Company's Directorate, the Declarations to be filled in by the candidates (Forms F1-F5), the Announcement for the printed***

***press, the Announcement for the online press, the draft of the mandate contract.*** The Supervisory Board has ordered the publication of the advertisement in accordance with the regulations in force, taking into account the deadlines specified in the approved Selection Plan.

The same meeting approved the transaction with the affiliated party "SMART SA" on "*Strategic services/works in the facilities managed by CMTEE Transelectrica SA*" in the amount of RON 338 million excluding VAT, with a duration of 36 months.

- At the meeting of **11.07.2024** the members The Supervisory Board expressed their agreement on the purchase of electricity needed to cover their own technological consumption in the electric transmission grids for the year 2025, for a quantity of energy corresponding to the maximum power demand of 25MW per settlement interval, at a maximum price of 550 lei/MWh. During the same meeting, the members of the Supervisory Board expressed their agreement to carry out the procurement operation for the award of the sectoral works contract "220KV Ostrovu Mare 220KV Station".

- In the meeting of **13.08.2024**, the Supervisory Board expressed its agreement for the Directorate to issue agreement to ensure the financial flow necessary for the implementation of the investment project "*DigiTEL Power Lines of the Future Pilot Project - Transition of the 400 kV Isaccea-Tulcea West OHL from single circuit to double circuit*", for which the financing contract will be signed with the Ministry of Energy through the Modernization Fund, and to cover the countervalues of all project-related expenses, including VAT related to the project.

At the same meeting:

- The Company's condensed interim condensed separate financial statements as of and for the six-month period ended June 30, 2024 were noted,
- took note of the half-yearly report for the first semester of 2024 on the economic and financial activity of the Company, prepared in accordance with the requirements of the capital market, ASF for the period ended June 30, 2024,
- took note of the Activity Report of the Directorate on the results for the period January - June 2024, prepared in accordance with the provisions of GEO 109/2011 on corporate governance of public enterprises, as amended and supplemented
- The Supervisory Board approved the Annual Public Internal Audit Plan for the year 2024, Revision 1 and



endorsed the Public Internal Audit Reports Nos. 1,8,12 and 16/2024.

- In the meeting of **19.08.2024**, the members of the Supervisory Board expressed their agreement for the conclusion of the additional agreement no.1 to the credit agreement with Alpha Bank, with the purpose of extending the validity of the agreement by 12 months, from 06.09.2024 to 06.09.2025 and increasing the amount of the irrevocable option to issue bank guarantees from the amount of RON 30 million to RON 50 million.

During the same meeting, the Supervisory Board approved the form of the reply regarding the candidates' contestations as well as the transmission of the replies by the Chairman of the Nomination and Remuneration Committee of the Supervisory Board.

- During the meeting held on **29.08.2024**, the members of the Supervisory Board expressed their agreement to carry out the procurement operation for the award of the sector works contract "Transition to 400 kV voltage of the Porțile de Fier-Resita-Timisoara-Săscălaz-Arad axis, 400 kV Timisoara-Arad phase III".

At the same meeting, following the request of Mr. RUSU Rareș Stelian, the Supervisory Board took note of his withdrawal from the Nomination and Remuneration Committee of the Supervisory Board.

- In the meeting of **30.09.2024**, taking into account art.1 paragraph (2) of the Supervisory Board Decision of May 22, 2024 and art.2.1 of the mandate contract signed with the provisional members of the Directorate, the members of the Supervisory Board took note that on October 2, 2024 the mandates of the provisional members of the Directorate will end: Ștefăniță Munteanu, Cătălin Constantin Nadolu, Florin Cristian Tătaru and Bogdan Toncescu. (4)-(8) and (11) of GEO 109/2011 on the corporate governance of public enterprises, following the selection procedure of candidates for the positions of members of the Directorate, the following were appointed as of October 3, 2024, pursuant to Article 23 of the Articles of Association, as members of the Directorate, as of October 3, 2024: Florin Cristian Tătaru, Victor Moraru, Ștefăniță Munteanu, Cătălin Constantin Nadolu and Vasile Cosmin Nicula.

At the same time, in accordance with the provisions of art.23 paragraph (1) of the Company's Articles of Association, the members of the Supervisory Board elected Mr. Ștefăniță Munteanu as Chairman of the

Directorate, alternatively called Chief Executive Officer - "CEO" of the Company

- In the meeting of **07.10.2024**, the members of the Supervisory Board expressed their agreement to carry out the tender operation for the award of the sector works contract "Pilot project - refurbishment of the 220-110-20kV Alba Iulia 220-110-20kV substation in the concept of a digital substation".

- In the meeting of **08.11.2024** the members of the Supervisory Board

- have noted the Company's simplified separate financial statements for the year ended September 30, 2024,
- took note of the Report on the economic and financial activity of the Company in accordance with the capital market requirements for the period January-September 2024,
- took note of the Activity Report of the Directorate on the results for January-September 2024 in accordance with GEO 109/2011 as amended and supplemented.

During the same meeting, the members of the Supervisory Board expressed their agreement to carry out the procurement operation for the award of the contract "*Increasing the degree of safety in the supply of electricity to consumers in the north-eastern area of Bucharest connected to the 220/110/10 kV Fundeni substation*". They also delegated the duties of Chief Financial Officer (CFO) to Mr. Vasile Cosmin Nicula.

- In the meeting of **05.12.2024** the Supervisory Board expressed its agreement to carry out the procurement operation "*Modernization of SCADA at 400/110/20 kV station Oradea Sud*" and approved the Internal Public Audit Reports for 2024.

- In the meeting of **06.12.2024** they approved the management component of the Company's Management Plan, approved the Company's Management Plan which was submitted to AMEPIP and for information to the General Secretariat of the Government (SGG).

- At their meeting on **December 23, 2024** they approved the Annual Public Internal Audit Plan for the year 2025.



## Financial data

The financial results for 2024 are audited. A summary of the financial results as of December 31, 2024 in expanded form is presented in the Exhibits to this Report.

The separate income statement as of December 31, 2024 versus December 31, 2023 is presented in the table below:

Separate profit and loss account						
[RON mn]	S1 2024	S2 2024	2024	2023	Δ	Δ (%)
	1	2	3	4	5=3-4	6=3/4
Charged energy volume [TWh]	25.40	26.42	51.82	50.39	1.43	2.8%
<b>ALLOWED PROFIT ACTIVITIES</b>						
<b>Operating revenues</b>	<b>1,205</b>	<b>1,138</b>	<b>2,343</b>	<b>2,090</b>	<b>253</b>	<b>12%</b>
Transmission and other energy market revenues, of which:	1,046	1,041	2,087	1,988	99	5%
<i>Regulated tariff</i>	801	819	1,619	1,545	75	5%
<i>Other revenues on the electricity market</i>	143	42	185	100	85	85%
<i>Interconnection</i>	102	180	282	343	(61)	(18%)
Other revenues	159	97	256	102	154	151%
<b>Operational costs</b>	<b>(716)</b>	<b>(739)</b>	<b>(1,455)</b>	<b>(1,382)</b>	<b>(73)</b>	<b>(5%)</b>
System operating expenses	(355)	(360)	(716)	(640)	(75)	(12%)
Repairs and maintenance expenses	(52)	(77)	(129)	(115)	(14)	(12%)
Personnel expenses	(187)	(186)	(373)	(348)	(25)	(7%)
Other costs	(122)	(116)	(238)	(278)	40	15%
<b>EBITDA</b>	<b>489</b>	<b>399</b>	<b>888</b>	<b>708</b>	<b>179</b>	<b>25%</b>
Depreciation	(172)	(185)	(356)	(334)	(22)	(7%)
<b>EBIT</b>	<b>317</b>	<b>214</b>	<b>531</b>	<b>374</b>	<b>157</b>	<b>42%</b>
<b>ZERO PROFIT ACTIVITIES</b>						
<b>Operating revenues</b>	<b>3,480</b>	<b>2,056</b>	<b>5,537</b>	<b>2,628</b>	<b>2,908</b>	<b>111%</b>
System services revenues	251	320	571	359	212	59%
Balancing market revenues	3,229	1,737	4,966	2,269	2,696	119%
<b>Operating expenses</b>	<b>(3,530)</b>	<b>(1,959)</b>	<b>(5,489)</b>	<b>(2,768)</b>	<b>(2,721)</b>	<b>(98%)</b>
System services expenses	(301)	(223)	(524)	(499)	(24)	(5%)
Balancing market expenses	(3,229)	(1,736)	(4,966)	(2,269)	(2,697)	(119%)
<b>EBIT</b>	<b>(50)</b>	<b>97</b>	<b>48</b>	<b>(140)</b>	<b>188</b>	<b>134%</b>
<b>ALL ACTIVITIES (WITH ALLOWED PROFIT AND ZERO PROFIT)</b>						
Operating revenues	4,685	3,194	7,879	4,718	3,161	67%
Operating expenses	(4,246)	(2,698)	(6,944)	(4,150)	(2,794)	(67%)
<b>EBITDA</b>	<b>439</b>	<b>496</b>	<b>935</b>	<b>568</b>	<b>367</b>	<b>65%</b>
Depreciation	(172)	(185)	(356)	(334)	(22)	(7%)
<b>EBIT</b>	<b>267</b>	<b>312</b>	<b>579</b>	<b>234</b>	<b>345</b>	<b>147%</b>
Net finance result	16	(3)	13	0,27	13	n/a
<b>EBT</b>	<b>283</b>	<b>309</b>	<b>592</b>	<b>234</b>	<b>358</b>	<b>153%</b>
Income tax	(20)	13	(6)	(21)	14	70%
<b>Net profit</b>	<b>264</b>	<b>322</b>	<b>586</b>	<b>214</b>	<b>372</b>	<b>174%</b>

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

\*\*Energy market (ITC, reactive energy, OTC sales, energy exchanges, emergency aids)

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

## OPERATIONAL RESULTS

### I. Volume of energy charged

In 2024, the total amount of electricity priced for electricity market services (51.82 TWh) increased by 2.8% compared to the same period in 2023 (the difference between the two periods was 1.4 TWh)

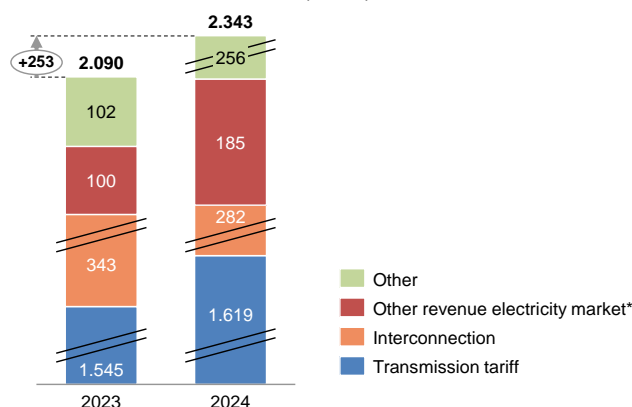
### Profit-allowed segment

#### Operating revenues



The segment of **activities with allowed profit** recorded a 12% increase in revenues (RON 2,343 million in 2024 compared to RON 2,090 million in 2023) mainly due to the increase in revenues from the regulated tariff, in the context of the increase in the quantity of energy priced (+2.8%), revenues from OTC transactions, revenues from blackout aid, revenues from OTC capitalization and the recording of some conjunctural revenues, stemming from the winning of the lawsuit with ANAF, sentence 6169/2023, sent to the Company in May 2024.

Operating revenues from profit allowed activities  
(mil lei)



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

The increase in revenues from transmission and other energy market revenues (RON 2,087 million in 2024 compared to RON 1,988 million in 2023) was mainly influenced by the increase in the quantity of electricity, as well as by the tariff approved by ANRE, which led to an increase in **revenues from regulated tariff by RON 75 million (+5%)** compared to the same period of the previous year.

Between January-December 2024, **revenues from interconnection capacity allocation** decreased from RON 343 million in 2023 to 282 million in 2024.

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

Thus, the decrease during the period under review was influenced by the supply and demand pricing model. The implicit allocations, where capacity and energy are provided simultaneously, are strongly influenced by changes in the price of electricity on the European power exchanges.

The mechanism of interconnection capacity allocation consists in organizing annual, monthly, daily and intra-day auctions. The auctions on the Romania-Serbia border, the long-term auctions on the borders with Hungary and Bulgaria and the short-term auctions on the borders with Moldova and Ukraine are explicit - only transmission capacity is auctioned, while the 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).

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

**Revenues from Inter TSO Compensation (ITC)** amounted to RON 25.8 million in 2024, higher (RON +12.6 million) compared to the same period in 2023 when they amount RON ed to RON 13.2 million and mostly originate from the programmed exchanges of electricity with the countries considered perimeter of the mechanism, namely Ukraine and Republic of Moldova.

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

The increase in these revenues is driven by:

- *Modification of the tariff for trade with perimeter countries*, as of 15.06.2023, from 1.2 EUR/MWh to 3 EUR/MWh, which led to an increase in revenues compared to the same period last year.
- Energy exchanges recorded in the first half of 2024 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 energy trading for own technological consumption (OTC)** were mainly obtained from the sale of surplus energy resulting from the difference between the long and medium term forecast and the short term forecast (on each settlement interval) on the Intra-Til Domestic Market managed by OPCOM and respectively from the difference between the forecast OTC and the OTC actually realized (on each settlement interval) on the Balancing Market.

In 2024, the Company recorded higher revenues from energy trading for OTC (RON 95.5 million) compared to the same period of 2023 (RON 46.8 million), i.e. RON +48.7 million.

In the structure of these revenues, those obtained from transactions on the Intraday Market were at the level of about 50% of the revenues realized in the similar period of the previous year, given that a large part of the required OTC was purchased on the long-term markets through the MACEE mechanism, and prices on short-term markets decreased compared to the previous year, with some intervals with negative prices.

Revenues from transactions on the Balancing Market were more than 2 times higher than 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 was more pronounced in the first half of the year, with revenues in the second half of the year comparable to the previous year.

#### **Revenues from emergency aid**

In the period January-December 2024, revenues from emergency aid amounted to RON 62.2 million, compared to RON 31.8 million in January-December 2023. Thus, in 2024, emergency aid was granted to Ukraine as a result of damage to the energy infrastructure in this country as a result of armed conflicts and to Serbia as a result of accidental shutdowns of groups in this country.

#### **Revenues from capitalisation of own technological consumption (OTC)**

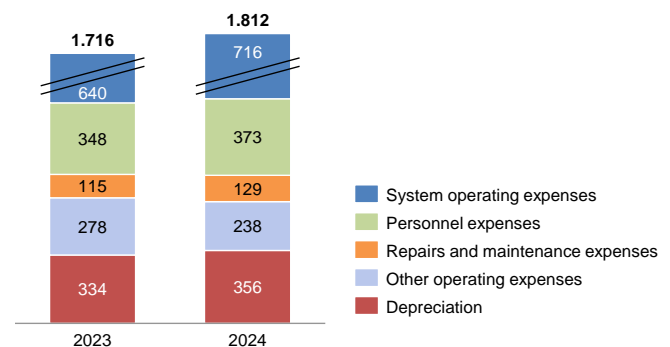
As of September 30, 2022, the Company applies the provisions of GEO no. 119/2022, whereby the additional costs of electricity purchase incurred between January 1, 2022 and March 31, 2025, in order to cover its own technological consumption, compared to the costs recognized in the regulated tariffs, are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

Thus, the Company recorded in 2024 OTC capitalization income in the amount of RON 102 million (compared to RON 13.7 million income recorded in 2023), representing additional OTC calculated as the difference between the net cost of OTC acquisition and the cost of OTC included in the regulatory tariff, for the period from January 01 to December 30, 2024.

