

NATIONAL POWER GRID COMPANY TRANSELECTRICA SA

Company managed under a two-tier system

**Consolidated Financial Statements
as at and for the financial year ended on
December 31, 2024**

**elaborated in accordance with
International Financial Reporting Standards adopted by the European Union
as well as in accordance with the request of the majority shareholder**

NPG CO. TRANSELECTRICA SA -IFRS EU
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT DECEMBER 31,
(All amounts are expressed in thousands LEI, unless otherwise indicated)

	Note	December 31, 2024 IFRS	December 31, 2023 IFRS
Assets			
Non-current assets			
Tangible assets	5	5.915.254	5.558.143
Assets representing rights of use under a lease -buildings	6	8.150	15.048
Intangible assets	7	15.371	12.143
Financial assets	8	40.833	40.673
Total non-current assets		5.979.608	5.626.007
Current assets			
Inventories	9	58.144	61.975
Trade and other receivables	10	3.782.840	2.116.460
Profit tax recoverable		-	-
Other financial assets	12	-	-
Cash and cash equivalents	11	707.174	526.900
Total current assets		4.548.158	2.705.335
Total assets		10.527.766	8.331.342
Shareholders' equities and liabilities			
Shareholders' equity			
Share capital		733.031	733.031
Share premium		49.843	49.843
Legal reserve		146.606	146.606
Revaluation reserve		1.596.896	1.738.703
Other reserves		256.747	195.751
Retained earnings		2.873.861	2.204.203
Total shareholders' equities attributable to Group owners	13	5.656.984	5.068.137
Non-controlling interests	32	-	-
Total shareholders' equities		5.656.984	5.068.137
Non-current liabilities			
Long term deferred revenues	14	538.015	519.116
Long term Borrowings	15	7.918	31.906
Other loans and assimilated debts - Non-current building lease liabilities	17	1.604	7.073
Deferred tax liabilities	19	209.525	253.105
Employee benefits obligations	16	116.159	97.888
Other non-current liabilities	17	5.613	
Total non-current liabilities		878.834	909.088

NPG CO. TRANSELECTRICA SA -IFRS EU
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT DECEMBER 31,
(All amounts are expressed in thousands LEI, unless otherwise indicated)

	Note	December 31, 2024 IFRS	December 31, 2023 IFRS
Current liabilities			
Trade and other liabilities	17	3.855.244	2.200.950
Other loans and assimilated debts - Current building lease liabilities	17	7.328	9.253
Other tax and social security liabilities	21	25.537	26.047
Current Borrowings	15	32.641	31.600
Provisions	18	35.953	67.191
Short term deferred revenues	14	22.232	16.138
Income tax payable		13.013	2.938
Total current liabilities		3.991.948	2.354.117
Total liabilities		4.870.782	3.263.205
Total shareholders' equities and liabilities		10.527.766	8.331.342

The accompanying consolidated financial statements have been signed by management as of April 30, 2025:

Directorate,

**Ștefăniță
MUNTEANU**

Chairman
Directorate

**Victor
MORARU**

Membe
Directorate

**Cătălin-Constantin
NADOLU**

Membe
Directorate

**Cosmin-Vasile
NICULA**

Membe
Directorate

**Florin-Cristian
TĂTARU**

Membe
Directorate

**Florin STANCIU – Manager DSFTM
f.Economic and Financial Directorate**

Cristiana Zîrnovan
Budget and Management Reporting
Department Manager

NPG CO. TRANSELECTRICA SA- IFRS EU
CONSOLIDATED STATEMENT OF PROFIT AND LOSS AS AT DECEMBER 31, 2024
(All the amounts are provided in thousands of LEI, unless otherwise indicated)

	Note	December 31, 2024 IFRS	December 31, 2023 IFRS
Operating revenues			
Transmission revenues		2.024.457	1.956.027
System service revenues		633.277	390.661
Balancing market revenues		4.965.	2.269.419
Other revenues		178.498	94.995
Total operating revenues	22	7.801.956	4.711.102
Operating expenses			
System Operating Expenses	23	(715.613)	(640.426)
Balancing market expenses	23	(4.965.535)	(2.268.981)
System services expenses	23	(523.611)	(499.185)
Depreciation and amortization	24	(297.314)	(272.406)
Personnel expenses	25	(489.463)	(447.429)
Repairs and maintenance expenses		(66.410)	(55.445)
Materials and consumables		(23.015)	(21.172)
Other operational expenses	26	(173.302)	(210.705)
Total operating expenses		(7.254.263)	(4.415.749)
Operating result		547.693	295.353
Financial revenues		26.879	35.896
Financial expenses		(17.204)	(38.254)
Net financial result	27	9.675	(2.358)
Result before income tax		557.368	292.995
Income tax	19	(395)	(29.934)
Result for the year from continuing operations		556.973	263.061
TIME INTERVAL RESULT			
Attributable:			
Group Owners		556.973	263.061
Non-controlling interests		-	-
Basic and diluted earnings per share (lei/share)	20	7,60	3,59

NPG CO. TRANSELECTRICA SA- IFRS EU
CONSOLIDATED STATEMENT OF PROFIT AND LOSS AS AT DECEMBER 31, 2024
(All the amounts are provided in thousands of LEI, unless otherwise indicated)

	Note	December 31, 2024 IFRS	December 31, 2023 IFRS
Outcome of the exercise		556.973	263.061
Other comprehensive income			
Items that will not be reclassified to the income statement, of which:			
- Tax effects related to the revaluation reserve	5	(6.014)	(203.451)
- Surplus on revaluation of tangible assets	19	-	1.275.560
- Actuarial loss on defined benefit plan	16	(414)	905
Other comprehensive income (AERG)		(6.428)	1.073.014
Total comprehensive result		550.545	1.336.075

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f.Economic and Financial Directorate

Cristiana Zîrnovan
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 Department Manager

NPG CO. TRANSELECTRICA SA - IFRS EU

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2024

(the amounts are provided in thousands of LEI, unless otherwise indicated)

IFRS	Social Capital	Share premium	Legal Reserves	Revaluation reserves	Other reserves	Retained result	Attributable to the group	Non- controlling interests	Total
Balance at January 1, 2024	733.031	49.843	146.606	1.738.703	195.751	2.204.203	5.068.137	-	5.068.137
Comprehensive result of the period	-	-	-	-	-	-	-	-	-
Result of the period	-	-	-	-	-	556.973	556.973	-	556.973
Other comprehensive revenue items	-	-	-	-	-	-	-	-	-
Recognising the actuarial loss/profit of the benefit plan	-	-	-	-	-	(414)	(414)	-	(414)
Surplus from revaluation of tangible assets	-	-	-	-	-	-	-	-	-
Liability regarding deferred tax associated to the revaluation reserve	-	-	-	(6.014)	-	-	(6.014)	-	(6.014)
Total other comprehensive revenue items	-	-	-	(6.014)	-	(414)	(6.428)	-	(6.428)
Total comprehensive result of the period	-	-	-	(6.014)	-	556.559	550.545	-	550.545
Legal reserve indexation	-	-	-	-	-	-	-	-	-
Transfer of revaluation reserves into retained result	-	-	-	(135.761)	-	135.761	-	-	-
Minority interests from participation	-	-	-	-	-	-	-	-	-
Other items	-	-	-	-	-	(2.137)	(2.137)	-	(2.137)
Total other items	-	-	-	(135.761)	-	133.624	(2.137)	-	(2.137)
Derecognition of assets like public domain	-	-	-	(31)	-	-	(31)	-	(31)
Subsidies associated to public domain assets	-	-	-	-	60.996	-	60.996	-	60.996
Other reserves	-	-	-	-	-	-	-	-	-
Dividends distribution	-	-	-	-	-	(20.525)	(20.525)	-	(20.525)
Total transactions with owners	-	-	-	(31)	60.996	(20.525)	40.440	-	40.440
Balance at December 31, 2024	733.031	49.843	146.606	1.596.896	256.747	2.873.861	5.656.984	-	5.656.984

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Cristiana Zîrnovan
Budget and Management Reporting Department Manager

NPG CO. TRANSELECTRICA SA - IFRS EU

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2024

(All amounts are expressed in thousands LEI, unless otherwise indicated)

IFRS	Social Capital	Share premium	Legal Reserves	Revaluation reserves	Other reserves	Retained result	Attributable to the group	Non-controlling interests	Total
Balance at January 1, 2023	733.031	49.843	146.606	734.233	39.351	1.929.015	3.632.079	-	3.632.079
Comprehensive result of the period	-	-	-	-	-	-	-	-	-
Result of the period	-	-	-	-	-	263.061	263.061	-	263.061
Other comprehensive revenue items	-	-	-	-	-	-	-	-	-
Recognising the actuarial loss/profit of the benefit plan	-	-	-	-	-	905	905	-	905
Surplus from revaluation of tangible assets	-	-	-	1.275.560	-	-	1.275.560	-	1.275.560
Liability regarding deferred tax associated to the revaluation reserve	-	-	-	(203.451)	-	-	(203.451)	-	(203.451)
Total other comprehensive revenue items	-	-	-	1.072.109	-	905	1.073.014	-	1.073.014
Total comprehensive result of the period	-	-	-	1.072.109	-	263.966	1.336.075	-	1.336.075
Legal reserve indexation	-	-	-	-	-	-	-	-	-
Transfer of revaluation reserves into retained result	-	-	-	(67.638)	-	67.638	-	-	-
Minority interests from participation	-	-	-	-	-	-	-	-	-
Other items	-	-	-	-	-	(4.372)	(4.372)	-	(4.372)
Total other items	-	-	-	(67.638)	-	63.267	(4.372)	-	(4.372)
Derecognition of assets like public domain	-	-	-	-	-	-	-	-	-
Subsidies associated to public domain assets	-	-	-	-	156.400	-	156.400	-	156.400
Other reserves	-	-	-	-	-	-	-	-	-
Dividends distribution	-	-	-	-	-	(52.045)	(52.045)	-	(52.045)
Total transactions with owners	-	-	-	-	156.400	(52.045)	104.355	-	104.355
Balance at December 31, 2023	733.031	49.843	146.606	1.738.703	195.751	2.204.203	5.068.137	-	5.068.137

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Cristiana Zîrnovan
Budget and Management Reporting Department Manager

NPG CO. TRANSELECTRICA SA - IFRS EU
CONSOLIDATED STATEMENT OF CASH FLOWS AT DECEMBER 31,
(All amounts are expressed in thousands LEI, unless otherwise indicated)

	December 31, 2024 IFRS	December 31, 2023 IFRS
Cash flows from operating activities		
Net profit/loss	556.973	263.061
Adjustments for:		
Income tax expense	395	29.934
Amortisement expense	297.314	272.406
Expenses related to adjustments for impairment of receivables	34	38.761
Income from the reversal of provisions for impairment of receivables	(6.968)	(47.116)
Losses from sundry debtors	9.308	54.752
Net income with impairment adjustments on sundry debtors	(13.428)	8.682
Net impairment adjustments on inventories	(1.480)	(1.262)
Profit/loss on sale of tangible assets, net	2.080	437
Net expenditure on value adjustments in respect of tangible assets	9	18.363
Net expenditure/income on provisions for risks and charges	(20.612)	651
Net financial expenses related to adjustments for impairment losses on fixed assets	389	-
Interest expense, interest income and unrealized foreign exchange gains and losses	(11.362)	2.769
Cash flows before changes in working capital	812.652	641.438
Changes in:		
Inventories	6.923	(8.448)
Customers and similar accounts	(1.655.313)	1.171.127
Trade and other payables	1.683.048	(1.209.775)
Other taxes and social security contributions	(510)	8.669
Deferred income	43.495	95.960
Cash flows from operating activities	890.295	698.971
Interest paid	(2.759)	(3.815)
Income tax paid	(32.150)	(36.116)
Net cash generated from operating activities	855.386	659.040
Cash flows used in investing activities		
Purchases of tangible and intangible assets	(687.111)	(439.270)
Shares held in SELENE CC Societe Anonyme	-	242
Proceeds from EC grant funding	42.494	117.145
Interest received	7.008	6.482
Proceeds from the sale of tangible assets	3.374	1.801
Dividends received/paid	15.761	1.988
Net cash used in investment activity	(618.474)	(311.612)

NPG CO. TRANSELECTRICA SA - IFRS EU
CONSOLIDATED STATEMENT OF CASH FLOWS AT DECEMBER 31,
(All amounts are expressed in thousands LEI, unless otherwise indicated)

	December 31, 2024 IFRS	December 31, 2023 IFRS
Cash flows used in financing activities		
Long-term loan repayments	(23.978)	(23.850)
Use of capital credit line	-	-
Use Smart credit line	1.281	1.371
Repayments of current borrowings change	-	(67.618)
Building lease payments	(12.247)	(11.331)
Dividends paid	(21.694)	(52.781)
Net cash used in financing activities	(56.638)	(154.209)
Cash and cash equivalents at January 1	526.900	333.681
Net decrease in cash and cash equivalents	180.274	193.219
Cash and cash equivalents at the end of the period	707.174	526.900

The accompanying consolidated financial statements have been signed by management as of April 30, 2025:

Directorate,

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

Florin STANCIU – Manager DSFTM
f.Economic and Financial Directorate

Cristiana Zîrnovan
Budget and Management Reporting
Department Manager

1. ACTIVITY DESCRIPTION AND GENERAL INFORMATION

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

The address of the registered office is: Strada Olteni nr. 2 - 4 sector 3, Bucharest, Romania. At present, the Company's executive activity is carried out at the registered office in Olteni Street no. 2-4, sector 3, Bucharest.