#### **Operational expenses**

In the segment of **activities with allowed profit**, expenses (including Depreciation and amortization) increased by 6% (RON 1,812 million in 2024 compared to RON 1,716 million in 2023), mainly influenced by the increase in expenses related to system operation, ETG maintenance and repair expenses, personnel expenses and expenses for other services performed by third parties.

Operating costs of activities with allowed profit  
(mil lei)



In the category of **system operating expenses**, the impact had the expenses with the acquisition of OTC, ITC expenses, expenses related to energy consumption - consumption of internal services of ETG and RED stations, OTC expenses transit RED (cf. ANRE decision).

**OTC:** In the period January-December 2024, the cost of energy purchase to cover own technological consumption amounted to 609 mln lei, 17% higher (+90 mln lei) compared to 519 mln lei in 2023, mainly due to a number of factors:

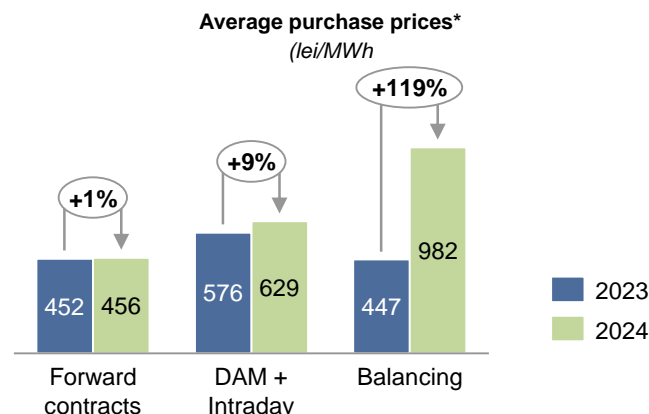
- Due to its characteristics, the OTC in the Electricity Transmission Grid (ETG) is strongly dependent on weather conditions, on the structure of electricity production and consumption at national level, on the



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

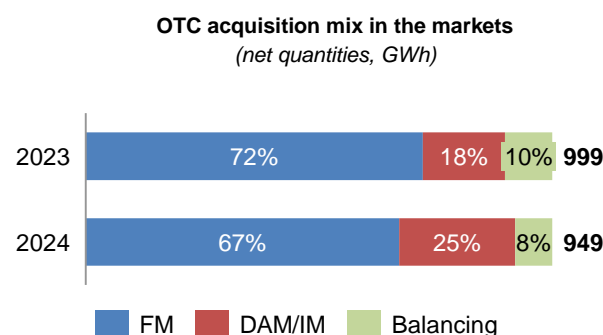
- following the provisions of GEO no. 153/2022 amending and supplementing GEO no. 27/2022, NPG CO. Transelectrica SA purchased electricity to cover 75% of the quantity of the OTC forecast validated by the Centralized Electricity Purchase Mechanism (MACEE). For 50% of the validated needs, the energy was 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 1, 2024);
- as of 01.04.2024, the mechanism of centralized purchase of electricity MACEE was amended by GEO no. 32/2024, in the following sense:
  - reducing the regulated purchase price to 400 lei/MWh;
  - removing the obligation for producers to participate in the mechanism;
  - changing the period of application of the mechanism from 31.03.2025 to 31.12.2024;
  - allowing other producers with production capacities below 10MW to participate in the 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 for OTC coverage through MACEE was almost zero. The required energy was purchased through bilateral contracts and from DAM;
- The accelerated growth of installed capacity at prosumers (from about 420 MW at the beginning of 2023 to about 1500 MW at the beginning of 2024), together with the increasing share of wind and solar energy, have led to a decrease in energy prices on short-term markets.
- The price of DAM is highly dependent on weather conditions (drought, rainfall, extreme events) and European market prices. The Day-ahead market is an unpredictable market with a high degree of volatility, with prices increasing by as much as 30-40% in a week;
- As of July 01, 2024, a number of amendments to the Regulation on Terms and Conditions for Balancing Parties, in line with the requirements of the European Codes, came into force, which led to very high prices in the Balancing Market. These prices have a high degree of volatility and uncertainty and can vary widely. As a result, the costs resulting from covering the energy shortfall in this market were around twice

as high compared to the same period in 2023.



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

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



The average net price of energy purchased on all markets in 2024 was 541 lei/MWh, 14% higher than the price in the same period of 2023, i.e. 473 lei/MWh.

#### OTC expenses transit RED (cf. ANRE decision)

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

#### Expenses with Inter TSO Compensation (ITC)

In the period January-December 2024 these expenses were lower by RON 35 million compared to the same period of the previous year. They are established within the framework of the mechanism of compensation/dispensation of the effects of utilization of the transmission electricity network (ETG) for electricity transits between TSOs that have joined this mechanism within ENTSO-E.

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

From the category "**Other costs**" (a decrease of RON 40 million in the analyzed periods) those that had an impact in the analyzed period are:

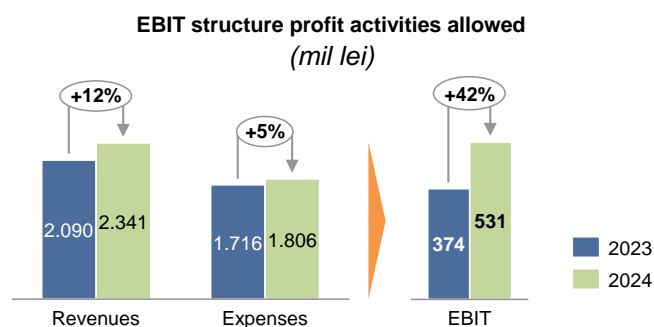
- the growth of the following:
  - other expenses with services performed by third parties with RON +23 million of which security 7 million, pan-European codes 6 million, Teletrans maintenance 5.5 million, other services with third parties 3.2 million,
  - expenditure on goods (waste recovery) by RON +12 million,
- decrease of some items of expenses, such as:
  - expenses with provisions and adjustments - 68 million, net expenses from revaluation of tangible assets by RON -20 million.

**Depreciation and amortization expenses** show an increase of RON 22 million, mainly influenced by the recording of Depreciation and amortization of tangible and intangible assets (+ RON 16 million), calculated at the revalued value of assets as at December 31, 2023, correlated with the commissioning of investment works and the acceptance of assets.

At the same time, in 2024, the expenses with depreciation of intangible assets - additional OTC amounted to RON 74 million, showing an increase compared to 2023 (RON +6 million). The additional costs with the purchase of electricity realized in the period from January 1, 2022 to March 31, 2025, in order to cover own technological consumption, compared to the costs included in the regulated tariffs, are capitalized quarterly, and the assets resulting from the capitalization are depreciated over a period of 5 years from the date of capitalization.

### Operating result - profit allowed

**Activities with allowed profit** recorded a positive result in the amount of RON 531 mln in 2024 up from the result in the amount of RON 374 mln achieved in 2023, as operating revenues increased by RON 253 mln, correlated with a lower increase in expenses (including depreciation) by RON 96 mln.



### Zero profit segment

The segment of **zero-profit activities** recorded a significant increase in **revenues** (+ RON 2,908 million) from RON 2,628 million in 2023 to RON 5,537 million in 2024, mainly driven by the increase in revenues on the balancing market (+ RON 2,696 million) due to the prices recorded at the balancing market level, concomitant with the appreciation of revenues from technological system services (+ RON 212 million), at the tariff approved by ANRE, compared to the same period of the previous year, in the context of a 2.8% increase in the quantity.

The **zero-profit activities** segment also recorded a significant increase in **costs** (+ RON 2,721 million) driven by the increased amount of expenses on the balancing market.

**Balancing market revenues/expenses** were more than 2 times higher in 2024 than in 2023.

The balancing market was mainly influenced by the following elements:

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

balancing market records a high volume of selections at power reduction, i.e. significant negative prices in the Balancing Market which determines, on the one hand, significant revenues for the generators that have offered negative prices at power reduction, and on the other hand, considerable costs for the PREs that have recorded positive imbalances;

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

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

For 2025 it is important to correctly assess the production-consumption balance, and the most important elements that will have a significant impact on the evolution of the balancing market are:

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

**Revenues from system services** increased by 59% compared to the same period last year (RON 571 million in 2024 compared to RON 359 million in 2023), driven by the increase in the quantity of electricity delivered to consumers (+2.8%) in the context of the tariff approved by ANRE for these services.

**The purchase of system services/balancing capacity** is carried out by the Company from producers in order to ensure the maintenance of the level of operational reliability of the NES and the quality of the transported

electricity at the parameters required by the technical standards in force.

These services are contracted out:

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

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

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

The amount of **expenses on system services/balancing capacity** in 2024, showed an increase (+5%) compared to the same period in 2023.

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

- in accordance with the provisions of Article II of ANRE Order no.18/30.05.2024, for a period of 3 months, in accordance with Regulation 2019/943 of the European Parliament and of the Council of June 5, 2019, in the period 01.06.2024-31.08.2024, the purchase of balancing capacity services for frequency stability contracted by the Company is carried out as follows:
  - at a maximum price of 82,30 lei/hMW for the secondary regulating reserve/frequency restoration reserve with automatic increase activation and for the automatic decrease activation;
  - at a maximum price of 37,94 lei/hMW for the fast tertiary regulation reserve on boost/reset reserve with manual activation on boost;
  - at a maximum price of 16,38 lei/hMW for the fast tertiary dimming reserve/manually activated frequency restoration reserve at manual dimming.
- in accordance with the provisions of art. I, point 3 of ANRE Order no.18/30.05.2024, as of 01.09.2024 the maximum prices are no longer applicable, and the tender procedure is organized at Transelectrica SA level on the basis of the offer price.

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 frequency stabilization reserve providers and the

Regulation on the terms and conditions for the parties responsible for balancing, which defines the new types of reserves to be purchased by the Company, in accordance with the requirements of the European codes, entered into force.

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

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

In the balancing capacity market, in line with the balancing market trends in 2024, the following were found:

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

For 2025 we make the following clarifications:

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

prices on the balancing market as well as the regional and European context of the evolution of the electricity market.

### Operating result - zero profit

EBIT generated by the **zero-profit activities** recorded a positive result in 2024 in the amount of RON 48 million, up by RON +188 million compared to the negative result of RON 140 million realized in 2023.

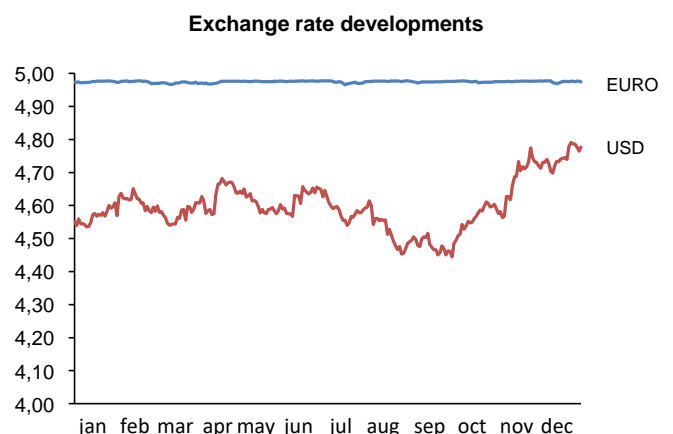
For system services activity, according to ANRE's regulations, the surplus/deficit of income compared to the recognized costs resulting from the performance of this activity shall be compensated by ex-post tariff correction (negative/positive correction) applied by ANRE in the tariff in the years following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

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

### Financial Result

The net financial result recorded in 2024 in the net amount of RON 13 million, compared to the profit of RON 0.3 million in the same period last year, was mainly influenced by the receipt of dividends from the subsidiary OPCOM SA in the total amount of RON 14.6 million, the increase in interest income received during the period under review, while there were losses from exchange rate differences of the national currency against foreign currencies in which the Company has bank loans to finance investment programs (Euro).

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



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.



## II. Company gross profit (EBT)

### Total operating revenue

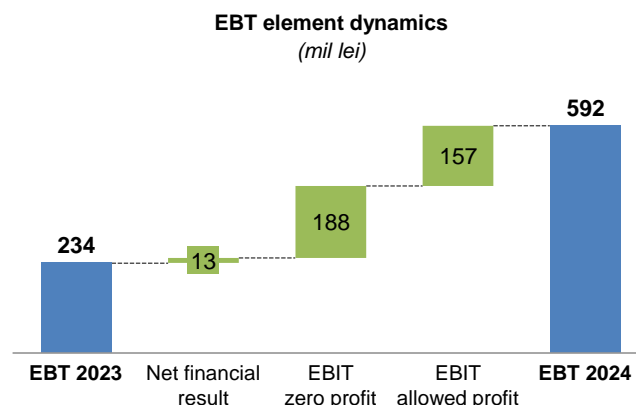
The total operating revenues realized in 2024 appreciated by 67% compared to the same period of the previous year (RON 7,879 million in 2024 compared to RON 4,718 million in 2023), in the context of the significant impact of revenues from zero-profit activities.

### Total operational expenses

The total operating expenses (including Depreciation and amortization) incurred during 2024 increased by 63% compared to the same period of the previous year - RON 7,301 million in 2024 compared to RON 4,484 million in 2023 in the context of the significant impact of the increase in expenses from zero-profit activities.

**The gross result** recorded a higher value during the period under review, RON 234 million in 2023 to RON 579 million in 2024, mainly due to the 2.8% increase in the quantity of electricity delivered to consumers, and conjunctural revenues (OTC transaction revenues, revenues from emergency aid +30 mil. lei, revenues from OTC capitalization (non-monetary) +88 mil. lei, other operating revenues +66 mil. lei where the increase was mainly driven by the recording of revenues from compensation, fines and penalties as a result of legal recovery, according to Civil Judgement no. 6169/2023, communicated to the Company on May 15, 2024).

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



## III. Net result

The gross result influenced with income tax amounting to RON 6 million resulted in a **net result** at the end of 2024 amounting to RON 586 million, up from RON 214 million in 2023.