The Group's consolidated financial statements as at December 31, 2023 prepared in accordance with International Financial Reporting Standards as adopted by the European Union as amended (IFRS-EU) are available at the Company's registered office located at 2-4 Olteni Street 2-4, Sector 3, Bucharest.

Since 2006, the Company's shares are traded on the BUCHAREST Stock Exchange under the symbol TEL.

In accordance with the Resolution of the Extraordinary General Meeting of Shareholders of July 18, 2012, the Company has switched from a unitary to a two-tier management system in order to achieve a clear separation of management and control activities. The Company is thus managed by a Directorate under the supervision of a Supervisory Board.

Setting up the Company

Pursuant to Government Decision ("GD") no. 627 on the reorganization of National Power Company - SA ("Predecessor Entity"), issued on 31 July 2000 by the Romanian Government, the latter was divided into four newly created entities ("Successor Entities"). The Sole Shareholder of the Successor Entities was the Romanian State, through the Ministry of Economy ("ME"). Following this reorganization, NPG CO. Transelectrica SA, as a joint-stock company with the main object of activity of transmission, dispatching of electricity, organization and management of the electricity market.

As disclosed in Note 13, the shareholders of NPG CO. Transelectrica SA at December 31, 2024 are: the Romanian State represented by the General Secretariat of the Government holding 43,020,309 shares (58.69%), NN Group NV with 4,007,688 shares (5.47%), PAVAL HOLDING with 4,753,567 shares (6.49%), other shareholders Legal Entities with 16,442,683 shares (22.43%) and other shareholders Individuals with 5,078,895 shares (6.92%).

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

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

These Consolidated Financial Statements prepared as of and for the year ended December 31, 2023, comprise the financial statements of the Parent Company and its subsidiaries Smart SA and Teletrans SA, collectively referred to as the "Group".

GROUP STRUCTURE

The Group's subsidiaries included in the scope of consolidation and the percentage of shares held by the Company are presented below:

NPG CO. TRANSELECTRICA SA- IFRS EU
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2024
(All amounts are provided for in thousands LEI, unless otherwise indicated)

Entity	Country of origin	December 31, 2024	December 31, 2023
		% of shares	% of shares
SMART SA	Romania	100	100
TELETRANS SA	Romania	100	100

SMART SA

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

The address of the registered office is Magheru Blvd. no. 33, Sector 1, Bucharest and the headquarter is located at the working point at Gheorghe Șincai Blvd. no. 3, "Formenerg" Building, 1st Floor, Sector 4, Bucharest.

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

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

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

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

The subscribed and paid-up share capital as at December 31, 2024 is 38,529, Transelectrica being the sole shareholder. The results of the SMART subsidiary are consolidated with the financial results of the Company. SMART shares are 100% owned by Transelectrica.

TELETRANS SA

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

The address of the registered office is BUCHAREST, no. 16 - 18, Sector 3, Bucharest and the headquarters is located at the working point in Stelea Spătarul street no. 12, Sector 3, Bucharest.

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

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

- Public electronic communication networks (since 11.11.2004);
- Electronic communication services for the public: (i) Leased line services and (ii) Electronic communication services other than telephony and leased lines (from 01.07.2003);
- Private electronic communications networks and services (since 15.01.2003).

The accompanying notes are an integral part of these consolidated financial statements.

- TELETRANS personnel also benefits from relevant certifications in the operation and management of IT&C systems dedicated to critical infrastructures.

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

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

The subscribed and paid-up share capital at December 31, 2024 is 6,874, Transelectrica being the sole shareholder. The results of the subsidiary Teletrans are consolidated with the financial results of the Company. TELETRANS shares are 100% owned by Transelectrica.

Group Mission

The Group's mission is to ensure the safety and security of the National Energy System (NES), in compliance with the standards and performance required by the technical regulations in force and to provide a public service to all users of the transmission electricity networks, under transparent, non-discriminatory and equidistant conditions for all market participants.

Other information related to the Group's activity

The participation of European Transmission System Operators (TSOs) in ENTSO-E is governed by the European legislation in force (Regulation 943/2019 on the internal market in electricity (recast of Regulation 714/2009 on conditions for access to the network for cross-border exchanges in electricity): *"All transmission system operators and transmission system operators shall cooperate at Community level through the ENTSO-E for Electricity in order to promote the completion and functioning of the internal market in electricity and cross-zonal trade, and to ensure the optimal management, coordinated operation and sound technical evolution of the European electricity transmission network."*

The Company's membership in ENTSO-E is a prerequisite for access to the decision-making process on European strategy and legislation in the field and for defending and supporting the Company's interests in the activities/projects carried out at the level of the association and the European Commission.

ENTSO-E was created in 2009, as a non-profit association based in Brussels, by merging the associations of European TSOs organized according to synchronous interconnected regions (UCTE, ETSO, BALTSO, BALTSO, NORDEL, UKTSOA, ATSOI). Since October 2004, Transelectrica has become a partner of electricity transmission companies throughout Europe, as a member of UCTE, ETSO and since 2009 it is a member of ENTSO-E, the Romanian electricity system being part of the Continental Europe Regional Group.

Transelectrica SA is an affiliate member of the following international organizations:

- ENTSO - E - European Network of Transmission System Operators for Electricity;
- CIGRE - International Council of Large High Voltage Electrical Networks;
- LWA - International Live Working Association;
- WEC - World Energy Council.

NPG CO. Transelectrica SA has the obligation to ensure the long-term ability of the system to meet reasonable demands for the transmission of electricity, to operate, maintain and develop under economic conditions a secure, reliable and efficient transmission system, which respects the environment, in close cooperation with neighboring transmission system operators and distribution system operators, fulfilling the provisions of EU Directive 2019/944, Article 40.

On January 17, 2025, the credit rating agency Moody's Investors Service published its updated credit opinion, assessing the Company's present and future ability to meet its payment obligations to creditors, giving the rating Baa3 stable outlook (reconfirmation of the previous year's rating). NPG CO. Transelectrica SA is for the fourth consecutive year in the investment-grade Baa3 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.

Obtaining the Baa3 rating with stable outlook reinforces a favorable view on the Company's ability to meet

its current and future financial obligations, showing that Transelectrica operates in an improved regulatory environment, with a sound financial profile, low leverage and strong, stable and predictable financial values.

Legislative environment

The activity in the energy sector is regulated by the National Energy Regulatory Authority ("ANRE"), an autonomous public institution, which has as its object: to develop, approve and monitor the implementation of the set of mandatory regulations at national level necessary for the functioning of the sector and the electricity, thermal and natural gas market in conditions of efficiency, competition, transparency and consumer protection.

ANRE has the following main tasks and competences in the electricity and thermal energy produced in cogeneration sector: grants, suspends or withdraws authorizations and licenses, develops and approves the methodologies for calculating tariffs and regulated prices, approves tariffs and regulated prices, establishes framework contracts, approves technical and commercial regulations, etc.

ANRE sets tariffs for electricity transmission and system services. Therefore, decisions taken by ANRE may have significant effects on the Company's activity.

The Company's operational activity is carried out on the basis of the license no. 161/2000 for the transmission of electricity and system service provision issued by ANRE, valid until 2025, updated by ANRE Decision no. 1413/10.07.2024 and the General Conditions associated with the license approved by ANRE Order no. 104/2014, with subsequent amendments and additions.

Given that the Company's activity and revenues are regulated by ANRE, the most important risks related to this aspect are the following:

- The regulatory framework is subject to constant change, which may affect the Company's performance;
- ANRE decisions on the adoption of future tariffs may affect the Company's activities;

Final certification of Transelectrica as TSO of NES, according to the ownership unbundling model

In accordance with the provisions of the Law on Electricity and Natural Gas No. 123/2012, as amended, the National Energy Regulatory Authority (ANRE) approved by Order No. 164/07.12.2015 the certification of the Company as transmission and system operator of the National Electricity System according to the ownership *unbundling* model.

The ownership unbundling model became available to the Company under the Law No. 123/2012 on Electricity and Natural Gas transposing Directive 2009/72/EC.

The ANRE Order no. 164/07.12.2015 accompanied by the European Commission's Opinion C (2015) 7053 final/12.10.2015, as an integral part of the Order, was published in the Official Gazette no. 908/08.12.2015 and together with its Approval Report shall be communicated by ANRE to the European Commission.

This Order implements the provisions of EU and national legislation on the certification of the transmission system operator.

The certification notification was transmitted to the European Union, which published it in the EU Journal on 08.01.2016, in accordance with Art.10 para. (2) of Directive 2009/72/EC.

Tariff for electricity transmission and system service

The activity of electricity transmission is an activity of general interest in the field of electricity, authorized and monitored by a public authority (public service), with the character of a natural monopoly. The tariffs charged by the Company for transmission and system services are set and approved by ANRE (see Note 22).

The year 2024 is the fifth year of the series of five consecutive years that make up the fourth multiannual tariff regulation period for electricity transmission activity (January 1, 2020 - December 31, 2024). The main coordinates of the fourth regulatory period have been established by ANRE on the basis of the specific regulatory framework, i.e. the methodology for setting the tariff for electricity transmission activity, approved by ANRE Order no. 171/2019, as subsequently amended and supplemented Compared to the previous forms of the methodology on the basis of which the tariffs were established in the third regulatory period (July 1, 2014 - June 30, 2019) and in the transition period (June 30, 2019 - December

31, 2019) from the third regulatory period to the fourth regulatory period, the methodology applicable to the establishment of tariffs in the fourth regulatory period has not undergone substantial changes.

As regards the fundamental aspects of the methodology (the main elements that make up the regulated income and how it is formed, the recovery of operating costs, the recovery and remuneration of capital invested in regulated assets, the nature of the incentive elements, the way in which the regulated income is collected), they have remained unchanged, ensuring continuity and predictability of the regulatory framework. The detailed tariff settings for the entire Multi-annual Regulatory Period IV were initially set during 2019.

During 2020, in accordance with the applicable methodology, a revision of the previously approved period coordinates took place. This revision was also necessary in view of the modification of the tariff configuration in order to merge the tariff for the transmission activity with the tariff for the functional services component of the system services activity. The merger of these two tariffs took place by absorbing into the transmission tariff the tariff for the functional services component of the system services activity. Thus, it was necessary to revise the initial starting settings (Regulated Assets Base) and the approved cost scheduling for the horizon of the regulatory period in order to include the assets and costs related to the system functional services activity in the starting settings and in the multiannual scheduling of the fourth regulatory period. Previously, the cost schedule for the functional system services activity was reviewed and set annually when the functional system services tariff was approved, as the previous methodology did not provide for the setting and approval of a multi-annual schedule for these costs.

In addition to the merging of the two aforementioned tariffs presented above, the revision of the coordinates of the regulatory period IV also included some elements initially approved for the transmission activity, such as the investment plan (revised slightly downwards to correct a technical error made when initially setting the schedule - the schedule values were initially reported in nominal terms, for programming purposes it was necessary to adjust the initially reported values by extracting the estimated inflation for the regulatory period), the value of the Regulated Assets Base on January 1, 2020 (revised based on investments actually made in the second half of 2019), the starting point and required efficiency slope for controllable operating and maintenance costs subject to efficiency (the starting point was revised by including in the multi-year historical average the costs realized in the second half of 2019 and by removing from the multi-year historical average certain costs that were reclassified to non-controllable costs in the fourth regulatory period, the efficiency slope was reduced from 1.5% to 1.0%), the forecast price for the purchase of electricity to cover technical losses in the transmission network (revised by indexing to inflation realized in the second half of 2019).

In the context of the significant increase in electricity prices on the wholesale markets from the summer of 2021, a series of measures have been implemented in the legislative and regulatory framework to mitigate the significant impact of this development on the costs incurred by the operators of public electricity transmission and distribution networks with the purchase from the wholesale market of the energy necessary to cover their own technological consumption in the networks:

- in accordance with the regulatory framework issued by ANRE, when setting the transmission tariff that entered into force on January 1, 2022, the revenue component included in the tariff intended to cover the costs of energy purchase to cover own technological consumption in the transmission network was increased, compared to the value initially set for 2022 in the multiannual programming of costs for the regulatory period 2020-2024;
- In accordance with the legislative framework (GEO no. 27/2022), on April 1, 2022, the electricity transmission tariff was modified in an increasing direction compared to the period January 1 - March 31, 2022, with extended applicability to the first quarter of 2023. The purpose of this tariff increase was to ensure the Company's recovery of the deficit recorded in 2021 between the revenue included in the tariff and the actual cost of electricity purchased on the wholesale market to cover its own technological consumption in the transmission network. This measure brought forward the deficit recovery process in 2021, which according to ANRE regulations would have been realized one year later, i.e. in 2023;
- in accordance with the legislative framework (GEO no. 119/2022), the measure of capitalization of the additional costs of own technological consumption was introduced, i.e. the difference between the cost realized and the cost included in the transmission tariff. Thus, when establishing

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the transmission tariff applicable in the period April 1, 2023 - December 31, 2023, the component related to the additional costs with OTC was the main element that led to the increase in the average electricity transmission tariff compared to the period April 1, 2022 - March 31, 2023. The recovery through the transmission tariff of this difference is to be realized in a phased manner over a five-year period. For the difference capitalized in the year 2022, the recovery through the transmission tariff will be realized in the period 2023-2027.

- By Law no.357/13.12.2022 on the approval of GEO no. 119/2022, the capitalization measure was extended for the period from January 1, 2022 to March 31, 2025.

The cumulative effect of the above-mentioned measures was to balance the Company's revenues and costs, as the Company's own technological consumption costs increased significantly amid the large increase in electricity prices on wholesale markets. At the same time, the three transmission tariff increases, applied on January 1, 2022, April 1, 2022, April 1, 2023 and January 1, 2024, also contributed to reducing the pressure that the increased costs exerted on cash flows.

Regulated Asset Base ("RAB")

The determination of the transmission tariff is based, inter alia, on the regulated asset base. The regulated assets base includes the net value of tangible and intangible assets corresponding to the Company's private patrimony and the net value of assets belonging to the State's public domain financed entirely from own sources, recognized by ANRE and used in the provision of the electricity transmission service.

In the year 2024, the regulated rate of return on assets for the electricity transmission activity, expressed in real pre-tax terms, had the following values:

- 6.39% value established in ANRE regulations and applied between January 01, 2024 - December 31, 2024.

Compared to the value of 6.39%, it should be noted that ANRE's regulations also established an incentive for new investments made in the transmission grid in the form of a supplement to the regulated rate of return of one percentage point and an incentive of two percentage points above the approved regulated rate of return for fixed assets related to investments in the network put into operation from February 1, 2021 and made from own funds within the framework of projects co-financed by non-reimbursable European funds. Thus, new investments made in the electricity transmission network from 2021 onwards shall be remunerated with a regulated rate of return totaling 7.39%.

At the beginning of the year 2024, the value of the RAG for the electricity transmission activity, established by ANRE on the basis of the investments made by NPG CO. Transelectrica SA in the third regulatory period, on the basis of the investments made in the transitional tariff period - the second semester of 2019 and on the basis of the investments made in the next four years (2020, 2021, 2022 and 2023) of the fourth regulatory period - is approx. RON 3,297 million, this amount includes the revaluation of fixed assets as of December 31, 2023, accepted by ANRE in the amount of approx. RON 833 million. By realized investments we mean completed investments, i.e. objectives put into operation and recorded as fixed assets in the Company's accounting records.

The total investment volume approved for the fourth regulatory period is approx. RON 1,587million. Of this total volume, it was forecast that a part in the amount of approx. RON 644million representing approx. 40% of the total approved investment volume will be financed from non-reimbursable European funds and from the revenues obtained by Transelectrica from the allocation of cross-border interconnection capacity. Thus, in the programming of the Regulated Assets Base for the fourth regulatory period a volume of RON 943million was included in the programming of the Regulated Assets Base for the fourth regulatory period, representing approx. 60% of the total approved investment volume, i.e. the part of the total approved investment volume that is not expected to be financed from the above-mentioned non-reimbursable sources.

The inclusion of Transelectrica in local and international stock indices

Shares issued by Transelectrica have been traded since August 29, 2006 on the regulated market administered by the BVB, in category I, under the symbol TEL. Since 05.01.2015, the Company is included in the Premium category of the regulated market administered by the BVB.

Transelectrica shares are part of the BET index, an index that reflects the evolution of the 20 most traded companies on the Regulated Market of the BVB, excluding financial investment companies

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(SIFs).

Transelectrica is also included in the local stock market indices BET | BET-TR | BET-TRN | BET-XT | BET-XT-TR | BET-XT-TRN | BETPlus | BET-EF | BET-NG | BET-BK.

The Bucharest Stock Exchange launched on July 29, 2024, 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 also part.

Internationally, according to MSCI's August 2023 announcement, TEL shares have been promoted within the MSCI Frontier and MSCI Romania indices.

Group revenues

The main revenue-generating activities of the Group are the following services:

- Electricity transmission service;
- System services
- Balancing market operator.

Electricity transmission service

The transmission service consists in ensuring the efficient and secure transmission of electricity between two or more points of the electricity transmission network ("ETG"), in compliance with the performance standards in force.

The company ensures non-discriminatory and regulated access to all participants in the electricity market. The transmission activity is carried out through eight territorial transmission branches based in Bucharest, Bacău, Cluj, Craiova, Constanta, Pitesti, Sibiu and Timisoara.

The electricity transmission activity carried out by the Company consists in ensuring the technical conditions and maintaining the parameters of the ETG at the moment of the energy input/output into/from the ETG.

System services

The Company has the task to maintain at all times the safe operation of the national power system in compliance with the quality standards laid down in the technical code of the transmission system. For this purpose, the Company purchases system services from electricity producers.

System services are purchased on the basis of a competitive procedure regulated by ANRE, from producers, at the Company's request, in order to maintain the level of operational reliability of the NES and the quality of the energy transported at the parameters required by the legislation in force. The Company refunds the entire value of system services purchased from producers (except for the active energy component to cover losses in the ETG) to the electricity suppliers licensed by ANRE, which ultimately benefit from these services.

Balancing market operator

The functioning of the balancing market is stipulated in:

- Regulation (EU) 2195/2017 laying down a guideline for balancing the electricity system, hereinafter referred to as "Regulation (EU) 2195/2017".
- Regulation (EU) No 1485/2017 laying down guidelines for the operation of the electricity transmission system;
- Order of the President of ANRE no. 127/08.12.2021 for the approval of the Regulation on the terms and conditions for balancing service providers and for frequency stabilization reserve providers and of the Regulation on the terms and conditions for the parties responsible for balancing and for the amendment and repeal of some orders of the President of the National Energy Regulatory Authority published in the Official Gazette no. 1196 of 17 December 2021, with subsequent amendments and additions.
- Electricity and Natural Gas Law No 123/2012, as amended and supplemented.

The Balancing Market allows balancing the production-consumption balance in real time, using resources offered in a competitive system. The balancing market also guarantees the full fulfillment of the

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contractual obligations undertaken by energy market participants.

The purpose of the balancing market is to balance the production and consumption of electricity and to improve the accuracy of the forecasts made for this purpose by all market participants. Transelectrica, on the basis of procedures and regulations approved by ANRE, has to approve all participants in the balancing market, collect, verify, process all bids and carry out settlement procedures.

The most important contribution to the functioning of the balancing market is made by the National Energy Dispatcher. The National Energy Dispatcher is responsible for overseeing the proper and safe operation of the NES, ensuring at all times, the balancing of production - consumption balance.

The balancing market is used by Transelectrica to ensure real time balancing of consumption with production, to guarantee the secure and stable operation of the NES and to manage any restrictions within the NES.

The contracts concluded by Transelectrica with all participants in the balancing market are based on two agreements: the framework agreement for assumption of balancing responsibility (concluded with market participants as parties responsible for balancing) and the framework agreement for participation in the balancing market (concluded, as a rule, with balancing service providers, holders of UFR/GFR).

In accordance with the provisions of the ANRE President Order no. 127/08.12.2021, NPG CO. Transelectrica SA as TSO (transmission and system operator) and ODDPRE (operator for the settlement of imbalances of the parties responsible for balancing) is responsible for setting the quantities and closing prices on the balancing market.

Transelectrica is also involved in the balancing activity, as follows:

- The National Energy Dispatcher contracts the electricity needed to balance the production - consumption balance on the balancing market;
- The OMEPA Measurement Directorate is responsible for measuring the actual quantities.

At the same time, as of October 2023, Transelectrica has the quality of ODPE.

According to the provisions of the ANRE President's Order no. 127/08.12.2021, with subsequent amendments and additions, in order to ensure the functioning of the Electric Energy Market, the TSO - respectively Transelectrica collects: the amounts owed by the PRB (Parties Responsible for Balancing) for:

- the amount of PRB's payment obligations for the negative imbalances produced in the contract month, determined for that month according to the Information Notice for the monthly settlement of PRE imbalances or the Monthly Regularization Notice, issued by ISOPRB (the imbalance settlement operator of the balancing parties);
- the amount of the payment obligations of the PRB for the provision of services corresponding to the value in the module for the positive imbalances produced in the contract month presented with a negative sign, in the Information Note for the monthly settlement of imbalances of the PRB or in the Monthly Settlement Note, issued by the TSO in its capacity as a ISOPRB;
- additional costs from balancing the system.

amounts owed by the ESF (balancing service providers) for:

- the payment obligations of the ESF for the amounts of the quantities of balancing energy actually delivered at derating, within the final transactions for the delivery of balancing energy, established according to the Monthly Settlement Information Notice on PE or the Monthly Regularization Notice, issued by the TSO;
- the payment obligations of the ESF for the provision of services, corresponding to the value in the module for the amount of balancing energy actually delivered at the power increase, shown with a negative sign in the Monthly Settlement Information Note per PE or in the Monthly Regularization Note, issued by the TSO;

and pay

PRB for:

- the amount of collection rights for the positive imbalances produced in the contract month, determined for that month according to the Information Notice for the monthly settlement of the PRB imbalances or the Monthly Regularization Notice, issued by ISOPRB;

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- the amount of the collection rights for the provision of services corresponding to the value in the module for the negative imbalances produced in the contract month, presented with a negative sign, in the Information Note for the monthly settlement of the imbalances PRB or in the Monthly Regularization Note, issued by the TSO in its capacity as the ISOPRB.
- additional revenue from balancing the system

ESF (balancing service providers) for:

- the collection rights of the FSE for the amounts of the quantities of balancing energy actually delivered at the power increase, within the final transactions for the delivery of balancing energy, established according to the Monthly Settlement Information Notice on the PE or the Monthly Regularization Notice, issued by the TSO;
- PPE's collection rights for the service provision values, corresponding to the value in the module for the amount of balancing energy actually delivered at the power reduction, shown with a negative sign, in the Information Note for monthly settlement on the PE or in the Monthly Regularization Note, issued by the TSO.

Intentional energy exchanges and common settlement rules for unintentional energy exchanges (FSKAR calculation methodology)

Following the application of Regulation (EU) No 1485/2017 laying down a guideline on the operation of the electricity transmission system and Regulation (EU) No 2195/2017 laying down a guideline on the balancing of the electricity system, common settlement rules for intentional energy exchanges and common settlement rules for unintentional energy exchanges have been developed and approved by the Transmission System Operators at the level of ENTSO - E. It should be noted that the new set of common rules for the settlement of intentional and unintentional energy exchanges provides for a financial settlement between the Transmission and System Operators, thus eliminating the compensation in kind determined according to the ENTSO-E methodology by the Settlement Centers of Brauweiler (Germany) and Laufenburg (Switzerland), which NPG CO. Transelectrica SA traded on the Day-Ahead Market and recorded them separately in the Income and Expenditure Budget with the Party Responsible for Balancing Unplanned Exchanges as a result of energy trading on the Day-Ahead Market.

The FSKAR calculation methodology, called *Accounting and Financial Settlement of $k\Delta f$, ACE and Ramping period*, entered into force on June 1, 2021. The Settlement Centers in Brauweiler (Germany) and Laufenburg (Switzerland) transmit the results to each TSO in the form of daily files containing the intended and unintended exchanges (quantities - prices) calculated for the respective TSO for each settlement interval. The price established shall be the weighted average of the prices from trading on the Day-Ahead Markets of all ENTSO - E Member States, with prices expressed in Euro/MWh.

The costs and revenues evidenced in the invoice received from JAO on the settlement of energy related to unintended exchanges will be included in the settlement calculation of the Balancing Market, in accordance with the provisions of ANRE Order no. 33/2021, on the amendment and completion of the Regulation on the calculation and settlement of imbalances of the parties responsible for balancing - single imbalance price approved by Order of the President of the National Energy Regulatory Authority no. 213/2020.

Imbalance Netting between all Transmission System Operators - IN Platform (Imbalance Netting)

As of 01.01.2021, the European platform, International Grid Control Cooperation (IGCC) or IN (Imbalance Netting) Platform for the process of imbalance netting between all TSOs, which performs the automatic frequency restoration process under Part IV of Regulation (EU) 2017/1485, has become operational.