## FINANCIAL POSITION

The separate statement of financial position as of December 31, 2024 versus December 31, 2023 is presented in the following table:

Separate statement of financial position				
[RON mn]	2024	2023	Δ	Δ (%)
	1	2	3=1-2	4=1/2
<b>Non-current assets</b>				
Tangible assets	5,775	5,416	359	7%
Assets representing rights of use under a lease - buildings	6	14	(8)	(57%)
Intangible assets	312	282	30	11%
Financial assets	86	86	0	0%
<b>Total non-current assets</b>	<b>6,179</b>	<b>5,798</b>	<b>381</b>	<b>6.6%</b>
<b>Current assets</b>				
Inventories	47	51	(4)	(8%)
Trade and other receivables	3,779	2,116	1,663	79%
Cash and cash equivalents	672	519	152	29%
<b>Total current assets</b>	<b>4,497</b>	<b>2,686</b>	<b>1,811</b>	<b>67%</b>
<b>Total assets</b>	<b>10,676</b>	<b>8,484</b>	<b>2,193</b>	<b>26%</b>
<b>Shareholders' equities</b>	<b>5,815</b>	<b>5,190</b>	<b>625</b>	<b>12%</b>
<b>Non-current liabilities</b>				
Long term deferred revenue	537	519	18	4%
Long term borrowings	8	32	(24)	(75%)
Other loans and assimilated debts - Non-current building lease liabilities	-	6	(6)	(100%)
Other non-current liabilities	338	360	(23)	(6%)
<b>Total non-current liabilities</b>	<b>883</b>	<b>918</b>	<b>(35)</b>	<b>(4%)</b>
<b>Current liabilities</b>				
Trade and other liabilities	3,862	2,242	1,619	72%
Short-term borrowings	24.3	24.5	(0,2)	(1%)
Other loans and assimilated debts - Current building lease liabilities	7	9	(2)	(24%)
Other current liabilities	73	100	(27)	(27%)
Tax on profit to be paid	13	0.4	12,2	n/a
<b>Total current liabilities</b>	<b>3,978</b>	<b>2,376</b>	<b>1,603</b>	<b>67%</b>
<b>Total liabilities</b>	<b>4,861</b>	<b>3,294</b>	<b>1,568</b>	<b>48%</b>
<b>Total shareholder's equity and liabilities</b>	<b>10,676</b>	<b>8,484</b>	<b>2,193</b>	<b>25.8%</b>

Separate statement of cash flows				
[RON mn]	2024	2023	Δ	Δ (%)
Net cash from operating activities	813	670	143	21%
Net cash used in investing activities	(606)	(312)	(294)	(94%)
Net cash used in financing activities	(55)	(154)	99	64%
<b>Net increase/decrease in cash and cash equivalents</b>	<b>152</b>	<b>204</b>	<b>(52)</b>	<b>(25%)</b>
<b>Cash and cash equivalents as of 1 January</b>	<b>519</b>	<b>315</b>	<b>204</b>	<b>65%</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>672</b>	<b>519</b>	<b>152</b>	<b>29%</b>

### I. Non-current assets

Non-current assets recorded in December 2024, compared to December 2023, an increase in the amount of RON 381 million, mainly due to the increase in the net value of tangible assets (RON +359 million).

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

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

As at December 31, 2024, the net accounting value of the right to use the premises leased by the Company in the Platinum office building is RON 6 million.

### Intangible assets

Intangible assets in progress at December 31, 2024 show a balance of RON 12 million, represented by projects in progress, of which the most significant are:

- Replacement of hardware components, upgrade 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 - RON 7,6 million;
- MARI platform development - 2 mil lei;
- PICASSO platform development - 0,6 mil lei;
- Off-line program for the realization of the 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 different time horizons - 1,1 mil;

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

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

As at 31 December 2024, additional OTC capitalization income in the amount of RON 102 million (non-monetary in nature) was recorded, representing additional costs of electricity purchase to cover own technological consumption compared to the cost recognized in the tariff.

The carrying amount of intangible assets resulting from the capitalization of the additional OTC amounted to RON 298 million.

## II. Current assets

Current assets as at December 31, 2024 (RON 4,497 million) increased by 67% compared to December 31, 2023 (RON 2,686 million), mainly due to the increase in receivables as well as cash and cash equivalents.

**Trade receivables** show an increase of 55% compared to December 31, 2023 (RON 2,702 million at December 31, 2024 compared to RON 1,746 million at December 31, 2023). The most important developments were:

- customers from operating activity which, due to the volume of transactions resulting from the coupling of

energy markets, generated a higher balance of receivables from operating activity (RON 1,899 million as at December 31, 2024 compared to RON 1,005 million as at December 31, 2023).

- customers - balancing market which, due to the increase in the volume of transactions in the balancing market in the fourth quarter of 2024, compared to the fourth quarter of 2023, also led to an increase in the balance of customers in the contracts concluded for this type of activity (RON 668 million as at December 31, 2024 compared to RON 594 million as at December 31, 2023).

The main outstanding customers on the electricity market are represented by OPCOM, IBEX, MAVIR, Electrica Furnizare SA, Ciga Energy SA, Cinta Energy SA, Hidroelectrica, Bursa Română de Mărfuri, RAAN, JAO. Their share is 77.02% of total trade receivables.

- customers - support scheme, which decreased by 8% (RON -11 million), mainly due to the decrease in the amount invoiced for the collection of the monthly contribution.

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

As at December 31, 2024, the Company has receivables receivable amounting to RON 132 million, represented by invoices issued related to the bonus support scheme for the promotion of high efficiency cogeneration, of which mainly:

- overcompensation for 2011-2013 in the amount of RON 76.70 million, respectively from RAAN - RON 63.46 million and CET Govora SA - RON 13.23 million;
- undue bonus for 2014 in the amount of RON 3.91 million, respectively from RAAN - RON 1.98 million, and CET Govora - RON 1.93 million;
- undue bonus for 2015 in the amount of 0.56 million, respectively from CET Govora - 0.53 million, Interagro - RON 0.03 million;
- undue bonus for 2020 in the amount of 0.52 million from Donau Chem;
- uncollected contribution for cogeneration from suppliers of electricity consumers in the amount of RON 20.8 million, respectively from Transenergo Com - RON 5.9 million, Petprod - RON 4.4 million, Romenergy Industry - RON 2.7 million, RAAN - RON 2.4 million, UGM Energy - RON 1.5 million, CET Govora - RON 0.9 million, KDF Energy - RON 0.5 million, etc.

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

Other receivables as of December 31, 2024, amounting to RON 231 million, recorded an increase of RON 8% million and mainly include:

- sundry debtors (RON 135 million), of which:
  - late payment penalties calculated for defaulting customers, amounting to RON 80 million (of which RON 25.85 million are penalties related to the support scheme).

The highest late payment penalties were recorded by customers: Romelectro (RON 24.5 million), RAAN (RON 16.9 million), Electromontaj (RON 12.7 million), CET Govora (RON 9.6 million), OPCOM (RON 3.9 million), Total Electric Oltenia (RON 3.3 million), Multiservice G&G SRL (RON 2.2 million), Petprod (RON 1.9 million), ISPE Proiectare și Consultanță (RON 1.1 million), Romenergy Industry (RON 0.6 million).

- compensation owed by suppliers for non-delivery of electricity: Arelco Power (RON 0.99 million), Enol Grup (RON 2.54 million) and Next Energy Partners (RON 8.39 million).
- the receivable to be recovered from OPCOM representing the VAT related to the contribution in kind to the share capital of the subsidiary in the amount of RON 4.52 million.
- Deferred expenses in the amount of RON 15 million represented mainly by domestic and international contributions (RON 7.9 million), OTC (RON 4.2 million), insurance policies (RON 1.7 million) and others;
- other social receivables in the amount of RON 3 million representing sick leave paid by the employer to employees, amounts to be recovered from the National Health Insurance House, according to the legislation in force.

**Advances to suppliers** paid as at December 31, 2024 represented by debtor suppliers for services rendered in the amount of RON 770 million increased

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

The balance represents mainly amounts from transactions related to the price coupling mechanism (for ICP - Interim Coupling Project and SDAC - Single Day-ahead Coupling the amount of RON 685 million, and for SIDC - Single Intraday Coupling the amount of RON 83 million).

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

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

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

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

**The VAT to be recovered** in the amount of RON 272 million is related to the tax returns for the period September-December 2024, of which up to the date of this report, the amount of RON 143 million has been collected, representing the VAT claimed for refund for the months of September and October 2024.

**Impairment adjustments** existing in the balance at December 31, 2024, calculated for trade receivables and related penalties, amount to RON 196 million. The highest are recorded for JAO (RON 30 mln), CET Govora (RON 24.6 mln), Romelectro (RON 24.5 mln), Arelco Power (RON 14.5 mln), Total Electric Oltenia SA (RON 14.2 mln), Romenergy Industry (RON 13.5 mln), Elsaco Energy (RON 9.3 mln), OPCOM (RON 8.8 mln), RAAN (RON 8.5 mln), Next Energy Partners (RON 8.4 mln).



## Liabilities

**Non-current liabilities** in the amount of RON 878 million as at December 31, 2024 decreased by 4% compared to the amount recorded as at December 31, 2023, which was RON 918 million.

### Interest-bearing liabilities

At December 31, 2024, the amount of non-current borrowings decreased compared to December 31, 2023 primarily due to repayments under existing loan agreements, the amount of current borrowings decreased 1% compared to the same period last year.

Between January and December 2024, **current liabilities** increased by 67%, from RON 2,376 million at December 31, 2023 to RON 3,978 million at December 31, 2024, mainly due to an increase in trade and other payables.

Impact on the evolution of trade liabilities:

- **suppliers on the energy market** which increased by RON 912 million and recorded a balance amounting to RON 2,253 million at December 31, 2024 compared to RON 1,341 million at December 2023.

This was mainly influenced by:

- the increase in *the balance of liabilities related to operating activities* by RON 905 million was influenced by the supply and demand pricing model for electricity market coupling. The implicit allocations, in which capacity and energy are simultaneously provided for, were strongly influenced by changes in the price of electricity on the European power exchanges.

Suppliers on the electricity market are mainly represented by MAVIR, IBEX, Hidroelectrica SA, OMV PETROM, OPCOM, CIGA Energy SA, S Complexul energetic Oltenia SA, Joint Allocation Office, Bursa Romana de Mărfuri, Electrica Furnizare SA. At December 31, 2024, their share in the total energy suppliers is 86.30%.

- the increase in the balance *"balancing market liabilities"* by RON 95 million was mainly determined by the increase in the volume of transactions recorded on the balancing market in the fourth quarter of 2024 compared to the fourth quarter of 2023.

- the decrease in the liabilities related to the support scheme to suppliers (producers) by RON 87 million was determined both by the decrease in the value of the monthly bonus for high efficiency cogeneration in December 2024 compared to December 2023, and by the payments made to RAAN in May and June 2024 for the cogeneration bonus withheld from payment,

according to enforceable civil decisions rendered by the Bucharest Court of Appeal.

- **suppliers of fixed assets** decreased by RON 20 million due to the payments due,
- **Suppliers other activities** also decreased by RON 13 million, being mainly represented by the category of liabilities related to services rendered by third parties not yet due.
- **"other liabilities"** increased by RON 730 million, from a balance of RON 637 million at December 31, 2023 to RON 1,366 million at December 31, 2024.

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

- *sundry creditors in the amount of RON 385 million (increased by RON 73 million compared to December 31, 2023) and are mainly represented by the net position of the support scheme for high efficiency cogeneration, debt position (RON 363.2 million), contracts for solution studies for connection to ETG (RON 14.3 million), royalty for Q4 2024 (RON 1.6 million),*
- *Creditor customers as of December 31, 2024 in the amount of RON 835 million (increased by RON 588 million compared to December 31, 2023) and mainly represent amounts received in advance in transactions related to price coupling mechanisms in the amount of RON 830, RON 9 million (ICP-Interim Coupling Project, SIDC-Single Intraday Coupling, SDAC-Single Day-ahead Coupling, FBMC-Flow Based Market Coupling), from OPCOM (RON 559.7 million), IBEX (RON 174.9 million), MAVIR (RON 38.7 million), Bursa Romana de Mărfuri (RON 49.3 million) and JAO (RON 8.3 million)*
- *the liability for fixed assets related to the rights of use of leased assets - buildings, in accordance with IFRS 16 - Leases, amounted to RON 6.6 million,*
- *other liabilities in the amount of RON 140 million are mainly represented by guarantees of good payment of electricity market contracts concluded by Transelectrica in the amount of RON 111 million and VAT not chargeable during the reporting period in the amount of RON 29 million.*

## III. Shareholders' equities

Shareholders' equity increased mainly due to the recognition in retained earnings of the net profit amounting to RON 586 million realized at December 31, 2024. Thus equity at the end of 2024 amounted to RON 5,821 million compared to RON 5,190 million at December 31, 2023.

## SHARE DEVELOPMENT

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

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

The final price of the period brought TEL shares a market capitalization of RON 2,764 million.

The variation of TEL shares' return compared to BET and BET-NG oscillated during the analyzed period and recorded a positive evolution since June 5, 2024, compared to BET with a maximum increase of 43 p.p. and 46 p.p. compared to BET-NG between August 19-20, 2024.

The return on equities at the end of the period under review was 17 p.p. above the BET return and 19 p.p. above the BET-NG return.

The trading of TEL shares during 2024 on the Romanian stock market recorded 31,915 transactions with an average number of 128 transactions/day and 3,191,488 shares traded, with a total value of RON 152,870 thousand.

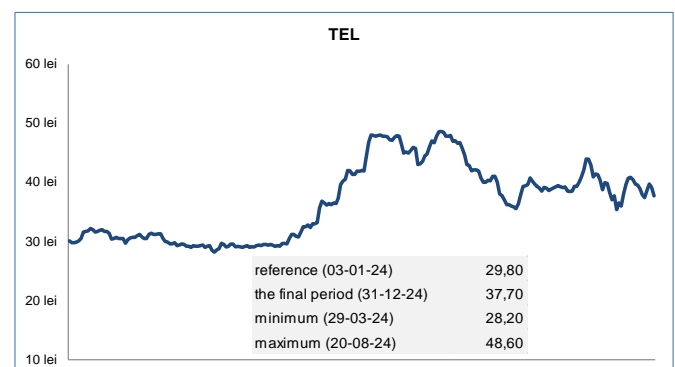
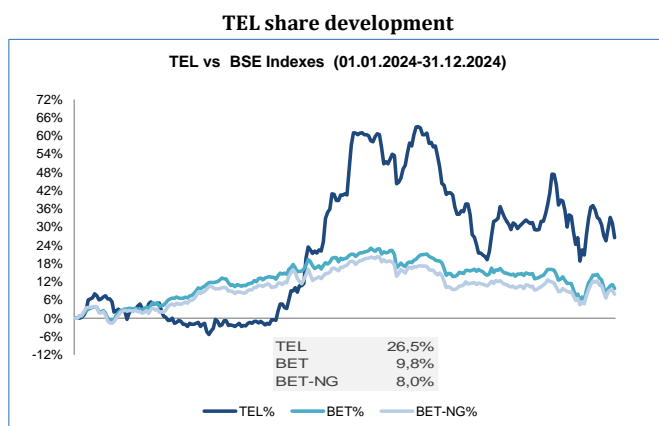
- the BET-NG index (Bucharest Exchange Trading Energy & Related Utilities - sector index that reflects the evolution of energy and related utilities companies listed on the regulated BVB).

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

According to the latest periodic adjustment date recorded on 06.12.2024, TEL shares have a weight of 1.65% in the BET index, 3.01% in the BET-NG index and 2.23% in the BET-EF index.

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

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



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

- the BET index (Bucharest Exchange Trading - the benchmark index of the capital market which reflects the evolution of the 20 most liquid companies listed on the regulated market of the BVB),

## MAIN RISKS AND UNCERTAINTIES

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

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

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

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

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

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

### ➤ interest rate fluctuation

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

In the short term, Transelectrica has contracted a line of credit to finance the bonus support scheme for high efficiency cogeneration, with a variable interest rate calculated based on the ROBOR 1M reference and

another line of credit to finance the Company's working capital, with an interest rate calculated based on the ROBOR 1M reference rate. As of December 31, 2024 both lines of credit were undrawn.

Interest rates on the national money market experienced a downward trend at the beginning of the year, amid excess liquidity in the banking system, coupled with lower demand for loans and tighter credit supply conditions, but towards the end of the year the trend becomes slightly upward, influenced by inflation and other economic, social and political factors.



### ➤ exchange rate variation

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

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

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

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

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

However, inflation differentials between Romania and the euro area, large current account and budget

deficits, the weak performance of the local economy, the fiscal consolidation measures recently adopted, are leading to a depreciation of the national currency.

➤ **provisions in the grant agreements**

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

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

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

➤ **Credit risk:** a financial loss due to the inability or unwillingness of a counterparty to fulfill its contractual obligations. This risk arises mainly from trade receivables. During the period under review no problems were encountered in the relationship with customers, invoices were collected on time or with small insignificant delays.

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

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

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

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

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

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

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

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

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

For situations requiring working capital financing, the Company resorts to current borrowings in the form of revolving credit lines.

In 2024, due to timely actions taken, the Company has met its financial obligations as they fall due.

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

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

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

On December 13, 2024, Moody's rating agency reconfirms the Company's 2023 rating (Baa3, stable outlook), which implies a low risk of default and a strong ability to meet its financial commitments.

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

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

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



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

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

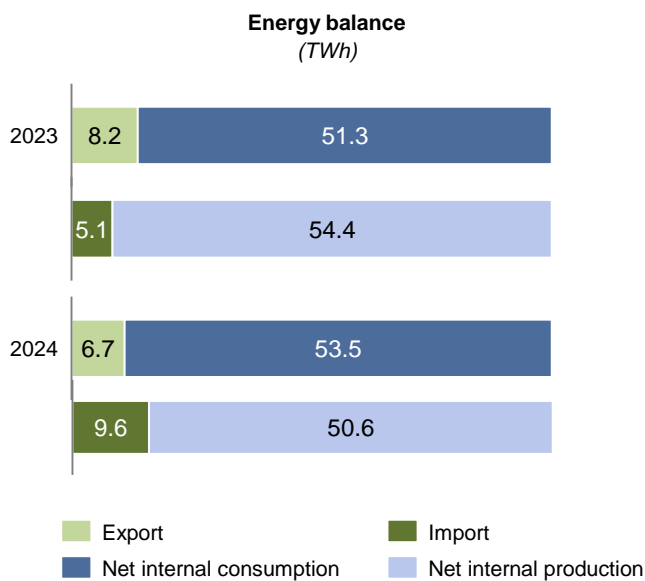


## Operational data

### ENERGY BALANCE NES

Analyzing the evolution of the components of the energy balance in January-December 2024 compared to the same period in 2023, there is an increase of 4% in net domestic consumption<sup>1</sup> and a decrease of 7% in net energy production.

Cross-border physical exports recorded a decrease of 19% in 2024 compared to the same period in 2023, while imports recorded an increase of 88%.



Electricity consumption in 2024 showed monthly increases, ranging from 0.51% in February to 8.75% in July, with the exception of April and May, which showed decreases (-1.70% in April and -0.41% in May).

The year-on-year increase in consumption took place against the backdrop of a 0.6° C higher annual average temperature in 2024 than in 2023, but with lower values than in the previous year in the fall-winter months (January and September-December) and higher values in the summer months (June-August), which led to an increase in the use of electrically powered air conditioning.

The increase in consumption is actually higher if we take into account the increase in installed power of prosumers, whose own-source consumption is not

known, but also consumers who own PV panels but are not registered as prosumers.

The evolution of consumption in the fourth quarter was influenced by both lower average monthly temperatures than in 2023, with a negative deviation of 2.4° C in October and November and 0.7° C in December.

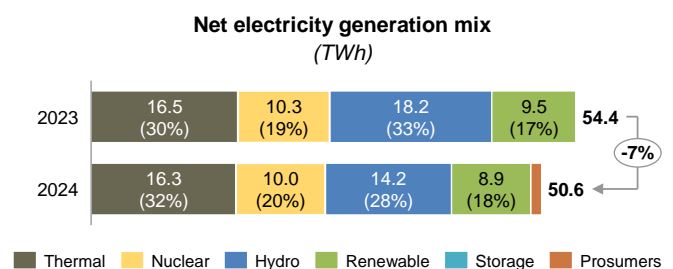
In addition, the decrease in the number of sunshine hours in October, but especially in November, led to a decrease in the production generated by prosumers.

### PRODUCTION MIX

In terms of generation mix, in the period January - December 2024 compared to the same period in 2023, there was a decrease in all components respectively, from Thermo sources 1%, Nuclear 3%, Hydro 22%, Renewables 6%.

Since the third quarter of 2023, battery generation has been included in the generation mix, which at the end of 2024 totaled 27.5 GWh.

Analyzing the weights of the components of the net production mix for the period January - December 2024, it can be observed that the largest share, 32%, is represented by the Thermo component followed by the Hydro component 28%, and the energy produced from renewable and nuclear sources have a share of 18% and 20% respectively.



### NATIONAL PRODUCTION PARK

In the year 2024, the installed capacity in thermal power plants increased by about 1%, from 5,447 MW installed as of December 31, 2023, to 5,476 MW installed as of December 31, 2024.

On January 01, 2025, the gross installed capacity in the NES totaled 18,610 MW, with the following structure by primary energy sources: coal - 2,762 MW (2,162 MW net), hydrocarbons - 2,714 MW (2,187 MW net), nuclear - 1,413 MW (1,300 MW net), hydro - 6,633 MW (6,307 MW net), wind - 3,095 MW (3,035 MW net),

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

photovoltaic - 1,853 MW (1,763 MW net), biomass - 138 MW (127 MW net).

It should also be noted that during 2024 power plants totaling 1,143 MW were commissioned, with the following structure: 25 MW hydro, 30 MW wind, 581 MW photovoltaic, 53 MW hydro, 330 MW coal, 121 MW in storage batteries and 3 MW biogas.

With regard to the capacities installed during 2024 in conventional power plants, we specify the following:

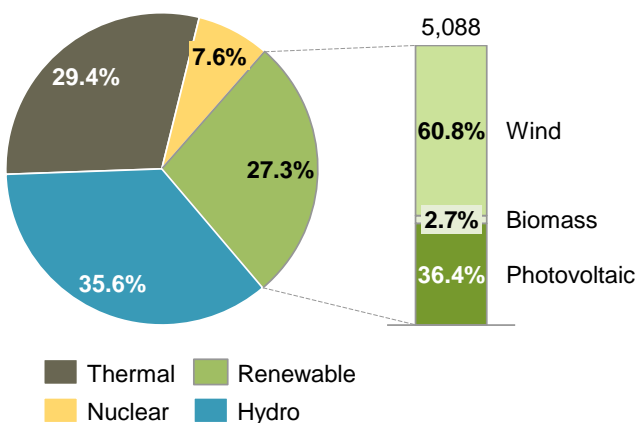
- The 330 MW of coal-fired power belong to the TA5 CTE Rovinari group, which was upgraded between 2015 and 2024;
- the 53 MW in hydropower plants belong to the TH5 CHE Stejaru CHE Stejaru group, which has been upgraded.

Basically, the largest increase in installed capacity in power plants during 2024 is in photovoltaic power plants, where 581 MW was installed.

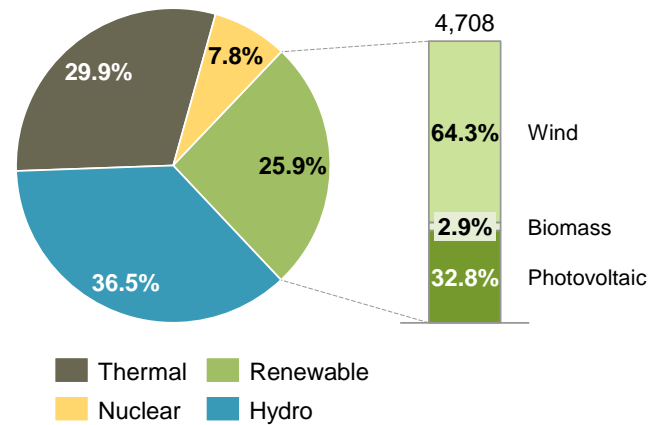
We note that on December 01, 2024, the installed capacity of prosumers was 2,336 MW, with approx. 950 MW above the value on December 01, 2023. Thus, the fourth quarter saw monthly increases in consumption values, with a minimum of 2.18% in December and a maximum of 5.91% in October.

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

Installed capacity 2024 (18,610 MW gross)



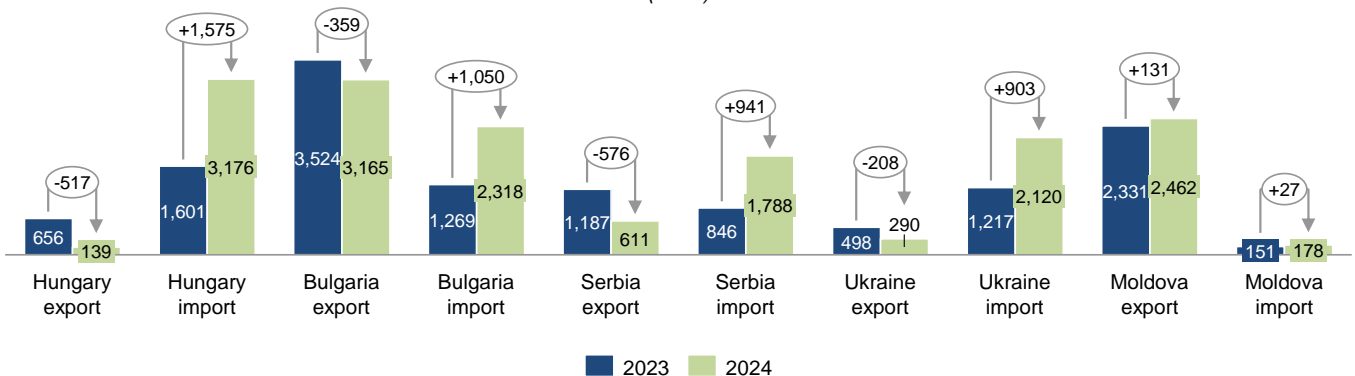
Installed capacity 2023 (18,210 MW gross)



## CROSS-BORDER FLOWS

The physical flows of both imports and exports at each border are presented below:

Physical flows  
(GWh)



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

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

Specifically, compared to January-December 2023, physical export flows decreased on the border with Bulgaria (-10% -359GWh) Serbia (-49% -576GWh), Hungary (-79% -517GWh) and Ukraine (-42% -208GWh) and increased on the border with Moldova (+6% +131GWh).

In terms of trade flows, in 2024 compared to 2023, there was an increase of about 59% in import trade and a decrease of 22% in energy transited.

Compared to the fourth quarter of 2023, there was an overall decrease in capacity utilization of allocated export capacity, i.e. a decrease of about 12% in export trade and 35% in energy transited, on the back of lower hydroelectricity compared to last year, especially in November and December and higher domestic electricity consumption compared to the same period in 2023.

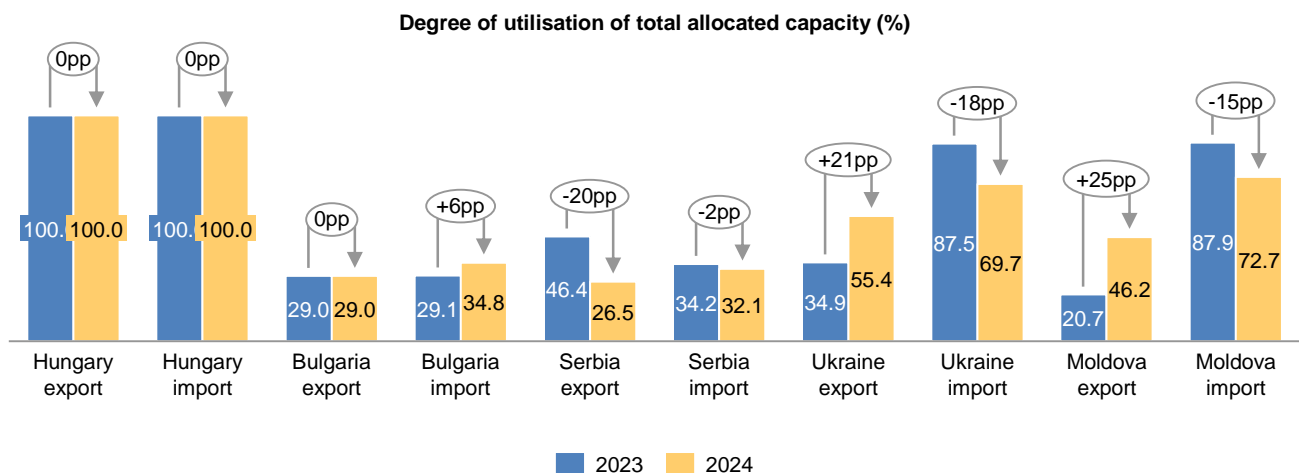
Trade includes the amount of electricity imported and exported as a result of Transelectrica S.A.'s participation as an operational member in the European Imbalance Netting (IGCC) platform, starting December 17, 2021.

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

the participants, with the optimization cycle at 4 seconds.

With this update, Transelectrica, the Romanian Transmission and System Operator, complies with the legal obligations established by the European Commission Regulation (EU) 2017/2195 of August 2, 2017 establishing a guideline for the operation of the electricity transmission system (Article 21), being technically ready to join the European balancing platform for the automatically activated frequency restoration reserve, PICASSO.

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



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

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

## OWN TECHNOLOGICAL CONSUMPTION

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

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

## OTC EVOLUTION FACTORS

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



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

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

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

Energy entered into the meter increased by 4.4% (154.5 GWh) in February 2024 compared to the same period in 2023, as a result of a 2.36% (67.4 GWh) increase in energy received from ETG connected generators and a 39.8% (126.2 GWh) increase in energy received from imports, as energy received from DERs decreased by 12.2% (39.1 GWh).

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

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

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

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

The percentage of losses relative to energy entering the ETG decreased from 2.63% in 2023 to 2.44% in 2024. The energy entered into the meter decreased by 2.7% in April 2024 (88.2 GWh) compared to the same period in 2023, as a result of a 17.2% (450.9 GWh)

decrease in energy received from generators connected to the ETG and a 36.6% (171.3 GWh) decrease in energy received from the DER, as energy received from imports increased by 379.8% (534 GWh).

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

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

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

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

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

The energy entered into the meter increased by 8.4% in July 2024 (297.1 GWh) compared to the same period in 2023, as a result of a 90.79% (467 GWh) increase in energy received from imports, while energy received

from ETG connected generators decreased by 2.04% (56.0 GWh) and energy received from DERs decreased by 44.23% (113.9 GWh).

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

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

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

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

Energy entered into the meter increased by 1.9% (63.6 GWh) in September 2024 compared to the same period in 2023, as a result of a 42.8% (221.7 GWh) increase in energy received from imports, as energy received from DERs decreased by 5.6% (10.5 GWh) and energy received from ETG-connected generators decreased by 5.4% (146.4 GWh).

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

**In October 2024** the OTC increased compared to October 2023 by 25.4%, as a result of increased energy entering the ETG contour, disadvantageous physical import/export flows on the interconnection lines on the borders with Ukraine, Serbia and Bulgaria that led to increased transmission of energy away from the sources, and weather conditions characterized by higher precipitation amounts, which led to increased corona losses.

The percentage of losses relative to energy entering the ETG increased from 2.03% in 2023 to 2.50% in 2024. The energy entered into the account increased by 2% in October 2024 (72.2 GWh) compared to the same period in 2023, as a result of an 11.4% (23.4 GWh) increase in energy received from DER and a 32.1% (269.6 GWh) increase in energy received from imports, as energy received from generators connected to the ETG decreased by 8.4% (220.8 GWh).

**In November 2024** OTC decreased compared to November 2023 by 10.4% as a result of energy entering the ETG contour, more favorable physical import/export flows on the interconnection lines on the borders with Ukraine and Hungary that led to reduced transmission of energy away from sources, and much more favorable weather conditions characterized by lower precipitation amounts, which led to lower corona losses.