We point out the fact that International Grid Control Cooperation (IGCC) is the project that was chosen in 2016 by ENTSO-E to become the future European platform for the imbalance compensation process as defined in Commission Regulation (EU) No 2017/1485 of August 2, 2017 laying down a guideline for the operation of the electricity transmission system (Art. 22). The IGCC initiative was started in 2010 by operators in Germany and subsequently extended to the European core systems, representing a way to optimize the secondary frequency - power exchange power regulation by reducing the counter-directional actions of the member operators' regulators, resulting in an optimized use of the system-wide "Automatically Activated Frequency Restoring Reserve" of the RRF

High efficiency cogeneration

Since April 1, 2011, the Company is the administrator of the support scheme for the promotion of high

efficiency cogeneration. The objective of this support scheme is to promote high-efficiency cogeneration power generation systems with the advantage of producing energy with low polluting emissions. The aim is to facilitate market access for high-efficiency cogeneration production systems by granting a cogeneration bonus, when the costs of producing electricity and heat in cogeneration plants are higher than the market prices of the two forms of energy. The scheme is intended for electricity and heat producers that own or commercially operate high-efficiency cogeneration plants in order to stimulate new investments in cogeneration systems and the retrofitting of existing plants. The effective implementation of the support scheme in Romania took place on April 1, 2011, after the adoption by the National Energy Authority (ANRE) of the regulatory framework necessary for the implementation of this scheme.

The support scheme for the promotion of high efficiency cogeneration is one of the mechanisms developed at the European Union (EU) level for each Member State to reach its greenhouse gas emission reduction targets (by reducing the amount of primary energy needed to generate the same amount of processed energy - electricity and heat - compared to separate production).

The bonus-type support scheme was established in Romania by GD no. 219/2007 on the promotion of cogeneration based on useful heat energy (transposition of EC Directive no. 8/2004) and implemented by GD no. 1215/2009 on the establishment of criteria and conditions necessary for the implementation of the support scheme for the promotion of high efficiency cogeneration based on useful heat energy demand, for producers with installed electrical capacity above 1 MW.

The support mechanism was authorized by the European Commission Decision C(2009)7085, amended by Decision C(2016)7522 final. According to these decisions, the State aid is operating aid to cover the difference between the costs and revenues of high-efficiency cogeneration electricity and heat production, ensuring a maximum return of 9%.

The bonus support scheme is thus designed to support and promote high-efficiency cogeneration electricity and heat production systems, thus encouraging new investments in cogeneration technology, as well as replacement/rehabilitation of existing installations.

The scheme applies to producers of electricity and heat in cogeneration that have applied to ANRE for the bonus for electricity produced in high-efficiency cogeneration, delivered in the NES, for cogeneration capacities included in the list of producers of electricity and heat in high-efficiency cogeneration by December 31, 2016. Producers benefit from the support scheme for a maximum period of 11 consecutive years, not exceeding 2023, the year at the end of which the scheme ends. The bonus, granted on request, represents the amount (in RON) received by producers for each MWh produced in high-efficiency cogeneration and delivered to the NES networks, is set annually by ANRE and is calculated as the difference between the total production costs of an equivalent cogeneration plant with high-efficiency electricity production and the revenues that can be obtained by it using the market price of electricity, i.e. the unit cost of thermal energy resulting for an equivalent thermal power plant, the difference being the electricity delivered to the NES by the cogeneration plant.

Government Decision no. 1215/2009 establishes the legal framework, in accordance with the European Union regulations, necessary for the implementation of the bonus-type support scheme for the promotion of high-efficiency cogeneration, based on the demand for useful thermal energy, in order to cover the difference between the cost of producing energy in high-efficiency cogeneration and its selling price. ANRE approved the reference bonus amounts per MWh of electricity produced and delivered to the grid from high-efficiency cogeneration plants. The beneficiaries of the scheme are producers who meet certain criteria established by ANRE.

In accordance with the provisions of Article 14 of Government Decision no. 1215/2009, NPG CO. Transelectrica SA is designated as the responsible for the administration of the support scheme. The main tasks of the Company as administrator of the support scheme are the collection of the contribution from the suppliers of electricity consumers in a separate bank account from the basic activity and the payment of the bonus to the producers of electricity and heat in high efficiency cogeneration; the conclusion of contracts with the suppliers for the collection of the contribution and with the producers who will be the beneficiaries of the scheme; verifying the amount of the collected contribution; issuing invoices to suppliers; returning the contribution for high-efficiency cogeneration to suppliers that introduce into Romania electricity produced in high-efficiency cogeneration in other EU Member States; monitoring and reporting to ANRE on the administration of the support scheme.

The company acts as an agent of the State in the monthly collection of the cogeneration contribution and the monthly payment of the bonus and under these conditions, the operations related to the support scheme do not influence the income and expenditure accounts, except for the own administration expenses recognized by ANRE for the operation of the support scheme and which are self-invoiced.

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On 08.12.2016, by Government Decision no. 925, the amendments and additions to GD no.1215/2009 on establishing the criteria and conditions necessary for the implementation of the support scheme for the promotion of high efficiency cogeneration based on the useful heat energy demand were adopted. The main amendments refer to the following aspects:

- ✓ in order to receive the bonus, producers must not be in debt to the administrator of the support scheme or have concluded agreements to offset debts and claims;
- ✓ overcompensation shall be recovered in accordance with national and EU state aid law;
- ✓ the undue overcompensation/bonus that remains unpaid by the producers, for which all legal steps have been taken, will be recovered by including the amount in the cogeneration contribution, according to the methodology issued by ANRE;
- ✓ ANRE decisions on the amount of overcompensation and/or undue bonus shall be binding on producers and shall be enforced with a view to recovery by a decision issued by the scheme administrator in accordance with State aid law;
- ✓ The financial closure of the support scheme is made in the first semester of 2024, according to the regulatory framework developed by ANRE.

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

Following the issuance of GD no. 409/2022, ANRE updated the applicable regulatory framework by issuing:

- ✓ ANRE President's Order no. 34/2022 on the amendment of the Methodology for establishing and adjusting the prices for electricity and heat produced and delivered from cogeneration plants benefiting from the support scheme, respectively the bonus for high efficiency cogeneration, approved by the Order of the President of the National Energy Regulatory Authority no. 15/2015;
- ✓ ANRE President's Order no. 35/2022 regarding the amendment and completion of the Procedure for the approval of new or retrofitting projects of cogeneration plants, approved by the Order of the President of the National Energy Regulatory Authority no. 115/2013.

Producers who, until March 31, 2022, have benefited from the support scheme for 11 years and who meet the conditions for accessing the extension of the support scheme mentioned above, may benefit, based on a decision approved by the President of ANRE, from the extension of the state aid starting April 1, 2022.

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

Price coupling mechanism for electricity markets

The implementation of the price coupling mechanism started on November 19, 2014, when the 4 Market Market Coupling (4MMC) project, which envisages the merging of the DAM (Day-Ahead Market) electricity markets in Romania, Hungary, Czech Republic and Slovakia, entered the operational phase.

On June 17, 2021, the Interim Coupling Project (ICP) was launched, which is the coupling of the day-ahead markets of the 4MMC countries with those of Poland, Austria and Germany.

On October 27, 2021 the Bulgaria-Romania border was also integrated into the Single Day-Ahead Coupling (SDAC).

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

On June 8, 2022, the Core FB MC (Core Flow-Based Market Coupling) project went live, thus initiating the day-ahead flow-based market coupling in the Core capacity calculation region. The Flow-Based

Market Coupling mechanism optimizes the European electricity market for 13 countries (Austria, Belgium, Belgium, Croatia, Czech Republic, France, Germany, Hungary, Luxembourg, the Netherlands, Poland, Romania, Slovakia, Slovenia, the Czech Republic, the Netherlands, Austria, Belgium, Croatia, France, Germany, Hungary, Luxembourg, the Netherlands, Poland, Romania, Slovakia and Slovenia).

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

In terms of the internal regulatory framework, the roles and responsibilities of the operators involved in the Company and SC OPCOM SA, as well as the operations carried out within the market coupling are set out in the Regulation on the organization and functioning of the day-ahead electricity market with respect to the price coupling mechanism of the markets and the amendment of some normative acts regulating the day-ahead electricity market, approved by ANRE Order no. 82/2014 (Regulation).

The target model for the day-ahead market, based on the Price Coupling of Regions (PCR) principle, uses a unique algorithm for correlating bids and setting the price.

Where coupling is not possible, the TSOs of the countries concerned apply fallback procedures, whereby cross-border capacity is allocated.

Article 138 of the Regulation stipulates that in the post-coupling process, Transmission System Operators (TSOs) act as transfer agents of the electricity resulting from the coupling algorithm as transferred between two adjacent bidding zones.

Under the day-ahead price coupling mechanism, the power exchanges shall, on the basis of auctions, match day-ahead electricity transactions according to the interconnection capacity made available by the TSOs through which the default allocation is made.

The company, as an TSO, transfers electricity, both physically and commercially, to neighboring TSOs (MAVIR - Hungary and IBEX - Bulgaria) and manages congestion revenues on the respective interconnection related to the DAM (art. 139 of ANRE Order no. 82/2014), and in relation to OPCOM SA has the quality of an Implicit Participant in the Day-ahead and Intra-day Market (IDM).

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

Thus, under the regional market price coupling mechanism, NPG CO. Transelectrica SA:

- acts as a default participant on the DAM and IDM and has the quality of transfer agent;
- shall make interconnection capacity available for the physical delivery of electricity traded on the DAM and IDM, i.e. the transfer of energy from one bidding zone to another via interconnection lines, limited by their available transfer capacity.

Congestion revenues shall be shared between transmission system operators and system operators on a monthly basis, and exchange rate differences shall be retained or provided, as appropriate, by the TSO.

The Company has approved that the transactions related to the regional market price coupling mechanism do not influence the income and expense accounts, except for the income from congestion management on interconnection lines, the income/expenses with exchange rate differences and the expenses with bank commissions resulting from the settlement of transactions carried out by the Company as transfer agent.

Energy delivered for balancing support to neighboring TSOs in emergency situations ("emergency aids")

Taking into account European directives and regulations, national legislation and ENTSO-E rules, one of the obligations of the Transmission System Operator (TSO) is to coordinate actions and mutual support between neighboring TSOs in order to provide electricity to restore the normal operation of power systems in case of emergency situations.

Within the interconnected operation of the European energy system, an operational means of mutual support of TSOs is the delivery of balancing energy to interconnected (neighboring) systems in emergency situations defined by lack of sufficient reserves and/or sources to cover consumption, as provided for in the corresponding general provisions of *Regulation (EU) 2017/1485 establishing a guideline on the operation of the electricity transmission system* and *Regulation (EU) 2017/2195 establishing guidelines for balancing the electricity system*.

The implementation of this possibility is based on the "Synchronous Area Framework Agreement for Regional Group Continental Europe - SAFA", which details the provisions of the Regulations, respectively paragraphs e), f) and g) and Art. B-12 of this operational agreement. Thus, the Company signed bilateral agreements for the purpose of emergency power supply with neighboring TSOs in Hungary, Bulgaria and Serbia during 2017 - 2019 and with neighboring TSOs in Ukraine and Republic of Moldova during 2022 (bilateral contracts with TSOs in Ukraine and Republic of Moldova were signed on an emergency basis, against the background of the conflict situation in Ukraine and synchronization of the two systems to the Continental European Power System - 16.03.2022).

On the basis of bilateral contracts with neighboring TSOs, electricity can be supplied reciprocally in case of major breakdowns in the production structure or in the transmission network (energy referred to in the contract as "Emergency Energy"), on commercial principles. Emergency Energy may also be granted from the Romanian power system to the Ukrainian/Moldovan power system in order to ensure (respect) the scheduled energy exchanges from the Ukraine - Republic of Moldova Control Block to the Continental Europe Synchronous Area, in case of activation of the measures provided for by the decision of the Continental Europe Regional Group (CE RG) of ENTSO-E aimed at reducing the physical flow of electricity or ceasing the synchronous operation of the Ukraine - Republic of Moldova Control Block with the Continental Europe Synchronous Area.

2. THE BASIS FOR DRAWING UP

Declaration of conformity

These consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("IFRS-EU").

Up to December 31, 2021, the consolidated financial statements prepared in accordance with OMFP no. 2844/2016 were equivalent to IFRS-EU. 3900/2022 a new clause has been included related to the coverage of own technological consumption, as opposed to the costs included in the regulated tariffs, which are capitalized quarterly and recognized as tangible assets, and the assets resulting from capitalization are depreciated over a period of 5 years from the date of capitalization (see primary set of financial statements in accordance with OMFP no. 2844/2016).

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

The accounting records of subsidiaries (Smart and Teletrans) are maintained in lei, in accordance with OMFP 1802. These accounts have been restated in order to reflect the differences between the accounts under RCR and IFRS. Accordingly, the accounts have been adjusted, where necessary, to harmonize these financial statements, in all material respects, with IFRS as adopted by the European Union.

The financial statements are available at the registered office of NPG CO. Transelectrica SA located at 2-4 Olteni Street, Sector 3, Bucharest and on the Company's website.

The consolidated financial statements as of and for the year ended December 31, 2024 have been audited by the Company's financial auditor -PKF Finconta S.R.L.

The financial year shall correspond to the calendar year.

Business continuity

These financial statements have been prepared on a going concern basis. In making this judgment, management considers current performance and access to financial resources in light of the strategic importance and the Company's position as a natural monopoly of national interest within the national energy system.

Evaluation basics

The consolidated financial statements are stated at historical cost except for tangible assets other than tangible assets in progress, which are stated at revalued amount, while liabilities related to cash-settled

The accompanying notes are an integral part of these consolidated financial statements.

share-based payment arrangements are stated at fair value.