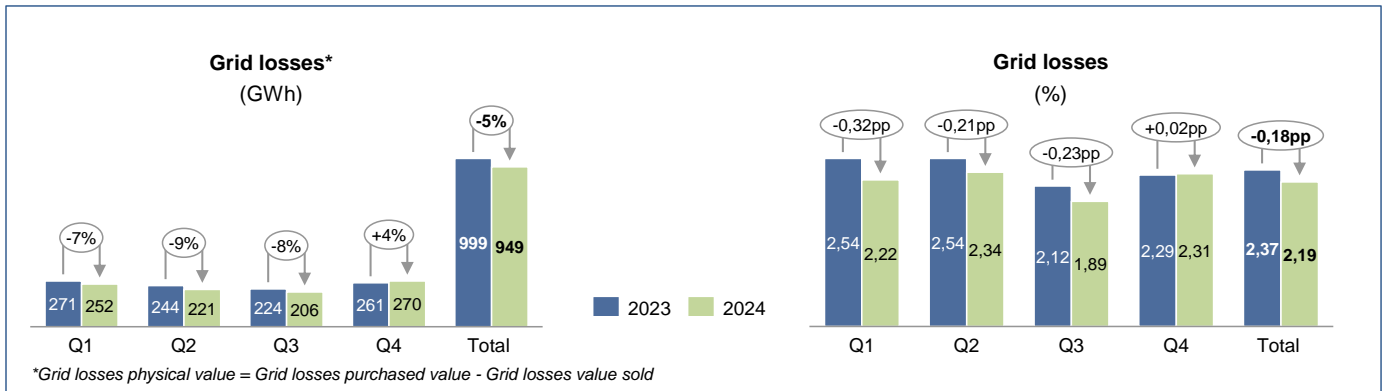
The percentage of losses relative to energy entering the ETG decreased from 2.50% in 2023 to 2.21% in 2024.

The energy entering the meter increased by 1.3% (48.5 GWh) in November 2024 compared to the same period in 2023, as a result of a 44.8% (497 GWh) increase in energy received from imports, while energy received from DERs decreased by 36.2% (62.9 GWh) and energy received from ETG connected generators decreased by 14.9% (385.5 GWh).

**In December 2024** OTC increased compared to December 2023 by 1.2%, mainly as a result of increased energy entering the ETG contour and more unfavorable weather conditions characterized by higher precipitation amounts, which increased the corona losses.

The percentage of losses relative to energy entering the ETG decreased from 2.32% in 2023 to 2.23% in 2024.

Energy entered into the meter increased by 5.1% (201.7 GWh) in December 2024 compared to the same period in 2023, as a result of a 61.7% (783.9 GWh) increase in energy received from imports, while energy received from DERs decreased by 5.1% (11.8 GWh) and energy received from ETG-connected generators decreased by 21.4% (570.4 GWh).



## Conclusions

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

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

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

**For the fourth quarter of 2024 as a whole**, OTC in the ETG increased by 4% compared to the same period in 2023, mainly as a result of increased energy entering the ETG, unfavorable physical flows on the interconnection lines in the first two months and unfavorable weather conditions in October and December, characterized by higher amounts of precipitation, which increased the corona losses. Relative to the energy entered into the meter the losses increased from 2.29% to 2.31%.

**At full year 2024** OTC in the ETG decreased by 5% compared to 2023, mainly as a result of more favorable physical flows on the interconnection lines, which led to reduced transmission of energy away from the sources, and much more favorable weather conditions characterized by higher amounts of precipitation that led to lower corona losses. Relative to the energy entering the contour losses decreased from 2.37% to 2.19%, as the energy entering the ETG contour was 2.9% higher than in 2023.



## ETG Development

### NON-CURRENT ASSETS RECORDED IN THE ACCOUNTS

Total net tangible assets increased as of December 31, 2024 compared to December 31, 2023 due to an increase in tangible assets in progress mainly represented by the completion of capital expenditures on high-voltage substations and power lines.

The value of non-current assets recorded in the accounts in January-December 2024 amounted to RON 653 million (RON 558 million in the same period of 2023), an increase of RON 95 million.

The largest transfers from tangible assets in progress to tangible assets are mainly represented by the commissioning of investment properties, the most significant of which are listed below:

- Transition to 400 kV of the axis Porțile de Fier - Reșița - Timișoara - Săcălaz - Arad - Stage I - 400 kV power line Porțile de Fier - (Anina) - Reșița - RON 160.7 million;
- Connection of 400 kV OHL Isaccea - Varna and 400 kV OHL Isaccea - Dobrudja to 400 kV Medgidia Sud Station, Phase I - Extension of 400 kV Medgidia Sud Station - 96,7 million lei;
- Refurbishment of the 220/110/20kV Baru Mare 220/110/20kV Station - 73,8 mil lei;
- Increasing the transmission capacity of the 220 kV Stejaru - Gheorgheni - Fântânele OHL- RON 49.4 million;

- Metering and data management system for electricity metering on the wholesale market - RON 48.8 million;
- Refurbishment of 220/110 kV station Filești - RON 48.4 million;
- Arefu 220/110/20 kV substation modernization - RON 31 million;
- Upgrading of the 400/110 kV Pelicanu Station - RON 19.1 million;
- Relocation of the 220 kV and 400 kV networks - Urechești - Domnești, Țânțăreni - Bradu, Bradu - Brașov, Bradu - Stupărei and Bradu - Târgoviște for the Craiova - Pitești Express Road, section 4 - RON 16.9 million;
- Extension of the 400 kV Gura Ialomiței station with two cells: OHL 400 kV Cernavodă 2 and 3 - 12,6 mil lei;
- Relocation of the 220 kV and 400kV networks for the construction of the Braila- Galati express road - RON 10.1 million;
- Procurement and installation of 21 monitoring systems for transformer units in NPG CO. Transelectrica SA substations - RON 10 million.

### TANGIBLE AND INTANGIBLE ASSETS

Purchases of tangible and intangible assets in 2024 amounted to RON 664 million, an increase compared to the same period of 2023 when purchases amounted to RON 439 million.

The balance of tangible assets in progress according to the financial position as at December 31, 2024, in the amount of RON 970 million, is represented by projects in progress, the most significant of which are listed below:

- 400 kV d.c. Gutinaș - Smârdan OHL- RON 304.9 million;
- Transition to 400 kV of the axis Porțile de Fier - Reșița - Timișoara - Săcălaz - Arad - Stage I - 400kV s.c. Porțile de Fier - (Anina) - Reșița OHL - 157,3 mil lei;

- Increasing the operational reliability of the Argeș-Vâlcea network area, realization of the 400 kV Arefu Station and installation of a 400 MVA, 400/220 kV HV 400/220 kV - RON 82.8 million;
- Connection to ETG of CEE 300 MW Ivești, CEE 88 MW Fălcu 1 and CEE 18 MW Fălcu 2 through the new (400)/220/110 kV substation Banca - 46,9 mil lei;
- Upgrading of the 400/110 kV Pelicanu transformer substation - RON 39.8 million;
- Upgrading of the 400/110/20 kV Smârdan Station - RON 38,6 mil lei;
- 400 kV station Stâlpu - RON 38.2 million;
- 220 kV double circuit Ostrovu Mare - ETG OHL (H.CA no. 17/2007) - RON 35.3 million;



- Isaccea 400 kV Station Upgrading - Stage II - RON 34,6 million;
- Installation of two modern means of reactive power compensation in 400/220/110/20kV stations Sibiu Sud and Bradu - RON 32.4 million;
- 110 kV Medgidia Sud 110 kV Station Upgrade - 26,5 mil lei;

- Increasing the security of supply to consumers in the southern area of Bucharest, connected to the 400/220/110 KV BUCHAREST Bucharest South Station - RON 15.2 million;
- Increasing the transmission capacity of the 220kV Ștejaru - Gheorgheni - Fântânele OHL - RON 14.8 million.

## ANNUAL INVESTMENT PROGRAM

The breakdown of investment expenditure as of December 31, 2024 by main chapters of the annual investment program is as follows:

No.	Categories of expenses	Scheduled *	Realized (mil lei)	
		(mil lei)	12M 2024	12M 2023
	<b>Grand total (A+B)</b>	<b>678.30</b>	<b>665.70</b>	<b>471.95</b>
<b>A</b>	<b>Company's own expenses</b>	629.61	619.06	427.23
<b>B</b>	<b>Investments financed from the connection fee</b>	48.69	46.64	44.71

\* PAI 2024 revision A11

Thus, the degree of realization of the annual investment program as of December 31, 2024 is 98.1% compared to the Program in the Grand Total, and 98.3% compared to the Program in the Company's own expenses category.

The realized value of further investments amounts to RON 598.85 million and represents 96.6% of the Company's own investment expenditures realized in 2024.

The realized value of investments financed from the connection tariff is RON 46.64 million, corresponding to requests for the execution of network relocation works or connection to the network of some producers.

The 2024 Investment Program has been revised 11 times as a result of requests to add/remove investment objectives, increase/decrease some expenditure amounts due to the pace of implementation of investment projects.

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

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

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

## CONTRACTUAL ISSUES

The most important investment contracts signed in 2024 are:

- Upgrading of 110 kV Timișoara 110 kV substation and transition to 400 kV of the Porțile de Fier - Anina - Resița - Timișoara - Săcălaz - Arad axis, phase II: 400 kV Timișoara substation - RON 206,59 million,
- Transition of the Porțile de Fier - Resita - Timișoara - Săcălaz - Arad axis to 400 kV voltage, phase II: 400 kV d.c. Resita - Timișoara - Săcălaz OHL - RON 199,99 million,
- Overhead Power Line (O.H.L.) 400kV double circuit (d.c.) with 1 equipped single circuit (1 e.c.) Constanta Nord - Medgidia Sud - RON 134,53 mil lei.

## EUROPEAN FUNDS

### ***The collaboration between Transelectrica and the Politehnica University of Bucharest***

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

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

After the submission in March 2023 of the funding application for the project "Campus Dual POLITEHNICA Bucharest", within the Call PNRR/2022/C15 / MEDU /I6/Program-pilot for the development of regional consortia for dual education, on 11.05.2023, following the eligibility assessment, the project was declared admitted.

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

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

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



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

involved and representatives of the Ministry of Education.

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

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

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

### ***Modernization Fund***

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

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

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

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

- *"Construction of a new 400 kV (d.c.) overhead power line Constanța Nord - Medgidia Sud, equipped with a single circuit" in the amount of 2.088,27 lei*

- "Construction of a new 400 kV overhead power line (1c) Gădălin - Suceava, including interconnection to NES" in the amount of 2.482.965,39 lei
- "Optimization of the operation of the existing 400 kV OHL in the NES, used in interconnection and for power evacuation from the Cernavodă nuclear power plant and renewable energy plants in Dobrogea, by installing on-line monitoring systems (SMART GRID type)" in the amount of 2.414.052,08 lei.

In November 2024 for project 7. "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 substations" in the amount of 28,305,298.85 lei.

In December 2024 for project 9. "Digitalization of ETG by installing two online systems for Metering and management of electricity metering data on the wholesale market, and for Monitoring of electricity quality" in the amount of 14,916,924.14 lei.

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

As regards the project "LEA 400 kV d.c. Gutinaș Smârdan", financed by the Operational Program for Large Infrastructure 2014-2020, Priority Axis 8 - *Intelligent and sustainable electricity and natural gas transmission systems, Specific Objective 8.1 - Increasing the capacity of the National Energy System for the use of energy produced from renewable resources, in the period June-September 2024, 2 (two) reimbursement requests with a total reimbursed amount of 27.590.123,87 lei were submitted to the Managing Authority - POIM.*

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

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

In the period June-December 2024 the application was evaluated and on 12.12.2024 the Financing Contract no.146/12.12.2024 was signed for the granting of non-reimbursable financing by AM PDD for the implementation of the project entitled "400 kV d.c. Gutinaș - Smârdan, phase II".

In December 2024, Addendum No. 6 to Financing Contract No. 276/03.10.2019 related to the project

"LEA 400 kV d.c. Gutinaș Smârdan" was signed for the conclusion of the operational program financed in the 2014-2020 programming period.



### **REPowerEU plan**

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

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

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

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

From the signing of the contract until December 2024, weekly and bi-monthly reports on the status of the



implementation of Investment 5 have been submitted to the General Secretariat of the Government.

### **Horizon Program**

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

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

- The company is part of the consortium formed for the development of this project, - which brings together 71 partners from across Europe, including transport and system operators, technology companies, universities and research institutes, European associations, solution developers.
- The objective of the project is to increase the level of efficiency and penetration of smart technologies in electricity grids leading to a truly smart grid. The project results are expected to contribute to the development of new smart grid architectures and their integration into the European digital infrastructure.
- The benefits for the Company consist in training and familiarizing the personnel with the technical solutions for the development of the transmission network using Smart technologies and the benefits they can bring to the system, given the need to find solutions for the integration of renewable energy sources at the quotas set in the National Integrated Energy and Climate Change Plan (PNIESC) for 2030 and to fulfill the obligations imposed by ANRE
- In the first quarter of 2024, the Company received pre-financing in the amount of EUR 65,625, representing 75% of the estimated budget amount on reimbursement, with project activity during 2024 continuing on schedule.

During 2024 the project work continued on schedule, with the Company's representatives actively contributing to the ongoing actions.

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

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

**The CyberSEAS** (Cyber Securing Energy data Services) **project**, funded by the Horizon 2020 program of the European Union, continued its work during

throughout 2024 and was completed on 30.09.2024. The final project evaluation was carried out on 06.11.2024, by representatives of the European Commission.

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

### **CARMEN project of common interest**

During the year 2024 the Company resumed the process of obtaining financing through the European Interconnection Facility (CEF). The process of preparing the joint financing application of the partners involved in the project (Delgaz Grid S.A., NPG CO. Transelectrica SA and Elektroenergien Sistemen Operator EAD) was started within the call for projects opened on 30.04.2024.

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

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

After analyzing the process of preparing the application and the opportunity to obtain funding, it was decided to postpone the submission of the application in 2024, concluding that the chances of obtaining funding will be higher in the next call and therefore the application for funding will be submitted in 2025.

In September 2024, the European Commission opened the call for applications for the second European list of Projects of Common Interest (PCIs) and Projects of Mutual Interest (PCIs) under the Trans-European Energy Networks (TEN-E) Regulation (EU) 2022/869.

CARMEN's application for ICH status was successfully submitted in December 2024.



### Project Sheets for Fund financing

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

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

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

On 14.12.2023 was published the decision approving the grant from the Modernization Fund - C(2023) 9054 - for the "DigiTEL Green Pilot Project - Upgrading of the 220/110/20 kV Mostiștea substation to a digital and low environmental impact substation" (allocation **48.340.733,89 euro**). *The financing contract between the Ministry of Energy and NPG CO. Transelectrica SA was signed on 20.02.2024 (C62 and C101/20.02.2024).*



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

- In February 2024, the project fiche has been submitted to the Ministry of Energy for funding from the Modernization Fund for the above-mentioned project.
- In the first quarter of 2024, the European Investment Bank confirmed that this project is a priority investment, and on 12.06.2024, the Decision approving the grant of EUR 64,068,257.62 from the Modernization Fund - C(2024) 4190 was published, and the Financing Contract between the Ministry of Energy and Transelectrica will be signed in the third quarter of 2024.

- In June 2024 was published by the European Commission the Payment Decision approving the project "DigiTEL Power Lines of the Future Pilot Project - Transition of the 400 kV Isaccea-Tulcea West OHL from single circuit to double circuit" for financing from the Modernization Fund.
- In September 2024, the Financing Contract was signed between the Ministry of Energy and NPG CO. Transelectrica S.A. for the financing through the Modernization Fund, for the project "DigiTEL Power Lines of the Future Pilot Project - Transition of the 400 kV Isaccea-Tulcea West OHL from single circuit to double circuit" P262/27.09.2024 (C880/27.09.2024), (allocation 64.068.257 lei).

### Events

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

- Volatility in the construction and energy materials market, as well as the current geopolitical context, have led to a dramatic increase in prices, impacting the value of the company's contribution to project financing.
- Long delays in the approval by the authorized institutions of the draft normative acts regulating the transfer of the right of administration, on behalf of the Romanian state, of some land located in the corridor of the overhead power lines that Transelectrica is building.

### 2025 Outlook

Initiatives are being considered as **perspectives for the coming period**:

- The approach to grant opportunities is two-pronged
- *the ongoing monitoring process of grant funding opportunities launched by national and European funding authorities,*
- *identification of funding opportunities which is carried out in correlation with the company's development priorities, as well as with the identified needs to support their implementation.*
- To continue a good inter-institutional collaboration with the Ministry of Investments and European Projects, the Ministry of Energy, the Ministry of Economy, the General Secretariat of the Government and other governmental entities, in order to ensure the necessary legal framework for the implementation of projects of common interest and national importance that the Company implements.

## THE COMPANY'S FINANCIAL INVESTMENTS

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

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

- **TSCNET**
- **JAO**
- **GECO POWER COMPANY**

### ***TSCNET (TSCNET Services GmbH)***

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

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

### ***JAO (Joint Allocation Office)***

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

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

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

### ***GECO POWER COMPANY***

The General Shareholders' Meeting held on August 12, 2024 decided by EGMSR No.4, the Company's participation in the share capital of a new company, together with the other relevant parties designated at the level of the Republic of Azerbaijan, Georgia, and Hungary.

The Company, together with Azerenerji Open Joint Stock Company, JSC Georgian State Electrosystem and MVM Energy Private Limited Liability Company, established a limited liability company with registered office in Romania, organized and operating under Romanian law, with a total share capital of RON 15 million divided into 1,500,000 shares of 10 lei each, in which the Company's contribution is RON 3.75 million, corresponding to 375,000 shares of 10 lei each and representing a 25% share in the share capital and profit/loss.



## Other aspects

### SHAREHOLDER STRUCTURE

The shareholding structure of the Company as at December 31, 2024 is as follows:

Name of shareholder	No. of shares	Weight in total
The Romanian State through SGG	43,020,309	58.7%
PAVĂL Holding	4,753,567	6.5%
NN Private Managed Pension Fund	4,007,688	5.5%
Other shareholders - legal entities	16,442,683	22.4%
Other shareholders - individuals	5,078,895	6.9%
<b>Total</b>	<b>73,303,142</b>	<b>100%</b>

### COMPOSITION OF THE DIRECTORATE

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

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

### TARIFFS

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

#### I)Transportation tariff applied in the fourth quarter of 2024

109/2023, approved the average tariff for the transmission service, the components of the transmission tariff for the introduction of electricity into the grid (T<sub>Gp</sub>) and the extraction of electricity from

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

the grid (T<sub>L</sub>), the tariff for the system service and the regulated price for reactive electricity, charged by NPG CO. Transelectrica S.A., valid from January 01, 2024, as shown in the table below:

Electricity transmission	u.m.	Tariff in force from January 01, 2024	Main component - in force from January 01, 2024	Additional OTC costs component - effective January 01, 2024	Tariff applied from April 01 - December 31, 2023	Main Component - from April 1 to December 31, 2023	Additional OTC costs component - in the period April 01 - December 31, 2023	Difference (%)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)=(3)/(6)
Average tariff	Lei/MWh	31.67	30.41	1.26	31.20	28.61	2.59	1.51%
TGp (main grid injection subcomponent)	Lei/MWh	3.82	3.35	0.47	4.04	3.35	0.69	
TL (net extraction component)	Lei/MWh	27.72	26.94	0.78	27.44	25.50	1.94	

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

- Declining consumption trend and Inflation effect.

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

By ANRE President Order no.109/2023, the sub-component of the TGT regarding the OTC related to the additional transits of electricity from the 110 kV electricity grids, corresponding to the share assigned to

electricity producers that own power plants with installed capacity exceeding 5 MW and that introduce electricity into the grid area of the concessionary distribution operator, valid from January 01, 2024, as per the table below:

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

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

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

#### Events after the reporting period on electricity transmission service tariffs:

- Based on the provisions of the *Methodology for setting the tariffs for the electricity transmission service* approved by the Order of the President of ANRE no.68/2024, ANRE approved by Order no.99/2024 the values of the tariffs for the electricity transmission service valid from January 1, 2025, the values of the annual investment plans of the National Electricity Transmission Company "Transelectrica" - S.A. corresponding to the fifth regulatory period

(2025 - 2029), broken down by financing sources, as well as the mandatory minimum amount for the total investments made from own sources for the fifth regulatory period and the mandatory minimum amounts for investments made in the electricity transmission network from own sources corresponding to the fifth regulatory period, for the National Company for Electricity Transmission "Transelectrica" - S.A., according to the tables below:

	Tariff from January 01, 2025 (lei/MWh), according to ANRE Order no. 99/20.12.2024, of which:	Tariff component corresponding to the OTC regulated income to be recovered from producers (C_OTC_P) (RON/MWh)	Tariff component corresponding to the capitalized additional OTC regulatory income to be recovered from producers (C_OTC_S_P) (RON/MWh)
Feed-in Tariff (TG)	<b>3.29</b>	2.84	0.45

**Table nr.2 - Feed-in Tariff (TL)**

	<b>Tariff from January 01, 2025 (lei/MWh), according to ANRE Order no. 99/20.12.2024, of which:</b>	Tariff component corresponding to nonOTC regulated income (CT_nonOTC) (RON/MWh)	Tariff component corresponding to the OTC regulated income recovered from final customers (C_OTC_C)) (lei/MWh)	Tariff component corresponding to the capitalized additional OTC regulated revenue to be recovered from final customers (C_OTC_S_C) (RON/MWh)
Feed-in Tariff (TL)	<b>33.03</b>	24.01	7.73	1.29

**Table no.3 - The values of the annual investment plans of the National Electricity Transmission Company "Transelectrica" - S.A. corresponding to the 5th regulatory period, broken down by financing sources:**

<b>Funding source</b>	<b>U.M</b>	<b>Total</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
Own funds <sup>1</sup>	lei	1,519,247,619	160,578,744	183,502,139	219,155,662	487,452,699	468,558, 375
Revenue from cross-border capacity allocation	lei	415,251,209	129,807,692	91,873,571	33,211,246	141,047,120	19,311,580
Non-reimbursable funds <sup>2</sup>	lei	1,038,824,182	30,441,599	49,487,165	340,002,866	395,407,522	223,485,030
<b>TOTAL</b>	lei	<b>2,973,323,010</b>	<b>320,828,036</b>	<b>324,862,875</b>	<b>592,369,774</b>	<b>1,023,907,341</b>	<b>711,354,984</b>

**Table no.4 - Mandatory minimum values for the total investments made from own sources for the fifth regulatory period and mandatory minimum values for investments made in the electricity transmission network from own sources corresponding to the fifth regulatory period, for the National Company for Electric Power Transmission "Transelectrica" - S.A.**

	<b>U.M</b>	<b>Total</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
Mandatory minimum amount for own-source investment for the fifth regulatory period (real terms 2024)		1,374,845,978					
Mandatory minimum amount of investment in the electricity transmission network from own sources for each year of the fifth regulatory period (real terms 2024) <sup>3</sup>	lei	1,291,360,576	136,491,933	155,976,818	186,282,312	414,334,794	398,274,618

- Other key elements of the linearized revenues approved by ANRE for the period V of regulation (2025-2029):
  - Estimated regulated value BAR at 31.12.2024 (01.01.2025) – 3,179,231,936 lei. With the realization of the 2024 correction, the above mentioned value will be modified.
  - The values of controllable operating and maintenance costs for each year of the fifth regulatory period are shown in the following table:

<b>OPEX Controllable</b>	<b>U.M</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
Costs subject to efficiency*	lei	290,564,114	287,658,473	284,781,889	281,934,070	279,114,729
Personnel costs	lei	429,397,593	450,867,472	473,410,845	497,081,387	521,935,456
R&D costs	lei	-	1,250,000	1,250,000	1,250,000	1,250,000

\*99/2024, until March 1, 2025, the National Electricity Transmission Company "Transelectrica" - S.A. has the obligation to submit to the National Energy Regulatory Authority, for the year 2025, the breakdown of controllable operating and maintenance costs subject to efficiency, which are the basis for the tariffs approved by this order, by categories "Maintenance costs" and "Other costs".

- The OTC targets approved by ANRE for the fifth regulatory period are presented in the table below. The ex-ante purchase price of electricity to cover the OTC in the 5th regulatory period, approved by ANRE, is in the

<sup>1</sup> The value of the Regulated Rate of Return (RRR) of the invested capital, expressed in real terms, before taxation, for the 5th regulatory period is 6.94% (established by ANRE Order no.55/2024);

<sup>2</sup> An incentive of 0.5 percentage points above the regulated rate of return shall be applied for fixed assets related to investments in RETs made from own funds within projects co-financed by non-reimbursable European funds, put into operation in the fifth regulatory period. It will be granted when the correction of the capital costs related to the Va regulatory period is carried out, in accordance with the provisions of the Methodology for setting tariffs for the electricity transmission service.

<sup>3</sup> If the value of investments in the network made from own sources exceeds the mandatory minimum amount, ANRE shall apply to the exceeded amount an incentive of 1% above the approved RRR.



amount of 584.81 lei/MWh (real terms 2024). This price may be regularized according to the evolution of prices on the energy market.

	U.M	2025	2026	2027	2028	2029
OTC target	%	2.29	2.26	2.24	2.21	2.19

## II)Tariff for the purchase of system services applied in the fourth quarter of 2024

ANRE Order no.57/2024, approved the tariff for the purchase of system services practiced by NPG CO. Transelectrica SA valid from September 01, 2024, as shown in the table below:

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

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

- *Art.22 In order to avoid the subsequent recording of a significant level of corrections due to changes in the purchase prices and/or the quantities of system services purchased referred to in Article 2, the TSO shall calculate, for the first quarter and for the first semester of a tariff period t-1, respectively, the difference between the revenues and costs realized and those forecast, plus the amount of the unpaid corrections related to the previous period/periods, and shall submit the calculation to ANRE on May 1 and August 1 of the year t-1, respectively;*
- *Art.23 In the event that the TSO finds that the value determined in accordance with the provisions of Article 22 shows a variation of more than "5% of the forecasted revenues for the same period, it is obliged to submit to ANRE the request for revision of the tariff for the purchase of system services, which shall include the value determined in accordance with the provisions of Article 22, valid until the end of the tariff periods.*

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

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

Based on the provisions of the *Methodology for establishing the tariff for the purchase of system services*, approved by ANRE Order no.116/2022, NPG CO. Transelectrica SA submitted to ANRE the proposal and the rationale for the tariff for the purchase of system services starting January 1, 2025. In view of the aforementioned and following the analysis of the elements of the tariff substantiation, ANRE informed NPG CO. Transelectrica SA that the amount of the tariff for the purchase of system services is maintained at the current level approved by ANRE Order no.57/2024, i.e. 11.51lei/MWh.

## SUBSEQUENT EVENTS

### • Financial communication calendar

On January 15, 2025 Transelectrica informed the investing public about the reporting deadlines assumed by the Financial Reporting Calendar for 2025.

### • Resolution No. 1 of the Ordinary General Meeting of Shareholders of January 15, 2025

The ordinary general meeting of the Company's shareholders convened on January 15, 2025

- approved the key performance indicators resulting from the Management Plan,
- did not approve the fixed allowance of the members of the Supervisory Board of the Company in the amount of 42,350 lei gross/month,
- did not approve the setting of the general limits of remuneration and other benefits to be granted by NPG CO. Transelectrica S.A. to the members of the Directorate, including the fixed allowance and other benefits granted to them,
- approved the setting of February 06, 2025 as the record date of the shareholders on which the effects of the Ordinary General Meeting of Shareholders' Resolution will be reflected.

### • Planning investments of over 9.4 billion lei for the development of the electricity transmission grid

On January 20, 2025, in a press release, Transelectrica informed the interested parties that it will implement a development plan for the Electricity Transmission Grid for the period 2024-2033, approved by the National Energy Regulatory Authority, in the amount of 9.49 billion lei, more than 2 billion lei more than the previous plan.

The new plan includes investment projects already underway, as well as 12 new projects, structured along 4 priority development axes:

- ✓ ETG retrofitting/modernization,
- ✓ safety of supply for consumption,
- ✓ integrating renewable and new power generation in Dobrogea and Moldova and
- ✓ increasing interconnection capacity.

The value of the ETG Development Plan for the period 2024-2033 registers an increase of 2.3 billion lei compared to the value of the previous plan for the period 2022-2031, and the structure of investment expenditure, in terms of priority objectives pursued, is:

- Investment works aiming at upgrading the existing electricity transmission networks (ETG) - 30% of the

total amount of investments planned in the period is allocated;

- Investment works aimed at integrating production from renewable sources and other new plants - 28% of the total amount of investments planned in the period is allocated;
- Planned investments to increase interconnection capacity - 26% of the total amount of investments planned in the period is allocated;
- Investments to increase the security of electricity supply - 13% of the total amount of investments planned in the period is allocated.

Thus, the company proposes for the next 10 years investment projects worth almost 2.7 billion lei for the integration of new renewable energy production units, both in Dobrogea and Moldova, as well as in other areas.

The ETG Development Plan for the period 2024-2033 includes projects of European interest that contribute to the implementation of the European Union's strategic priorities on trans-European energy infrastructure in the following investment clusters: the 138 Black Sea Corridor Project, the 144 Mid Continental East Corridor Project, the 259 Hungary - Romania Project and the 341 North CSE Corridor Project.

### • Moody's confirms Baa3 rating, stable outlook

The Company has informed its shareholders and stakeholders that on 20.01.2025 it was notified that the International Rating Agency Moody's Investors Service has published the confirmation of the long-term rating "Baa3", while maintaining the stable outlook.

### • Resita-Pancevo 400 kV overhead power line has entered commercial operation

According to the Company's press release, on January 29, 2025, the second circuit of the overhead double-circuit 400 kV overhead power line (OHL) Resita (RO) - Pancevo (RS), i.e. circuit 1, entered commercial operation, marking an important step in strengthening the interconnection of the Romanian and Serbian transmission grids.

Last year in November, circuit 2 of the 400 kV Reșița Pancevo 400 kV OHL was commercially operationalized, following the partial commissioning of the new 400 kV Reșița station.

With the full commercial operation of the 400 kV Reșița - Pancevo 400 kV LEA, Romania's cross-border exchange capacity with Serbia reaches up to 1000 MW.

Thus, the 400 kV Reșița-Pancevo 400 kV OHL becomes the 11th 400 kV interconnection line between Romania and neighboring countries, reaffirming Transelectrica's commitment to energy infrastructure development and regional electricity market integration.