Functional and presentation currency

The consolidated financial statements are presented in Romanian LEI ("LEI" or "RON") in accordance with the applicable accounting regulations, which is also the Group's functional currency.

Using estimates and judgment

The preparation of the consolidated financial statements in accordance with EU IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the recognized amounts of assets, liabilities, income and expenses, fair value assumptions (see Note 4), on accruals and contingent liabilities (see Note 29), on the recognition of non-refundable funds receivable (see Note 14 - Deferred Revenue), adjustments for impairment of receivables (see Note 10), on obligations related to cash-settled share-based payment transactions (Note 32) and on obligations related to defined benefit plans (Note 16).

Actual results may differ from the estimated values. Estimates and assumptions are reviewed periodically. Revisions to accounting estimates are recognized in the period in which the estimates are revised as well as in future periods affected.

Information about assumptions and estimates involving significant uncertainties is included in the following notes:

- Note 13 - Group management's assessment that there is reasonable assurance that the conditions attached to the grant funds will be fulfilled and that the funds will be received;
- Note 16 - measurement of defined benefit plan obligations;
- Note 29 - recognition and measurement of provisions, commitments and contingencies; key assumptions about the probability and magnitude of an outflow of resources;

Information on the accounting policy rationale for service concession arrangements is presented in the following paragraphs.

In 2004, the Company (concessionaire) entered into a 49-year concession agreement with the Ministry of Economy (grantor) under which the Company has the right to use public assets including the electricity transmission grid and the land on which it is located in exchange for the provision of electricity transmission service (See Note 3 (b)).

Given that the majority of the Company's shares are owned by the State, the Company's management considers that the Company is a public company and therefore does not fall under IFRIC 12 "Service Concession Arrangements". Given that there is no other international financial reporting standard specifically for service concession arrangements, the Company has considered whether to apply IFRIC 12 nevertheless, based on the hierarchy mentioned in SIC 8 "Accounting Policies, Changes in Accounting Estimates and Errors", which states that first to consider the provisions of other IFRSs dealing with similar issues.

In considering the application of IFRIC 12, the Group has considered whether the following features of public-private service concession arrangements are applicable to the concession contract with ME at the date IFRIC 12 is required to be adopted:

- the grantor controls or regulates the type of services that the concessionaire must provide within the infrastructure, to whom it must provide them and at what price;
- the grantor controls - by ownership, beneficial or otherwise - any significant residual interest in the infrastructure at the end of the term of the agreement: 49 years;
- The contractual provisions would include the same provisions if the agreement had been concluded with a private company.

An analysis of the characteristics of public-private service concession agreements shows the following:

- The services provided by the Group are regulated by ANRE, therefore the Licensor - the Ministry of Economy - does not control and does not regulate the type of services that the Group must provide;
- at the end of the contractual period, the residual interest in infrastructure is approximately zero, most of the assets belonging to the public domain of the State being fully depreciated;
- There are currently no similar contracts, as the Group has a monopoly position for electricity

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transmission.

The Company has concluded that an accounting of the concession contract under IFRIC 12 will not reflect the economic substance of the transaction, because the Company pays an annual fee in the form of a royalty for the use of the assets referred to in the concession contract in the amount of 4/1000 of the gross revenues realized from the value of the electricity transmission and transit operations through the national transmission systems owned by the State, which is significantly lower than the depreciation that the Company would have recorded for those assets if the concession contract had not been signed.

As a result, IFRIC 12 is not applicable and the Company has applied the accounting policies as described in Note 3, paragraphs a) and b).

3. ACCOUNTING POLICIES

The accounting policies detailed below have been consistently applied for all periods presented in these consolidated financial statements and have been consistently applied by the Group entities, except for the matters disclosed in note 3(y) which discloses changes in accounting policies.

(a) Basics of consolidation

(i) Branch

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

As of the date of this report Transelectrica has six subsidiaries, of which 2 are deregistered with the ONRC, Romanian legal entities, organized as joint stock companies, of which it is the sole shareholder in the following: Formenerg, Teletrans, Smart, Icemenerg Service (subsidiary which is deregistered with the ONRC as of the date of this report), Icemenerg SA (Institute for Energy Research and Modernization ICEMENERG SA - subsidiary which is deregistered with the ONRC as of the date of this report) and majority shareholder in the case of the subsidiary OPCOM.

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

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

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

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

FORMENERG SA was established as a result of the Decision No. 33/19.11.2001 of the General Meeting of Shareholders - "Transelectrica" S.A., by outsourcing the activity of the Branch for Training and Further Training of Personnel in the Energy Sector. The share capital as at December 31, 2024 amounts to 1,948 thousand lei, fully paid up, represented by 194,842 shares with a nominal value of 10 lei each. FORMENERG shares are 100% owned by Transelectrica.

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

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

In case no. 18051/3/2017, according to the Insolvency Proceedings Bulletin no. 9152/26.05.2022, the Bucharest Tribunal - Civil Section VII by civil judgment no. 2429 approved the final report of the judicial liquidator, and on the basis of Article 175 paragraph 2 of Law no. 85/2014 on insolvency prevention and insolvency proceedings, closed the insolvency proceedings against the debtor Societatea Filiala "Icemenerg-Service" SA by striking it from the Bucharest Trade Register. The company has not been notified of the hearing until December 31, 2024.

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

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

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

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

Transelectrica does not exercise effective direct control over the decision-making mechanisms of OPCOM, which is managed according to the regulations established by ANRE. In the following, we specify the elements set out in International Standard IFRS 10, which need to be taken into account in determining the exercise of control. According to IFRS 10 - an investor controls an entity if and only if the investor holds all of the following points:

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

Loss of control

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

(ii) Transactions eliminated on consolidation

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

(b) Tangible assets

Own assets

Tangible assets, except tangible assets in progress, are stated at revalued amount less accumulated depreciation and accumulated impairment losses. Tangible assets in progress are stated at cost. The cost of self-constructed assets includes the cost of materials, direct salaries, initial estimates, where applicable, of dismantling and removal costs and site restoration, and a share of indirect expenses.

Recognition

Tangible assets are initially measured at cost.

Cost includes expenditure directly attributable to the acquisition of the asset. The cost of assets

The accompanying notes are an integral part of these consolidated financial statements.

constructed by the entity includes:

- cost of materials and direct personnel costs;
- other costs directly attributable to bringing the assets to the location and condition/state required for their intended use; and
- capitalized borrowing costs.

Depreciation adjustments shall be recorded in respect of unused or used tangible assets.

Subsequent expenditure

The Group recognizes in the carrying amount of an item of tangible assets the cost of replacing part of an item of tangible assets if at the time the cost is incurred it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

All other costs are recognized in the income statement as incurred.

Depreciation

Tangible assets are depreciated using the straight-line method over their useful lives as follows:

	Normal lifetime (years)
Buildings and special installations	40 - 60
Machinery and equipment	15 - 40
Measurement and control equipment	7 - 12
Vehicles	5 - 8
Other tangible assets	3 - 5

Land is not depreciated. When items of tangible assets have different useful lives, they are recognized as separate items (major components) of an asset. Asset depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if necessary.

Re-evaluation

The Group has opted to present tangible assets at revalued amount, except for advances and tangible assets in progress which are presented at historical cost.

Revaluations shall be carried out by independent valuers with sufficient regularity so that the carrying amount does not differ materially from the amount that can be determined on the basis of the fair value at the reporting date.

(c) Public assets

In accordance with the provisions of Law no. 123/2012, with subsequent amendments and additions, the electricity transmission network existing on the territory of Romania is the public property of the State for the assets granted to the National Company for the Transmission of Electricity "Transelectrica" - S.A., as well as for the return assets according to the concession contract and legal provisions.

Government Decision no. 627/2000 sets out in Annex no. 8 the inventory of immovable property forming the public domain of the state, taken into use by the Company since August 1, 2000 and which is inventoried and updated whenever necessary, by legislative act (HG).

In accordance with the provisions of Law no. 213/1998 and Law no. 219/1998, the Ministry of Economy and Trade (currently the Ministry of Economy, Digitalization, Entrepreneurship and Tourism) has granted the transmission network (high voltage lines and substations) and the land on which it is located to the Company on behalf of the State. Thus, on June 29, 2004, concession contract No. 1 was concluded between the Ministry of Economy and Trade and the Company for all tangible assets in the public patrimony in balance as of December 31, 2003 for a duration of 49 years.

Following the signing of the concession contract with the Ministry of Economy and Trade on behalf of the Romanian State on June 29, 2004, the nature of the relationship between the Romanian State and the Company changed and, as a result, the Company proceeded to derecognize the assets from the public patrimony, including the public patrimony reserve within the equity. Subsequent to the conclusion of the concession agreement, the Company treats the assets over which it has a right of use as operating leases. Concession contract payments (royalty) are recognized as an expense in the income statement by the Company during the year.

The concession contract No 1/2004 was published in the Official Gazette of Romania No 298 bis of April 30, 2015. During the years 2005-2013, seven additional acts to the concession contract were concluded.

The accompanying notes are an integral part of these consolidated financial statements.

Taking into account the provisions of Government Decision no. 1009/2012 and Government Decision no. 984/2012 approving the amendment of Annex no. 7 to Government Decision no. 1705/2006 for the approval of the centralized inventory of the state public domain assets under concession to the Company, as a result of the inventory of the state public domain assets in 2012 and the revaluation / revaluation of these assets, on 14.02.2013 the Additional Act no. 7 to the Concession Contract no. 1/29.06.2004 was concluded with the Ministry of Economy.

By Government Decision no. 1032 of December 11, 2013, published in the Official Gazette no. 22 of January 13, 2014, were approved the amendment and completion of Annex no. 7 to Government Decision no. 1705/2006 for the approval of the centralized inventory of goods in the public domain of the state, following the inventory of goods belonging to the public domain of the state in 2012.

By Government Decision no. 615 of September 05, 2019, published in the Official Gazette no. 730 bis 2019, it was approved the amendment and completion of Annex no. 7 to Government Decision no. 1705/2006 for the approval of the centralized inventory of the assets in the public domain of the State, following the inventory of the assets belonging to the public domain of the State in 2017 for the period 2013-2017, but until this moment the Act no. 8 to the Concession Contract no. 1/2004 has not been concluded.

The main terms of the concession contract are as follows:

- The subject of the concession contract is the operation of the electricity transmission network - ETG and the land on which it is located;
- The Group has the right to use these assets for a period of 49 years, from June 1, 2004 until May 31, 2053;
- The annual fee paid by the Group in the form of a royalty for the use of these assets is set by the Ministry of Economy and represents 1/1000 of the revenues realized from the electricity transmission activity, for the quantity actually transported;
- The assets will come into the possession of the ME upon termination or expiry of the contract; the contract can be unilaterally terminated by either party;
- The Group is obliged to use the assets in accordance with the provisions of the concession contract and the operating license.

As of November 12, 2020, the Electricity Law no. 123/2012 was amended and supplemented, which in Art. 19, para. (1[^]1) provides that *"the annual concession fee for the concession in the field of electricity transmission is 0.4% of the value of the gross revenues realized from the transmission and transit operations of electricity and is payable by the transmission and system operator as concessionaire"*.

The fee paid by the Company under the concession contract and the Electricity Law No. 123/2012, as amended, for the period from January 1 to December 31, 2027 is significantly lower than the depreciation that the Group would have recorded for the assets in question if this contract had not existed. However, the Group has not recognized in the financial statements any amount relating to this possible benefit because it cannot estimate the amount paid for the use of these assets by a third party in an objectively determined price transaction.

Investments made by the Company from its own financing sources in assets subject to the concession contract are capitalized and depreciated over the remaining life of the assets. After the recovery of the depreciation of the investment, they will be included in the inventory of assets in the State's public domain.

In the case of assets representing completed fixed assets, made from own sources of financing, they will be included in the inventory of assets in the public domain of the state after the recovery of the depreciation of the investment, respectively at the end of the normal duration of use of the concession or lease contract, according to the legal provisions in force, based on a normative act adopted in this regard.

(d) Intangible assets

Intangible assets acquired by the Group are stated at cost less accumulated depreciation and accumulated impairment losses on intangible assets. Depreciation is recognized in the income statement on a straight-line basis over the estimated useful lives of the intangible assets. The majority of intangible assets recorded by the Group consists of intangible assets in progress and dedicated software. These are depreciated on a straight-line basis over a period of 3 years.

Asset depreciation methods and useful lives are reviewed at each reporting date and adjusted if necessary.

The accompanying notes are an integral part of these consolidated financial statements.

Subsequent expenditure

Subsequent expenses are capitalized only if it is probable that future economic benefits associated with the future expenses will flow to the Group.

(e) Foreign exchange transactions

Transactions in foreign currency are expressed in LEI by applying the exchange rate on the transaction date. Monetary assets and liabilities denominated in foreign currency at the year-end are expressed in LEIs at the exchange rate at that date. Realized and unrealized foreign exchange gains and losses are recognized in the profit and loss account for the year. The exchange rates at December 31, 2023 and December 31, 2022 are as follows:

Currency	December 31, 2024	December 31, 2023
1 EUR	4,9741	4,9746
1 USD	4,7768	4,4958

Non-monetary assets and liabilities denominated in a foreign currency are measured at fair value at the exchange rate at the date of the transaction.