The 400 kV Reșița-Pancevo power line has a total length of 131 kilometers, of which 63 kilometers are on Romanian territory.

The entry into full commercial operation of the interconnection line between Resita and Pancevo was realized within the framework of the second phase of the project for the construction of the 400 kV level in the Electricity Transformer Station

Resita, which will be fully completed by the end of the first quarter of this year.

- **Upgrading of Stâlpu station and construction of the new 400 kV station**

Through a press release issued on January 31, 2025, the Company announced that it is starting the execution works for the investment on the construction of the "400 kV Stâlpu Power Station" and for the investment "Modernization of 110 kV and medium voltage cells in Stâlpu Station".

Following the signing of the contract for the execution and completion of the works, which took place in January, Transelectrica's management and the members of the team responsible for the implementation of the investment had the first meeting with the representatives of the contractor, namely Electromontaj SA.

The investment to upgrade the existing Stâlpu station and the construction of the new 400 kV station are based on the need to evacuate the energy produced in the Dobrogea area by the future groups 3 and 4 of the Cernavodă Nuclear Power Plant, to realize and connect to the grid the new renewable energy power plants, as well as to strengthen the security of supply to consumers.

Thus, the completion of the new 400 kV Stâlpu station will allow the connection of the 400 kV Cernavodă - Stâlpu overhead power line, which is currently completed and connected in Gura Ialomiței station, as well as the connection of the Brazi Vest - Teleajen - Stâlpu OHL axis, after the completion of the 400 kV voltage transition works, which are ongoing at this date.

The works, worth about RON 95 million, are scheduled for completion in January 2027.

- **ONRC registration Geco Power Company-Green Energy Corridor Power Company**

In addition to the communications sent through capital market institutions on May 27, 2024 and September 3, 2024, the Company informed the investing public on January 31, 2024 about the registration with the Commercial Register Office of the Bucharest Court of Bucharest of the Joint Venture company, namely "GECO POWER COMPANY-Green Energy Corridor Power Company.

- **Resolution No. 2 of the Ordinary General Meeting of Shareholders of February 24, 2025**

The ordinary general meeting of the Company's shareholders, held on February 24, 2025, pursuant to the provisions of the Companies Law no.31/1990, republished, with subsequent amendments and additions, of the Law no. 24/2017 on issuers of financial instruments and market operations, republished, with subsequent amendments and additions, and of the A.S.F. Regulation no. 5/2018 on issuers of financial instruments and market operations, with subsequent amendments and additions, resolved:

- The performance by Transelectrica of financial operations and services with cash in lei or foreign currency, the decision for each treasury operation of this type (including foreign exchange and bank deposits) being within the competence of the Directorate, up to a maximum limit of 500.000.000 lei (or equivalent in euro) per transaction.
- The purchase by the Company of legal assistance and representation services before the courts in order to defend the Company's interests in the case under file no. 28414/3/2024, up to the amount of 50,000 lei, including all expenses incurred with representation in court until the delivery of a final judgment.
- Appointing PKF FINCONTA S.R.L. as financial auditor of the National Electricity Transmission Company "Transelectrica"-S.A. for a period of 12 months, but not later than 31.12.2025;
- Approval of the content of the Addendum to the mandate contract concluded between the members of the Supervisory Board and the Company by including the indicators approved by the Resolution of the General Meeting of Shareholders no.1/15.01.2025 and authorization of the representative of the General Secretariat of the Government in the General Meeting of Shareholders to sign on behalf of the Company the Addendums to the mandate contracts with the

persons appointed as members of the Supervisory Board.

- **Convocation of the General Meeting of Shareholders**

The Company's Directorate has convened in accordance with the provisions of the Companies Law no. 31/1990, republished, as amended and supplemented, the Law no. 24/2017 on issuers of financial instruments and market operations, republished, as amended and supplemented, the A.S.F. Regulation no. 5/2018 on issuers of financial instruments and market operations, as amended and supplemented, as well as the Company's Articles of Incorporation in force, the Ordinary General Meeting of Shareholders on April 01, 2025 with the following agenda:

- Establishing the Investment Program for the financial year 2025 and estimates for the years 2026 and 2027;
- Approval of NPG CO. Transelectrica S.A.'s Income and Expenditure Budget for the year 2025, as well as the estimates for the years 2026 and 2027;
- Reconfirmation of point 10 of the OGMS Decision no. 3 of April 29, 2024, which established the general limits of remuneration and other benefits to be granted by Transelectrica S.A. to the provisional members of the Directorate, with the members of the Directorate selected in accordance with GEO 109/2011 by the Decision of the Supervisory Board no. 39/30 September 2024 to benefit from the same benefits, including fixed and variable compensation and the same advantages granted to the members of the Directorate;

- Updating the remuneration of the members of the Supervisory Board and empowering the representative of the General Secretariat of the Government in the General Meeting of Shareholders to sign on behalf of the Company the additional acts to the contracts of mandate with the persons appointed as members of the Supervisory Board by OGMSR no. 1/28 February 2024;
- Approval of the amendment of points 5.1.3, 5.1.7 and 5.2.19 of the Contract of Mandate of the members of the Supervisory Board approved by the OGMS No. 1/28 February 2024 and authorization of the representative of the General Secretariat of the Government in the General Meeting of Shareholders to sign on behalf of the Company the Addendums to the contracts of mandate with the persons appointed as members of the Supervisory Board by the OGMS No. 1/28 February 2024.



## Annexes



## ANNEX 1: Separate statement of financial position

[mil RON]	2024	2023	Δ	Δ (%)
	1	2	3=1-2	4=1/2
<b>ASSETS</b>				
<b>Non-current assets</b>				
Tangible assets	5,775	5,416	359	7%
Assets related to the usage rights of assets under leasing - buildings	6	14	(8)	(57%)
Intangible assets	312	282	30	11%
Financial assets	86	86	-	0%
<b>Total non-current assets</b>	<b>6,179</b>	<b>5,798</b>	<b>381</b>	<b>7%</b>
<b>Current assets</b>				
Inventories	47	51	(4)	(8%)
Receivables	3,779	2,116	1,663	79%
Cash and cash equivalents	672	519	152	29%
<b>Total current assets</b>	<b>4,497</b>	<b>2,686</b>	<b>1,811</b>	<b>67%</b>
<b>Total assets</b>	<b>10,676</b>	<b>8,484</b>	<b>2,193</b>	<b>26%</b>
<b>Shareholders' equities and liabilities</b>				
<b>Shareholders' equities</b>				
Share capital, of which	733	733	-	n/a
<i>Subscribed share capital</i>	733	733	-	n/a
Share premium	50	50	-	n/a
Legal reserves	147	147	-	n/a
Revaluation reserves	1,514	1,635	(121)	(7%)
Other reserves	257	196	61	31%
Retained earnings	3,115	2,430	684	28%
<b>Total shareholders' equities</b>	<b>5,815</b>	<b>5,190</b>	<b>625</b>	<b>12%</b>
<b>Non-current liabilities</b>				
Non-current deferred revenues	537	519	18	4%
Non-current borrowings	8	32	(24)	(75%)
Other borrowings and similar liabilities - Non-current building leases	0	6	(6)	(100%)
Deferred tax liabilities	244	285	(41)	(14%)
Employee benefit obligations	88	75	13	17%
Other non-current liabilities	6	-	6	n/a
<b>Total non-current liabilities</b>	<b>883</b>	<b>918</b>	<b>(35)</b>	<b>(4%)</b>
<b>Current liabilities</b>				
Trade and other liabilities	3,862	2,242	1,619	72%
Other borrowings and similar liabilities - Building leasing	7	9	(2.0)	(24%)
Other taxes and social security liabilities	18	19	-	n/a
Short-term borrowings	24	25	(0,24)	(1%)
Provisions	33	65	(33)	(50%)
Current deferred revenues	22	16	6	38%
Payable income tax	13	0,42	12	n/a
<b>Total current liabilities</b>	<b>3,978</b>	<b>2,376</b>	<b>1,603</b>	<b>67%</b>
<b>Total liabilities</b>	<b>4,861</b>	<b>3,294</b>	<b>1,568</b>	<b>48%</b>
<b>Total shareholders' equities and liabilities</b>	<b>10,676</b>	<b>8,484</b>	<b>2,193</b>	<b>26%</b>

## ANNEX 2: Separate profit and loss account

[mil RON]									
Indicator	2024	2023	S1 2024	S2 2024	Budgeted 2024	Realized 2024 vs 2023	Realized 2024 vs 2023 (%)	Realized vs Budgeted 2024	Realized vs Budgeted 2024 (%)
0	1	2	3	4	5	6=1-2	7=1/2	8=1-5	9=1/5
Operating revenues									
Revenue from transmission services	2,024	1,956	985	1,039	1,954	68	3%	70	4%
Revenues from system services	633	391	312	322	466	243	62%	167	36%
Revenues from the balancing market	4,966	2,269	3,229	1,737	2,815	2,696	119%	2,151	76%
Other revenues	256	102	159	97	87	154	151%	169	196%
<b>Total operating revenues</b>	<b>7,879</b>	<b>4,718</b>	<b>4,685</b>	<b>3,194</b>	<b>5,322</b>	<b>3,161</b>	<b>67%</b>	<b>2,558</b>	<b>48%</b>
Operating expenses									
Expenses relating to the operation of the system	(716)	(640)	(355)	(360)	(674)	(75)	(12%)	(42)	(6%)
Balancing market expenses	(4,966)	(2,269)	(3,229)	(1,736)	(2,815)	(2,697)	(119%)	(2,151)	(76%)
Expenses on system services	(524)	(499)	(301)	(223)	(526)	(24)	(5%)	3	0%
Depreciation	(356)	(334)	(172)	(185)	(358)	(22)	(7%)	2	0%
Personnel expenses	(373)	(348)	(187)	(186)	(393)	(25)	(7%)	20	5%
Repairs and maintenance	(129)	(115)	(52)	(77)	(134)	(14)	(12%)	6	4%
Materials and supplies	(9)	(8)	(3)	(6)	(11)	(1)	(9%)	2	17%
Other operating expenses	(229)	(270)	(118)	(111)	(258)	41	15%	30	11%
<b>Total operating expenses</b>	<b>(7,301)</b>	<b>(4,484)</b>	<b>(4,418)</b>	<b>(2,883)</b>	<b>(5,169)</b>	<b>(2,817)</b>	<b>(63%)</b>	<b>(2,131)</b>	<b>(41%)</b>
<b>Operating profit</b>	<b>579</b>	<b>234</b>	<b>267</b>	<b>312</b>	<b>152</b>	<b>345</b>	<b>147%</b>	<b>427</b>	<b>n/a</b>
Financial revenues	27	36	20	7	39	(9)	(24%)	(12)	(31%)
Financial expenses	(14)	(36)	(4)	(10)	(35)	22	(61%)	22	61%
<b>Net financial result</b>	<b>13</b>	<b>0,27</b>	<b>16,2</b>	<b>(2,7)</b>	<b>4</b>	<b>13</b>	<b>n/a</b>	<b>10</b>	<b>n/a</b>
<b>Profit before income tax</b>	<b>592</b>	<b>234</b>	<b>283</b>	<b>309</b>	<b>156</b>	<b>358</b>	<b>153%</b>	<b>436</b>	<b>n/a</b>
Income tax	(6)	(21)	(20)	13	(10)	14	70%	4	38%
<b>Profit for the year</b>	<b>586</b>	<b>214</b>	<b>264</b>	<b>322</b>	<b>146</b>	<b>372</b>	<b>174%</b>	<b>440</b>	<b>n/a</b>

### ANNEX 3: Separate cash flow statement

[Thousand RON]	2024	2023	Δ
<b>Cash flows from operating activities</b>			
Profit/loss time interval	585.92	213.61	372.3
Income tax expense	0.66	20.69	(20.0)
Operating expenditure on depreciation and impairment of fixed assets (including additional OTC)	356.46	334.29	22.2
Revenues from the production of intangible assets (including additional OTC)	(102.02)	(13.74)	(88.3)
Expenses on impairment adjustments for trade receivables	-	31.66	(31.7)
Reversal of impairment adjustments for trade receivables	(2.43)	(38.98)	36.6
Losses on receivables and sundry debtors	3.04	54.05	(51.00)
Net expense/revenues on impairment adjustments of sundry debtors	(13.43)	8.68	(22.1)
Net expenses on inventory write-downs	(1.48)	(1.31)	(0.2)
Net profit/loss on sale of tangible assets	2.12	0.44	1.7
Net expenses on value adjustments on tangible assets	0.01	18.36	(18.4)
Net expenses/revenues on provisions for risks and charges	(24.23)	2.16	(26.4)
Interest expense, interest revenue and unearned revenues from exchange rate differences	(15.41)	0.17	(15.6)
<b>Cash flows before changes in current capital</b>	<b>789.23</b>	<b>630.09</b>	<b>159.1</b>
<b>Changes in:</b>			
Clients and similar accounts - energy and other activities	(1,588.01)	1,211.81	(2,799.8)
Clients - balancing	(73.79)	(29.96)	(43.8)
Clients - cogeneration	11.49	(12.35)	23.8
Inventories	5.39	(7.73)	13.1
Trade and other liabilities - electricity and other activities	1,649.91	(1,317.86)	2,967.8
Liabilities – balancing	94.60	34.28	60.3
Liabilities - cogeneration	(87.14)	95.54	(182.7)
Other tax and social security liabilities	(0.08)	5.79	(5.9)
Deferred revenues	42.86	96.09	(53.2)
<b>Cash flows from operating activities</b>	<b>844.46</b>	<b>705.70</b>	<b>138.8</b>
Interest paid	(2.03)	(3.09)	1.1
Income tax paid	(29.12)	(32.62)	3.5
<b>Net cash generated from operating activities</b>	<b>813.30</b>	<b>669.99</b>	<b>143.3</b>
<b>Cash flows from investments</b>			
Procurement of tangible and intangible assets	(674.30)	(438.92)	(235.4)
Exit from shareholding of SELENE CC Societe Anonyme	-	0.24	(0.2)
Proceeds from EC non-reimbursable financing	42.49	117.14	(74.7)
Earned Interest	3.33	1.77	1.6
Earned Dividends	6.83	6.05	0.8
Procurement of tangible and intangible assets	15.76	1.99	13.8
<b>Net cash used in investments</b>	<b>(605.88)</b>	<b>(311.73)</b>	<b>(294.2)</b>
<b>Cash flows used in financing</b>			
Repayments of non-current borrowings	(23.98)	(23.85)	(0.13)
Usage of working capital credit line	48.73	-	48.7
Short-term loan repayments	(10.66)	(10.58)	(0.1)
Building leasing payments	(48.73)	(67.62)	18.9
Dividends paid	(20.58)	(52.00)	31.4
<b>Net cash used in financing</b>	<b>(55.22)</b>	<b>(154.05)</b>	<b>98.8</b>
<b>Net growth(decrease) of cash and cash equivalents</b>	<b>152.20</b>	<b>204.21</b>	<b>(52.0)</b>
<b>Cash and cash equivalents on 1 January</b>	<b>519.36</b>	<b>315.15</b>	<b>204.2</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>671.56</b>	<b>519.36</b>	<b>152.2</b>