(f) Receivables

Trade receivables are initially recognized at fair value and subsequently measured using the effective interest method less impairment losses. Impairment losses are recognized when there is clear evidence that the Group will not be able to collect the receivables when due. Significant financial difficulties of the debtor, the likelihood that the debtor will enter bankruptcy or financial reorganization, late payments (more than 180 days) are considered as indications that these receivables may require an impairment.

An impairment loss on an asset is the difference between its carrying amount and the present value of expected future cash flows discounted using the asset's original effective interest rate. The carrying amount is written down through the use of an impairment account and the loss is recognized in the income statement within 'Other operating expenses'.

(g) Inventories

Inventories consist of:

- raw materials, materials, spare parts that do not meet the definition of tangible assets and other consumables to be used in the Group's core business;
- safety and intervention inventories intended for the rapid remedying of faults occurring at ETG installations in order to ensure the safe operation of the NES. These materials are recorded as inventories at the time of purchase and expensed when consumed or capitalized, as appropriate.

Inventories are valued at the lower of cost and net realizable value. Cost of inventories consumed is determined on a FIFO basis and includes acquisition expenses. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion, if any, and selling expenses.

The Group's policy is to record a 100% impairment loss for inventories older than 365 days and which will not be used in the future, with the exception of security and intervention inventories.

(h) Cash and cash equivalents

Cash and cash equivalents include cash in hand, current accounts and bank deposits with an original maturity of up to 3 months that are subject to an insignificant risk of changes in fair value.

(i) Revaluation reserves

After recognition as an asset, an item of tangible assets whose fair value can be measured reliably is carried at revalued amount, being its fair value at the date of revaluation less any subsequent accumulated depreciation and any accumulated impairment losses. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from what would have been determined using fair value at the balance sheet date

If the carrying amount of an asset is increased as a result of a revaluation, the increase is recognized directly in equity in revaluation reserves. However, the increase is recognized in profit or loss to the extent that it offsets a decrease from a revaluation of the same asset previously recognized in profit or loss.

If the carrying amount of an item of tangible assets is decreased as a result of a revaluation, that decrease is recognized in profit or loss. However, the decrease is made by reducing revaluation surplus reserves to the extent that there is a credit balance in the revaluation surplus for that item of tangible assets.

The revaluation surplus included in equity in respect of an item of tangible assets is transferred directly to retained earnings as the revalued item of tangible assets is depreciated and when the asset is derecognized.

As from May 1, 2009, reserves from the revaluation of tangible assets, including land, carried out after January 1, 2004, which are deducted in calculating taxable profit by means of tax depreciation or expenses relating to assets disposed of and/or scrapped, shall be taxed at the same time as the tax depreciation is deducted, or at the time of the write-off of such fixed assets, as the case may be.

The Group has recorded deferred tax on the liability for reserves related to the revaluation of fixed assets, including land, performed after January 1, 2004.

Reserves from the revaluation of tangible assets, including land, carried out up to December 31, 2003, as well as the portion of the revaluation carried out after January 1, 2004 and relating to the period up to April 30, 2009 will not be taxed when transferred to retained earnings.

The Group has not recorded deferred tax on the liability relating to reserves for the revaluation of fixed assets, including land, carried out up to December 31, 2003.

Reserves from the revaluation of tangible assets are taxable in the future, in the event of a change in the use of the reserves in any form, in the event of liquidation, merger of the Group, including its use to cover accounting losses, except for the transfer, after May 1, 2009, of reserves related to valuations performed after January 1, 2004 to retained earnings, which are taxed at the same time as the deduction of tax depreciation.

(j) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is evidence of impairment. An impairment loss is recognized if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount.

The recoverable amount of an asset or cash-generating unit is the higher of value in use and fair value less costs to sell. In determining value in use, the expected future cash flows are discounted to determine present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For impairment testing, assets that cannot be tested individually are grouped at the level of the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets ('cash-generating unit').

Impairment losses are recognized in the income statement. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of goodwill allocated to the cash-generating unit (group of cash-generating units), if any, and then pro rata to reduce the carrying amount of the other assets within the cash-generating unit (group of cash-generating units).

An impairment loss on goodwill is not reversed. For other assets the impairment loss is reversed only to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment had been recognized.

(k) Share capital

Ordinary shares are classified as part of equity. The additional costs directly attributable to the issue of ordinary shares and share options are recognized as a reduction of equity, net of tax effects.

(l) Dividends

Dividends are recognized as a liability when the shareholder's right to receive payment is established.

(m) Trade and other payables

Accounts payable to suppliers and other payables are recorded at depreciated cost and include the value of invoices issued by suppliers of products, work performed and services rendered.

(n) Interest-bearing borrowings

The accompanying notes are an integral part of these consolidated financial statements.

Loans are initially recognized at fair value, net of transaction costs. Subsequent to initial recognition, borrowings are carried at depreciated cost with any difference between cost and redemption value recognized in the income statement over the period of the borrowings on an effective interest rate basis.

(o) Recognition and de-recognition of non-derivative financial instruments

Non-derivative financial assets

The Group initially recognizes receivables on the date they are originated. All other financial assets are initially recognized on trade date, when the Group becomes party to the contractual terms of the instrument.

The Group derecognizes a financial asset when the contractual rights to the cash flows generated by the asset expire or when the rights to receive the contractual cash flows of the financial asset are transferred in a transaction in which the risks and rewards of ownership of the financial asset are substantially transferred. Any interest in the transferred financial asset that is created or retained by the Group is recognized separately as an asset or liability.

Financial assets and financial liabilities are offset and the statement of financial position presents the net amount only when the Group has a legal right to set off the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Group's non-derivative financial assets consist mainly of trade and other receivables and cash and cash equivalents.

Non-derivative financial liabilities

The Group initially recognizes issued debt instruments and subordinated debt on the date they are originated. All other debt (including debt designated at fair value through profit or loss) is initially recognized at trade date when the Group becomes party to the contractual terms of the instrument.

The Group derecognizes a financial liability when contractual obligations are discharged or are cancelled or expire.

The Group classifies non-derivative financial liabilities as other financial liabilities. These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at depreciated cost using the effective interest method.

Other non-derivative financial liabilities comprise borrowings, trade and other payables.

(p) Income tax

The income tax expense comprises current tax, deferred tax and global minimum tax - Pillar Two. Current tax, deferred tax and global minimum tax are recognized in the income statement unless they relate to business combinations or items recognized directly in equity or other comprehensive income.

(i) Current tax

Current tax is the tax expected to be paid or received on the taxable profit or tax loss realized in the current year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to prior years' income tax liability.

(ii) Deferred tax

Deferred tax is recognized for temporary differences arising between the carrying amount of assets and liabilities used for financial reporting purposes and the tax base used for the tax computation.

Deferred tax is not recognized for:

- temporary differences that arise on initial recognition of assets and liabilities arising from transactions that are not business combinations and that do not affect profit or loss for accounting or tax purposes;
- temporary differences arising from investments in subsidiaries or jointly controlled entities, to the extent that it is probable that they will not reverse in the foreseeable future; and
- temporary differences arising on initial recognition of goodwill.

The measurement of deferred tax reflects the tax consequences that would arise from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its

The accompanying notes are an integral part of these consolidated financial statements.

assets and liabilities.

Deferred tax is computed based on the tax rates that are expected to be applicable to temporary differences when they are reversed, based on legislation enacted or substantially enacted at the reporting date.

Deferred tax assets and liabilities are offset only if there is a legal right to offset current tax assets and liabilities and if they relate to taxes levied by the same taxation authority on the same taxable entity or on different taxable entities, but which intend to settle current tax assets and liabilities on a net basis or whose tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences only to the extent that it is probable that future taxable profits will be available against which the tax loss can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that realization of the related tax benefit is no longer probable.

(iii) Global minimum tax - Pillar Two

The overall minimum tax is an additional tax calculated at the Group level in a jurisdiction for which an effective tax rate of less than 15% ("minimum tax rate") applied to qualifying net income is achieved. It is calculated in accordance with the provisions of Law 431/2023, *on ensuring a global minimum tax rate for multinational enterprise groups and large domestic groups*, for which additional guidance provided by the Organization for Economic Co-operation and Development (OECD) has been taken into account as a source of illustration or interpretation to ensure consistent application of the applicable law.

(iv) Income tax exposure

The Group considers the impact of the uncertain tax position and whether additional taxes and interest may be due in determining the amount of current and deferred tax. This assessment is based on estimates and assumptions and may involve judgment about future events. New information may become available that may cause the Group to change its professional judgment as to the appropriateness of existing tax liabilities; such changes in tax liabilities may have an impact on the income tax expense in the period in which such determination occurs.

(q) Employee benefits

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits, other than pension plans, is the amount of future benefits that employees have earned in exchange for services rendered in the current and prior periods. This benefit is discounted to determine its fair value and the fair value of any related asset is deducted. These benefits are estimated using the projected credit factor method. Any actuarial gains or losses are recognized in other comprehensive income in the period in which they arise. Other long-term employee benefits consist of retirement bonuses.

Cash-settled share-based payment transactions

The fair value of the liability to employees in respect of stock appreciation rights that are settled in cash is recognized as an expense corresponding to an increase in the liability over the period in which the employees earn the unconditional right to payment. Until the liability is settled, the Group is required to remeasure the fair value of the liability at each reporting date and at the date of settlement, with any changes in fair value recognized in the income statement for the period.

The Group recognizes the services received and a liability to pay for those services as employees render the services. Certain stock appreciation rights vest immediately and therefore employees are not required to complete a specified period of service in order to be entitled to cash payment. In such cases, the Group recognizes the full amount of the award as an expense at the date of grant.

Short-term employee benefits

Short-term benefit obligations measured on an undiscounted basis and are recognized as an expense as services are rendered. A provision is recognized for the estimated amount expected to be paid for short-term employee benefits in the form of bonuses or profit-sharing only if the Group has a present legal or constructive obligation to pay this amount for past services rendered by employees and this obligation can be estimated. Short-term employee benefits consist mainly of salaries.

In the normal course of business, the Group makes payments on behalf of its employees to the pension fund. All Group employees are members of the Romanian State pension plan. These payments are expensed as services are rendered by the employees.

The accompanying notes are an integral part of these consolidated financial statements.

(r) Revenues

Revenue is recognized when the significant risks and rewards have been transferred to the buyer, the economic benefits are probable and the associated costs can be reasonably estimated. Revenue consists mainly of transmission service, system service and balancing market revenues calculated based on the volume of energy delivered to customers. Transmission and system service tariffs are regulated by ANRE. Revenues also include the value of transactions carried out on the balancing market, as described in Note 1.

The Romanian State, through ANRE, regulates the tariffs charged by the Group for the electricity transmission service and for the system operator service. The Romanian State fulfills several roles in addition to that of majority shareholder and, as a result, may have broader objectives and goals than an investor whose main interest is the return on investment.

As mentioned in Note 1, the Company is also the administrator of the bonus support scheme for the promotion of high efficiency cogeneration. The Company acts as an agent as it is involved in the collection and distribution of the money.

Also, the Company and OPCOM SA are involved in the price coupling mechanism of the regional markets on the basis of ANRE Order 82/2014 (see Note 1).

Thus, under the regional market price coupling mechanism, NPG CO. Transelectrica SA:

- acts as a default participant on the DAM and IDM and has the quality of transfer agent;
- shall make interconnection capacity available for the physical delivery of electricity traded on the DAM and PI, i.e. the transfer of energy from one bidding zone to another via interconnection lines, limited by their available transfer capacity.

Connection tariffs

IFRIC 18 "Transfers of Assets from Customers" applies to contracts with customers in which the Company receives cash from a customer when that cash is to be used solely for the construction or acquisition of an item of tangible assets and the Company is then required to use that item of tangible assets to connect the customer to the network.

The Law on Electricity and Natural Gas No. 123/2012, as amended and supplemented, provides in Article 25 para. (1) the following: *"...Connection to the public interest electricity grids and access to the public interest electricity grids are mandatory services, under regulated conditions, which must be performed by the transmission and system operator, as well as the distribution operator, including the citizens' energy communities that manage the distribution networks."*

The connection charge is a regulated tariff which represents the charge incurred by a network operator for the cost of connecting a user's place of consumption and/or production to the electricity grid.

Where the connection of a customer to the electricity transmission system is not a separate component of the connection contract, connection fees are recognized in the income statement on a systematic basis over the useful life of the asset.

The Company recognizes the cash received from the connection fee as a credit to the "Deferred revenue" account in the statement of financial position and subsequently recognizes the revenue in "Other income" in the income statement, on a systematic basis over the useful life of the asset.

(s) Net financing costs

Net financing costs include interest expense on borrowings calculated using the effective interest rate method, less borrowing costs capitalized as part of the costs of long-lived assets, dividend income, favorable and unfavorable foreign exchange differences, fees and risk commissions.

In accordance with the revised SIC 23 'Borrowing Costs' and invoking the optional exception from retrospective application under IFRS 1 'First-time Adoption of IFRS', the Group capitalizes borrowing costs related to assets that take a long period of time to put into use or sale for which financing was obtained after 1 January 2011, the date of transition to IFRS.