#### ANNEX 4: Economic-financial indicators according to Regulation 5/2018 ASF

Indicators	Calculation formula	2024	2023
<b>Current liquidity indicator (x)</b>	$\frac{\text{Current assets}}{\text{Current liabilities}}$	1.13	1.13
<b>Liability ratio indicators (x):</b>			
(1) Indebtness degree indicator	$\frac{\text{Loan capital} \times 100}{\text{Equity capital}}$	0.67%	1.38%
(2) Indebtness degree indicator	$\frac{\text{Borrowed capital} \times 100}{\text{Capital employed}}$	0.66%	1.36%
<b>Customer turnover speed (days)</b>	$\frac{\text{Average customer balance}^* \times \text{no. days}}{\text{Turnover}}$	51.58	79.37
<b>Non-current assets rotation speed (x)</b>	$\frac{\text{Turnover}}{\text{Non-current assets}}$	1.23	0.80

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

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

#### ANNEX 5: Performance Indicators - Management Plan, according to OGMSR no.1/15.01.2025

Nr.crt	Objective/Performance Indicators	U.M.	Realized value Achieved 2024	Target Target 2024
<b>I</b>	<b>Financial indicators</b>			
I.1	Capital expenditure rate	%	6.24%	5.56%
I.2	Degree of Achievement of the Annual Investment Plan	%	98%	90%
I.3	Dividend payment rate (in accordance with the provisions of OG 64/2001)	%	90%	50%
I.4	Current liquidity ratio	No	1.13	1.03
I.5	Interest cover rate	No	80.38	3.50
I.6	Asset turnover rate	No	0.80	0.50
I.7	Return on Assets ROA	%	5.49%	2.04%
I.8	Outstanding payments to the State Budget	lei	0.0	0.0
I.9	Reducing Arrears	lei	0.0	0.0
<b>II</b>	<b>Non-financial indicators</b>			
II.1	Degree of Implementation of the Annual Maintenance Plan	%	97%	90%
II.2	Customer retention rate	%	100%	100%
II.3	Customer satisfaction score	%	96%	75%
II.4	Average number of training hours per employee	No	16.58	16.00
II.5	Number of safety trainings	No	4.50	4.50
II.6	Number of meetings of the Supervisory Board	No	28	8
II.7	Number of Committee meetings	No	32	8
II.8	Number of Directorate Committee meetings	No	40	36
II.9	Internal electricity consumption*	MW/h	47,765	46,500
II.10	Setting risk management policies	YES/NO	YES	YES
<b>III</b>	<b>Non-commercial indicators</b>			
III.1	Pay gap between male and female employees	%	4.9%	0.75%

\*Indicator The Company's internal electricity consumption is composed of consumption of internal station services 43,252.46 MWh, respectively consumption of headquarters 4,512.09 MWh.

## ANNEX 6: Constituent Acts amended between January-December 2024

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

## ANNEX 7: Appointment/revocation acts issued in January-December 2024

### Supervisory Board

- 1/28.02.2024, the following members of the Supervisory Board of the Company were appointed for a term of office of four years, starting March 01, 2024 and until February 29, 2028: PĂUN Costin-Mihai, ATANASIU Teodor, VASILESCU Alexandru-Cristian, ZEZEANU Luminița, DASCĂL Cătălin-Andrei, ORLANDEA Dumitru Virgil, RUSU Rareș Stelian.
- According to SC Decision no.9/04.03.2024
  - The members of the Supervisory Board elected Mr. Dascăl Cătălin Andrei as Chairman of the Supervisory Board.
- According to SB Decision no.38/29.08.2024
  - The members of the Supervisory Board took note of the withdrawal, as of August 19, 2024, of Mr. Rusu Rareș Stelian from the Nomination and Remuneration Committee of the Supervisory Board.

### Directorate

- According to SB Decision no.11/21.03.2024
  - The members of the Supervisory Board, pursuant to art III of Law no.187/2023 on amending and supplementing Government Emergency Ordinance no.109/2011 on the corporate governance of public enterprises, as amended and supplemented, have decided to extend for a period of 2 months, starting from 25.03.2024 and until 25.05.2024, the terms of office of the following provisional members of the Directorate: Ștefăniță Munteanu, Cătălin Constantin Nadolu, Florin Cristian Tătaru and Bogdan Toncescu, but not later than the finalization of the selection procedure according to the provisions of GEO 109/2011 if the procedure is finalized within this interval.
- According to SC Decision no.23/22.05.2024
  - The members of the Supervisory Board took note of the fact that on May 24, 2024 the terms of office of the provisional members of the Company's Directorate ended by adjournment and decided to appoint as provisional members of the Directorate Mr. Ștefăniță Munteanu, Mr. Cătălin Constantin Nadolu, Mr. Florin Cristian Tătaru and Mr. Bogdan Toncescu, with a term of office of 5 months starting from May 25, 2024, but the term of office shall not exceed the date of completion of the selection procedure for the members of the Company's Directorate, under the conditions of GEO no. 109/2011 on the corporate governance of public enterprises, approved with subsequent amendments and additions, if the procedure will be finalized within this interval
- According to SC Decision no.39/30.09.2024
  - The members of the Supervisory Board have decided, in accordance with its statutory and legal powers, in view of the final report of the recruitment and selection process of candidates for the position of member of the Directorate of N.P.G. CO. Transelectrica S.A, to appoint, as of October 3, 2024, as Members of the Directorate, Florin-Cristian Tătaru, Victor Moraru, Ștefăniță Munteanu, Cătălin-Constantin Nadolu and Vasile-Cosmin Nicula. The appointment was made in accordance with the provisions of Art. (4)-(8) and (11) of GEO no. 109/2011 on the corporate governance of public enterprises, following the selection procedure of candidates for the positions of members of the Directorate of NPG CO. Transelectrica SA, pursuant to Article 23 of the Articles of Association.

At the same meeting, in accordance with the provisions of Article 23 para. (1) of the Articles of Association of the National Electricity Transmission Company "Transelectrica"-SA, the Supervisory Board elected Ștefăniță MUNTEANU as Chairman of the Directorate, alternatively referred to as Chief Executive Officer - "CEO" of the National Electricity Transmission Company "Transelectrica" SA. The term of office of the members of the Directorate is from October 3, 2024 until February 29, 2028.



- According to SB Decision no.45/08.11.2024
  - The members of the Supervisory Board decided to delegate the duties of Chef Financial Officer (CFO) to Mr. Vasile Cosmin Nicula.

**ANNEX 8 REPORT (according to EGMSR no. 4/29.04.2015) on contracts signed in 2024 for the procurement of goods, services and works, the value of which exceeds 500,000 Euro/purchase (for the procurement of goods and works) and 100,000 Euro/purchase (for services) respectively**

No.	Contract Number	Subject of the Contract	Duration	Value		Contract type	Legal Basis	Procurement Procedure
			Months	Thousand Lei	Thousand Euro			
0	1	2	3	4	5	6	7	8
1	C 562/2024	Strategic services/works managed by NPG CO. Transelectrica SA	36	338,108	0	Services	Law 99/2016 + GD 394/2016	Competitive negotiation
2	C 360/2024	Power Quality Monitoring System	132	37,820	0	Delivery	Law 99/2016 + GD 394/2016	Open tender
3	PT 4/4083/2024	Replacement of TRAFO 4-250 MVA, 400/110 kV in 400/110 kV station Dragănești Olt	34	25,058	0	Works	Law 99/2016 + GD 394/2016	Open tender
4	C 351/2024	Voluntary health insurance services for NPG CO. Transelectrica SA personnel (framework agreement)	36	12,493	0	Services	Law 99/2016 + GD 394/2016	Open tender
5	C 325/2024	Digitel green pilot project - upgrading of the 220/110/20 kV Mostiștea substation to a digital substation with reduced environmental impact (design)	14	1,925	0	Services	Law 99/2016 + GD 394/2016	Open tender
6	BA 13/2024	Cleaning services at the objectives of STT Bacău and DET	36	1,828	0	Services	Law 99/2016 + GD 394/2016	Open tender
7	PT 5/4188/2024	Cleaning services at STT Pitesti objectives	36	1,432	0	Services	Law 99/2016 + GD 394/2016	Open tender
8	C 345/2024	Cleaning services for buildings within NPG CO. "Transelectrica" SA - Executive	24	1,026	0	Services	Law 99/2016 + GD 394/2016	Open tender
9	SB 9/2024	Mowing and vegetation removal services in order to prevent fires in electrical substations managed by STT Sibiu	36	792	0	Services	Law 99/2016 + GD 394/2016	Open tender
10	TM 52/2024	Cleaning services in stations and STT Timișoara lot 1 - Timis county	24	709	0	Services	Law 99/2016 + GD 394/2016	Open tender
11	TM 35/2024	Mowing and vegetation removal services in order to prevent fires in electrical substations managed by STT Timișoara	24	588	0	Services	Law 99/2016 + GD 394/2016	Open tender
12	C 812/2024	Transition of the Porțile de Fier - Resita - Timișoara - Săcălăz - Arad axis to 400 KV, phase II: 400 KV d.c. Resita - Timișoara - Săcălăz	22	199,990	0	Works	Law 99/2016 + GD 394/2016	Open tender

# Report of the Supervisory Board

The year 2024

No.	Contract Number	Subject of the Contract	Duration	Value		Contract type	Legal Basis	Procurement Procedure
			Months	Thousand Lei	Thousand Euro			
		power line						
13	C 698/2024	RC 400 KV Cernavodă - Gura Ialomiței OHL, circuit 1, ST. 65 -196	36	29,913	0	Works	Law 99/2016 + GD 394/2016	Open tender
14	C 701/2024	Modernization of the electronic messaging system within NPG CO. Transelectrica SA	60	26,982	0	Delivery	Law 99/2016 + GD 394/2016	Open tender
15	C 868/2024 AC C 351/2024	Sub-contract no. 1 to framework agreement C 351/28.05.2024 "Voluntary health insurance services for NPG CO. Transelectrica SA personnel"	12	3,439	0	Services	Law 99/2016 + GD 394/2016	Re-offer
16	CB 31/2024	Replacement of the heating and air-conditioning installation in the administrative building of the ST Bucharest headquarters	12	3,180	0	Works	Law 99/2016 + GD 394/2016	Open tender
17	C 826/2024	DOMESTIC AND INTERNATIONAL PASSENGER AIR TRANSPORT SERVICES (FRAMEWORK AGREEMENT)	24	2,034	0	Services	Law 99/2016 + GD 394/2016	Simplified procedure
18	C 825/2024	RCA and CASCO insurance services for motor vehicles owned by NPG CO. transelectrica SA	12	1,601	0	Services	Law 99/2016 + GD 394/2016	Open tender
19	CR 725/2024	Maintenance services of OHL crossing lanes in areas with tree vegetation	24	1,096	0	Services	Law 99/2016 + GD 394/2016	Open tender
20	C 811/2024	Professional indemnity insurance services for members of the Supervisory Board and the Directorate of NPG CO. transelectrica SA (including chairmen)	12	725	0	Services	Law 99/2016 + GD 394/2016	Simplified procedure
21	C 918/2024	Upgrade of the 110 kV Timișoara 110 kV substation and transition to 400 kV of the Porțile de Fier - Anina - Reșița - Timișoara - Săcălaz - Arad axis, phase II: 400 kV Timișoara substation	42	206,591	0	Works	Law 99/2016 + GD 394/2016	Open tender
22	C 1152/2024	Overhead Power Line (O.H.L.) 400kV double circuit (d.c.) with 1 equipped single circuit (1 e.c.) Constanța Nord - Medgidia Sud	30	134,534	0	Works	Law 99/2016 + GD 394/2016	Open tender
23	CR 1131/2024	Specialized guarding, monitoring and rapid intervention services at S.T.T. Craiova's objectives for a duration of 36 months	36	16,152	0	Services	Law 99/2016 + HG 394/2016	Open tender

# Report of the Supervisory Board

The year 2024

No.	Contract Number	Subject of the Contract	Duration	Value		Contract type	Legal Basis	Procurement Procedure
			Months	Thousand Lei	Thousand Euro			
24	C 903/2024	Refurbishment of 110 kV Medgidia Sud substation - equipment	12	14,498	0	Delivery	Law 99/2016 + GD 394/2016	Negotiation without prior invitation
25	C 1195/2024	Automotive fuel for the vehicle fleet, diesel generators and other tools and equipment belonging to NPG CO. "Transelectrica" SA	36	12,084	0	Delivery	Law 99/2016 + GD 394/2016	Open tender
26	BC 54/2024	Increasing the transmission capacity of the 400 kV South Bucharest - Gura Ialomiței OHL (design)	21	5,320	0	Services	Law 99/2016 + GD 394/2016	Open tender
27	BC 53/2024	Reconductoring of the 220 kV d.c 220 kV South Bucharest - Ghizdaru OHL (design)	19	4,641	0	Services	Law 99/2016 + HG 394/2016	Open tender
28	BC 55/2024	220 kV Turnu Măgurele - Ghizdaru OHL (design)	19	3,350	0	Services	Law 99/2016 + GD 394/2016	Open tender
29	BC 50/2024	Cleaning services in the administrative headquarters, operating centers and power stations belonging to the Bucharest Branch	36	1,708	0	Services	Law 99/2016 + GD 394/2016	Open tender
30	BA 9/2024	Mowing and vegetation removal services in order to prevent fires in the electrical substations managed by STT Bacău	24	637	0	Services	Law 99/2016 + GD 394/2016	Open tender
31	TM 26/2024	Upgrading of 110 kV Săscălaz substation and transition to 400kV of the Porțile de Fier-Anina-Reșița-Timișoara-Săscălaz - Arad 400kV Săscălaz substation (Stage III) - (Design)	12	654	0	Services	Law 99/2016 + GD 394/2016	Open tender
32	SB 6/2024	Cleaning services in administrative offices and transformer station buildings STT Sibiu	36	1,471	0	Services	Law 99/2016 + GD 394/2016	Open tender
33	CR 211/2024	Operational headquarters DET Craiova - updating and completion of technical and economic documentation on the construction and equipping of the headquarters	8	530	0	Services	Law 99/2016 + GD 394/2016	Open tender
34	C 172/2024	Subscription for user license and technical support for electricity market modeling software	24	-	160	Services	Law 99/2016 + GD 394/2016	Competitive Negotiation
35	TM 21/2024	Maintenance services for buildings managed by STT Timișoara	24	757	0	Services	Law 99/2016 + GD 394/2016	Open tender

No.	Contract Number	Subject of the Contract	Duration	Value		Contract type	Legal Basis	Procurement Procedure
			Months	Thousand Lei	Thousand Euro			
							6	
36	CR 141/2024	Mowing and vegetation removal services in order to prevent fires in electrical substations managed by STT Craiova	24	534	0	Services	Law 99/2016 + GD 394/2016	Open tender
37	CB 9/2024	Mowing, pruning and vegetation removal services in order to prevent fires in electrical substations managed by BUCHAREST Bucharest	24	773	0	Services	Law 99/2016 + GD 394/2016	Open tender
38	C 695/2024	220/110 kV Calafat substation modernization	24	65,277	0	Works	Law 99/2016 + GD 394/2016	Open tender
39	C 233/2024	400 kV Stâlpu substation and modernization of 110 kV and medium voltage cells in Stâlpu substation - Equipment	24	32,124	0	Delivery	Law 99/2016 + GD 394/2016	Negotiation without Prior Invitation
40	C 98/2024	Development of dedicated software to determine reserve quantities using the probabilistic method	12	6,000	0	Delivery	Law 99/2016 + GD 394/2016	Open tender
41	C 95/2024	RC 400 kV Mintia - Arad OHL	48	49,014	0	Works	Law 99/2016 + GD 394/2016	Open tender



## Annex 6 - Glossary of terms

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



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