Interest income is recognized in the income statement in the year in which it arises, using the effective interest method. Dividend income is recognized in the income statement on the date on which the Group's right to receive dividends is recognized.

(t) Grants

The accompanying notes are an integral part of these consolidated financial statements.

Grants related to assets are initially recognized as "prepaid income" at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions attached to the grants, and then the grants are recognized in the income statement as other operating income over the useful life of the asset to which they relate. Grant funds are recognized as assets when there is reasonable assurance that they will be received by meeting the related conditions.

(u) Provisions

A provision is recognized when, and only when, the following conditions are met:

- The group has a present obligation (legal or constructive) as a result of a past event;
- it is probable (that is, more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation;
- when a fair estimate can be made of the amount of the obligation.

Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

(v) Earnings per share

In accordance with SIC 33 'Earnings per share', earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Group by the weighted average number of ordinary shares for the period.

The weighted average number of shares outstanding during the year is the number of shares at the beginning of the period, adjusted by the number of shares in issue, multiplied by the number of months the shares were outstanding during the year.

Dilution is a reduction in earnings per share or an increase in loss per share resulting on the assumption that convertible instruments are converted, or that ordinary shares are issued upon the fulfillment of certain specified conditions. The objective of diluted earnings per share is similar to that of basic earnings per share, namely, to measure the interest of each ordinary share in the performance of an entity.

(w) Contingencies

Contingent liabilities are not recognized in the accompanying financial statements. They are disclosed when the outflow of resources embodying economic benefits is possible and not probable.

A contingent asset is not recognized in the accompanying financial statements, but is disclosed when an inflow of economic benefits is probable.

(x) Operational segments

An operating segment is a component of an entity:

- that engages in activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity);
- and whose operating results are reviewed periodically by the entity's chief decision maker to make decisions about resources segment and assess its performance; and
- .

The Group has its operations in several locations in Romania, which are engaged in both transportation and dispatching activities. The Group's management considers the operations as a whole as a "single segment".

Operating segments are presented in a manner consistent with the internal reporting provided by the entity's chief operating decision maker in order to make decisions about the allocation of resources to segments and to assess its performance.

(y) Implications of the new International Financial Reporting Standards (EU IFRS)

- The following new standards and amendments to existing standards issued by the International Accounting Standards Board (IASB) and endorsed by the EU are effective for the current reporting period:

Norm/Interpretation [IAS 8.31 (a), 8.31(c)]	Nature of the impending change in policy [IAS 8.31 (b)]	Possible impact on financial statements [IAS 8.31 (e)]
Amendments to IAS 1 Presentation of Financial Statements - Classification of Debt into Short-term Liabilities and Long-term Liabilities , issued by the IASB on January 23, 2020, and Amendments to IAS 1 Presentation of Financial Statements - Long-term Liabilities with Financial Indicators issued by the IASB on October 31, 2022	The amendments issued in January 2020 provide a more general approach to the classification of liabilities under IAS 1 starting from the contractual arrangements in place at the reporting date. The amendments issued in October 2022 clarify how conditions that an entity must satisfy within twelve months of the reporting period affect the classification of a liability and establish the effective date for both amendments for annual periods beginning on or after January 1, 2024	The adoption of the amendments had no material impact on the individual financial statements.
Amendments to IAS 7 Cash Flow Statements and IFRS 7 Financial Instruments: Disclosures - Financing Arrangements in Supplier Relationships issued by the IASB on May 25, 2023..	According to the amendments, requirements on the information to be provided are added, as well as indications within the existing information requirements for the provision of qualitative and quantitative information on the financing agreements in relation to suppliers	The amendments did not result in material changes to the financial statements
Amendments to IFRS 16 Leases - Lease liabilities in a sale and leaseback transaction , issued by the IASB on September 22, 2022	The amendments provide for the seller-lessee to subsequently measure lease liabilities arising from a leaseback transaction so as not to recognize any gain or loss on the retained right of use. The new requirements do not preclude the seller-lessee from recognizing gains or losses in the profit or loss account from the partial or total termination of a lease contract	The amendments did not result in material changes to the financial statements

- The following new standards and amendments to existing standards issued by the International Accounting Standards Board (IASB) and adopted by the European Union (EU) that are not yet effective for the annual financial reporting period ending December 31, 2023 and have not yet had an impact on, or have not been applied in the preparation of these financial statements: [IAS 8.31 (a)]

Norm/Interpretation [IAS 8.31 (a), 8.31(c)]	Nature of the impending change in policy [IAS 8.31 (b)]	Possible impact on financial statements [IAS 8.31 (e)]
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates - Non-Convertibility issued by the IASB on August 15, 2023, effective January 1, 2025	The amendments contain guidance for entities to state when a currency is convertible and how to determine the exchange rate when it is not convertible	The adoption of these amendments will not have a material impact on the financial statements in the future.

- At the date of approval of these financial statements, the following existing standards have been issued by the IASB but have not yet been adopted by the EU:

Norm/Interpretation [IAS 8.31 (a), 8.31(c)]	Nature of the impending change in policy [IAS 8.31 (b)]	Possible impact on financial statements [IAS 8.31 (e)]
Amendments to IFRS 9 and IFRS 7 - Amendments to Classification and Measurement of Financial Instruments issued by the IASB on May 30, 2024	The amendments clarify the classification of financial assets that have environmental, social, corporate governance (ESG) and similar characteristics. The amendments also clarify the date at which a financial asset or financial liability is derecognized(a) and introduce additional disclosure requirements with respect	The Group anticipates that the adoption of these amendments to the existing accounting standards will not have a material impact on the Company's performance

The accompanying notes are an integral part of these consolidated financial statements.

Norm/Interpretation [IAS 8.31 (a), 8.31(c)]	Nature of the impending change in policy [IAS 8.31 (b)]	Possible impact on financial statements [IAS 8.31 (e)]
	to investments in equity instruments designated at fair value through other comprehensive income and financial instruments that have contingent features	in the future
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures - Sale of or Contribution of Assets between an Investor and its Associates or Joint Ventures , issued by the IASB on September 11, 2014	The amendments resolve the inconsistency between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving a joint venture, gains or losses are recognized when the assets sold or contributed represent an enterprise. This change could be applied only if the entity had not developed an accounting policy to that effect	The Group anticipates that the adoption of these amendments to the existing accounting standards will not have a material impact on the Company's performance in the future
IFRS 19 Non-publicly accountable subsidiaries: disclosures issued by the IASB on May 9, 2024	The standard allows subsidiaries to provide restricted disclosures when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for eligible subsidiaries and establishes disclosure requirements for subsidiaries that choose to apply it	The Group anticipates that the adoption of these new accounting standards will not have a material impact on the Company's performance in the future
IFRS 14 Deferral accounts related to regulated activities issued by the IASB on January 30, 2014	This standard is intended to allow first-time IFRS adopters that currently recognize deferral accounts for regulated activities under previous GAAP to continue to do so on transition to IFRS	The Group anticipates that the adoption of these new accounting standards will not have a material impact on the Company's performance in the future
Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 - Annual Improvements to IFRS Accounting Standards - Volume 11 issued by the IASB on July 18, 2024	These amendments include clarifications, simplifications, corrections and modifications in the following areas: (a) hedge accounting adopted by a first-time adopter (IFRS 1); (b) gain or loss on derecognition (IFRS 7); (c) presentation of the deferred difference between fair value and transaction price (IFRS 7); (d) the introduction and disclosures about credit risk (IFRS 7); (e) derecognition of lease liabilities by the lessee (IFRS 9); (f) the transaction price (IFRS 9); (g) the establishment of a 'de facto representative' (IFRS 10); (h) the cost-based method (IAS 7).	The Group anticipates that the adoption of these amendments to the existing accounting standards will not have a material impact on the Company's performance in the future
IFRS 18 Presentation and Disclosures in Financial Statements issued by the IASB on April 9, 2024 will replace IAS 1 Presentation of Financial Statements	The standard introduces three sets of new requirements for companies to improve their financial performance reporting and to give investors a better basis for analyzing and comparing companies. The main changes in the new standard compared to IAS 1 relate to: (a) the introduction of categories (operating, investing, financing, income tax related and discontinued operations) and sub-totals defined in the statement of profit or loss; (b) the introduction of requirements for improved aggregation and disaggregation; (c) the introduction of disclosures on Management Performance Measures (MPCs) in the notes to the financial statements. Although IFRS 18 does not affect the recognition or measurement of items in the financial statements, its impact on	The Group anticipates that the adoption of these new accounting standards will not have a material impact on the Company's performance in the future

Norm/Interpretation <i>[IAS 8.31 (a), 8.31(c)]</i>	Nature of the impending change in policy <i>[IAS 8.31 (b)]</i>	Possible impact on financial statements <i>[IAS 8.31 (e)]</i>
	presentation is significant, in particular with regard to the statement of financial performance and the inclusion of management-defined performance measures in the financial statements	

4. DETERMINATION OF THE FAIR VALUE

Certain of the Group's accounting policies and disclosure requirements require the determination of fair value for both financial and non-financial assets and liabilities. In determining the fair values of assets and liabilities, the Group uses observable market values wherever possible. Fair values are categorized into several levels in the fair value hierarchy based on the inputs used in the valuation techniques, as follows:

- Level 1: quoted prices (unadjusted) from active markets for identical assets and liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for assets or liabilities, either directly (e.g. prices) or indirectly (e.g. derived from prices);
- Level 3: inputs for assets and liabilities that are not based on observable market data.

Fair values have been determined for measurement and/or disclosure purposes using the methods described below:

(i) Tangible assets

The fair value of items of tangible assets is mainly based on the revaluation model taking into account the particularities of tangible assets owned by the Group, except for assets in progress, which are accounted for in accordance with the cost-based model.

NPG CO. TRANSELECTRICA SA- IFRS EU
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2024
(All amounts are provided for in thousands LEI, unless otherwise indicated)

5. TANGIBLE ASSETS

Between January 1, 2023 and December 31, 2024, tangible assets changed as follows:

	Land and land improvements	Buildings and special installations	Machinery and equipment	Measurement and control equipment	Vehicles	Other tangible assets	Tangible assets in progress	Total
COST								
Balance on 01 January 2023	89.220	1.557.060	2.019.765	234.796	56.129	289.397	1.040.783	5.287.151
Inflows	-	4.085	293	733	158	314	500.008	505.590
Increase/decrease in revaluation reserve	81.192	377.883	740.642	37.233	16.784	-	-	1.253.735
Transfers from tangible assets in progress	592	398.847	137.382	12.760	4.685	232	(554.026)	473
Reclass between assets accounts	-	13	(13)	-	-	(0)	-	(0)
Outflows	-	(2.467)	(2.361)	(280)	(312)	(9.003)	14.657	234
Impact of revaluation	-	(390.367)	(627.860)	(141.106)	(52.379)	-	-	(1.211.711)
Balance on 31 December 2023	171.005	1.945.054	2.267.849	144.137	25.065	280.939	1.001.422	5.835.471
Balance on January 1, 2024	171.005	1.945.054	2.267.849	144.137	25.065	280.939	1.001.422	5.835.471
Inflows	-	3.092	3.732	8.878	5.938	222	638.578	660.440
Increase/decrease in revaluation reserve	-	-	-	-	-	-	-	-
Transfers from tangible assets in progress	524	428.577	125.269	101.543	2.177	554	(658.644)	-
Reclass between assets accounts							2.802	2.802
Outflows	(32)	(462)	(5.383)	(28)	(145)	(7.569)	(154)	(13.774)
Impact of revaluation				-	-	-	-	-
Balance on 31 December 2024	171.497	2.376.261	2.391.467	254.531	33.034	274.146	984.003	6.484.939
Balance on 01 January 2023	138	292.711	475.886	108.044	47.562	271.538	-	1.195.879
Depreciation expense	-	70.758	154.083	27.845	2.723	6.769	-	262.178
Accumulated depreciation of outflows	-	(2.010)	(906)	(187)	(121)	(12.715)	-	(15.939)
Impact of revaluation	-	(361.459)	(629.063)	(135.702)	(50.164)	-	-	(1.176.388)
Balance on 31 December 2023	138	-	-	-	-	265.591	-	265.729

The accompanying notes are an integral part of these consolidated financial statements.

NPG CO. TRANSELECTRICA SA- IFRS EU
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2024
(All amounts are provided for in thousands LEI, unless otherwise indicated)

	Land and land improvements	Buildings and special installations	Machinery and equipment	Measurement and control equipment	Vehicles	Other tangible assets	Tangible assets in progress	Total
Balance on 01 January 2024	138	-	-	-	-	265.591	-	265.729
Depreciation expense	-	95.140	154.769	41.374	4.281	4.861	-	300.425
Accumulated depreciation of outflows	-	(387)	(31)	(18)	(73)	(7.569)	-	(8.078)
Impact of revaluation	-	-	-	-	-	-	-	-
Balance on 31 December 2024	138	94.753	154.738	41.356	4.208	262.884	-	558.077
DEPRECIATION ADJUSTMENTS								
Balance on 01 January 2023	-	14.068	(4)	-	-	-	13.360	27.422
Expenditures with impairment adjustments	-	(14.068)	4	-	-	-	(1.761)	(15.825)
Balance on 31 December 2023	-	-	-	-	-	-	11.599	11.598
Balance on 01 January 2024	-	-	-	-	-	-	11.599	11.598
Expenditures with impairment adjustments	-	-	-	-	-	-	9	9
Balance on 31 December 2024	-	-	-	-	-	-	11.608	11.608
Net accounting value								
Balance on 31 December 2023	170.867	1.945.054	2.267.849	144.137	25.065	15.348	989.823	5.558.143
Balance on 31 December 2024	171.359	2.281.508	2.236.729	213.174	28.826	11.262	972.395	5.915.254

The accompanying notes are an integral part of these consolidated financial statements.

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

- Transition to 400 kV of the axis Porțile de Fier - Reșița - Timișoara - Săcălaz - Arad - Stage I - 400 kV power line s.c. Porțile de Fier - (Anina) - Reșița - 91.160;
- 400 kV d.c. Gutinaș - Smârdan OHL - 88.227;
- 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 - 80.405;
- Upgrading of the 400/110 kV Pelicanu transformer substation - 34.211;
- Increasing the transmission capacity of the 220 kV Stejaru - Gheorgheni - Fântânele OHL - 31.610;
- 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 - 31.581;
- 220 kV double circuit Ostrovu Mare - ETG OHL Stage I + Stage II (H.CA nr. 17/2007) - 30.401;
- Connection of the 400 kV Isaccea - Varna OHL and the 400 kV Isaccea - Dobrudja OHL to the 400 kV Medgidia Sud Station, Stage II - 400 kV d.c. OHL Connections to the Medgidia Sud Station - 28.732;
- Station 400 kV Stâlp - 28.732;
- Metering and data management system for electricity metering on the wholesale market - 28.406;
- Isaccea 400 kV Station Upgrade - Stage II - 27.988;
- Increasing the security of supply to consumers in the southern area of Bucharest, connected to the 400/220/110 kV Bucharest South substation - 14.771;
- Upgrade of the 220/110/20 kV Baru Mare 220/110/20 kV Station - 13.807;
- 110 kV Medgidia South Medgidia 110 kV Station Upgrade - 12.761;
- Relocation of 220 kV and 400 kV networks Urechești - Domnești, Țânțăreni - Bradu, Bradu - Brașov, Bradu - Stupărei and Bradu - Târgoviște for the Craiova - Pitesti Express Road, section 4 - 7.694;
- Transition to 400 kV voltage of the axis Porțile de Fier - Reșița - Timișoara - Săcălaz - Arad - Stage I - 400kV power line s.c. Porțile de Fier - (Anina) - Reșița - 7.115;
- Upgrading of the 400/110/20 kV Smârdan Station OHL - 6.458;
- Optimization of the operation of the existing 400 kV OHL in the NES, used in interconnection and for power evacuation from the Cernavodă nuclear power plant and renewable energy plants in Dobrogea, by installing on-line systems (SMART GRID type) - 6.412;
- Increasing the transmission capacity of the 400 kV Bucharest South - Pelicanu (8 km) - 6.303;
- Refurbishment of 220/110 kV Filești Station - 6.095;
- Implementation of new functions and software changes in the EMS - SCADA computer system to implement European and national legislative requirements - 4.251;
- Relocation of high voltage electricity networks - 400 kV (220kV) Gutinaș -Focșani Vest joint circuit OHL with 400 (220) kV Focșani Vest-Barboși OHL and Buzău -Focșani highway - Design Execution - 4.083;
- Relocation/protection of high voltage networks OHL 400 kV s.c. Mintia - Arad OHL for the rehabilitation of the CF line Frontieră - Curtici - Simeria, part of the Pan European Corridor IV for the circulation of trains with maximum speed of 160 km/h - 4.074;
- Relocation of the 220 kV networks for the Bucharest ring highway, km 0+000 - km 52+770, LOT 4 km 47+600 - km 52+070 - 3.990;
- Site clearance and realization of coexistence conditions for Sibiu-Pitești Highway, section 4: Tigveni-Curtea de Argeș, Km 81+900 - km 91+761 - Relocation/Protection of 400 kV OHL s.c. Tântăreni - Sibiu Sud - 2.690;
- Regulation of the 400 kV Roșiori-Oradea South OHL with the objective of increasing accessibility on county roads in the metropolitan area of Oradea - sector 1- DJ767E, DJ767J, Bihor county, in the area of poles 348-349-350-351 - 2.537;
- Relocation of the 400 kV d.c. Gura Ialomiței - Stâlp power line for the execution of the Ploiești - Buzău Highway, Section 2 km 21+000 - km 49+350 - 2.518;

- Upgrade to 400 kV of the 220 kV Brazi Vest - Teleajen - Stâlpu OHL, including purchase of 400MVA 400/220/20 kV HV 400/220/20 kV, extension works of the 400 kV and 220 kV substations, in the 400/220/110 kV Brazi Vest - 2330 Brazi Vest substation;
- Realization of the works in the 220/110 kV Iaz substation for the connection of the TMD Fricțiun Production Hall to the ETG - 2.318;
- Connection to the public electricity grid of the production site CEF 7.5 MW Anasun Energy SRL located in the area of Ulmi - Jud. Dimbovița - 2.202;
- Replacement of the heating and air-conditioning system in the administrative building of the Bucharest Branch (S.F+P.T+C.S) - 2.137;
- Pilot project "DigiTEL - Smart Vision" - Increasing safety in operation and maintenance activities in Domnești Station by using digital technologies - 2.013;
- Site clearance and realization of coexistence conditions between the road connecting DN 69 with A1 and the 220 kV Arad - Calea Aradului OHL - 1.927;
- Relocation/protection of high voltage 220 - 220 kV d.c. Reșița – Timișoara OHL, 220 kV d.c. Timișoara - Arad/Timișoara - Săcălaz OHL and 220 kV d.c. Mintia - Timișoara OHL at the intersection with the Timișoara South Bypass - 1.822;
- Relocation of the 400 kV Mintia Arad OHL, Arad bypass - 1.564;
- Modernization of 110 kV and medium-voltage cells in Stâlpu Power Station - 1.270;
- Performance of works in the 400/110/20 kV Medgidia Sud substation belonging to NPG CO. Transelectrica SA, related to the 110kV Medgidia Sud-FCM II circ. 1 and 2 OHL, belonging to E-Distribuție Dobrogea SA - 1.196;
- Center for research and development of live working technologies (LST) and rapid intervention in NES - phase II - 1.147;
- Relocation/protection of 220 kV and 400 kV high-voltage networks - 220 kV Arefu-Bradul s.c. OHL at the intersection with Craiova-Pitești Express Road, section 4 - 1.055;
- Upgrade of 400 kV Isaccea Station - Phase I - Replacement of compensation coils, related cells and 400 kV Stupina cell - 964;
- Relocation of Arad Calea Aradului OHL, Arad Arad Arad bypass - 928;
- CEF Izvoru Bărzii GalicSud, Halanga - 790;
- Connection to NES of CEF 60,2 MW Teiuș, Jud. Alba - 713;
- 220/110 kV Calafat - 692;
- Modernization of the OHL Ișalnița-CraiovaN,circ2-replacement of the existing conductor with a new one OPGW - 639;
- Optimization of voltage regulation and power quality parameters by installing FACTS equipment in Gutinaș, Suceava and Roșiori stations - 638;
- Connection of the production site CEF Satu Mare 1 (65,018 MW), located in Satu Mare, Satu Mare locality, Satu Mare County, to the public electricity installations managed by NPG CO. Transelectrica SA, in the 220/110/20 kV Vetiș substation - 574;
- Power supply systems for telecommunication cameras - 568;
- DigiTEL Power Lines of the Future Pilot Project - Transition of the 400 kV OHL Isaccea - Tulcea West 400 kV Isaccea - Tulcea West from single circuit to double circuit - 568;
- Rehabilitation of data transportation network for telecontrol - 443;
- Replacement of battery batteries nr. 1 and nr. 2 - 220 V d.c. SI 220 kV from 400/220/110 kV Slatina - 412.

In 2024, the largest **transfers from tangible assets in progress to tangible assets**, totaling **658,644**, are primarily represented by the commissioning of capital projects, of which we list the most significant:

- Transition to 400 kV voltage of the axis Porțile de Fier - Reșița - Timișoara - Săcălaz - Arad - Stage I - 400 kV power line s.c. Porțile de Fier - (Anina) - Reșița - 160.718;
- Racordarea OHL 400 kV Isaccea - Varna și OHL 400 kV Isaccea - Dobruja în Stația 400 kV Medgidia Sud, Etapa I - Extinderea Stației 400 kV Medgidia Sud – 96.739;
- Refurbishment of the 220/110/20kV Baru Mare 220/110/20kV Station - 73.799;

The accompanying notes are an integral part of these consolidated financial statements.

- Increasing the transmission capacity of the 220 kV OHL Stejaru - Gheorgheni - Fântânele - 49.371;
- Metering and data management system for electricity metering on the wholesale market - 48.753;
- Refurbishment of 220/110 kV Filești Station - 48.370;
- Arefu 220/110/20 kV substation modernization - 31.007;
- Upgrade of 400/110 kV Pelicanu Station - 19.126;
- Relocation of 220 kV and 400 kV networks - Urechești - Domnești, Țânțăreni - Bradu, Bradu - Brașov, Bradu - Stupărei and Bradu - Târgoviște for the Craiova - Pitesti Express Road, section 4 - 16.939;
- Extension of the 400 kV Gura Ialomiței station with two cells: OHL 400 kV Cernavodă 2 and 3 - 12.571;
- Relocation of the 220 kV and 400kV networks for the construction of the Brăila- Galați express road - 10.149;
- Purchase and installation of 21 monitoring systems for transformer units in NPG CO. Transelectrica SA substations - 9.973;
- 220 kV OHL diversion Ampoi - Alba Iulia area - 7.742;
- Increasing the transmission capacity of the 400 kV OHL Bucharest South - Pelicanu (8 km) - 6.506;
- 110 kV, 220 kV and 400 kV switchgear - 6.273;
- Installation of AT2 400 MVA, 400/231/22 kV and related cubicles in Iernut substation and modernization of the control command system of 400/220/110/6 kV Iernut substation - 6.142;
- Relocation/protection of high voltage networks OHL 400 kV s.c. Mintia - Arad for the rehabilitation of the CF line Frontiera - Curtici - Simeria, part of the Pan European Corridor IV for the circulation of trains with maximum speed of 160 km/h - 5.718;
- Installation of an embedded fiber optic protective conductor on the 400kV OHL Roșiori - Mukacevo - 5.208;
- Site clearance and realization of coexistence conditions between the objective "Suspended bridge over the Danube in the Brăila area" belonging to CNAIR SA and the electrical networks managed by NPG CO. Transelectrica SA - 4.911;
- Site clearance and realization of coexistence conditions for Sibiu-Pitești Highway, section 4: Tigveni-Curtea de Argeș, km 81+900 - km 91+761 - Relocation/Protection of 400 kV OHL s.c. Țânțăreni - Sibiu Sud - 2.690;
- Modernization in order to reduce the effects of galloping on the 400 kV OHL Bucharest South - Gura Ialomiței - 2.636;
- Regulation of the 400 KV Roșiori-Oradea South OHL with the objective of increasing accessibility on county roads in the metropolitan area of Oradea - sector 1-DJ767E, DJ767J, Bihor County, in the area of poles 348-349-350-351 - 2.537;
- Relocation of the 400 kV d.c. Gura Ialomiței - Stâlpu power line for the execution of the Ploiești - Buzău Highway, Section 2 km 21+000 - km 49+350 - 2.518;
- Relocation/protection of 220 kV high voltage networks - 220 kV d.c. OHL Reșița - Timișoara, 220 kV d.c. OHL Timișoara - Arad/Timișoara - Săcălaz and 220 kV d.c. OHL Mintia - Timișoara at the intersection with the Timișoara South Bypass - 2.486;
- Performance of the works in the 220/110 kV Iaz substation for the connection of the TMD Friction Production Hall to the ETG - 2.322;
- Connection of the production site CEF Satu Mare 1 (65,018 MW), located in Satu Mare, Satu Mare locality, Satu Mare County, to the public interest electricity installations managed by NPG CO. Transelectrica SA, in the 220/110/20 kV Vetis Station - 2.226;
- HV and Trafo replacement in electrical substations - Stage 2, phase 2 - LOT 1 - LOT 2 - 2.053;
- Pilot project "DigiTEL - Smart Vision" - Increasing safety in operation and maintenance activities in Domnești Station by using digital technologies - 2.013;
- Relocation of the 400 kV OHL Mintia Arad, Arad bypass - 1.564;
- Temporary works on OHL 220 kV Lacu Sărat-Filești, in order to ensure the conditions for the relocation of utilities, by releasing the site and realizing the coexistence conditions between "Suspension Bridge over the Danube in the area of Brăila - 1.528;

The accompanying notes are an integral part of these consolidated financial statements.

- Relocation/protection of 220 kV and 400 kV high-voltage networks - 220 kV OHL Arefu-Bradul s.c. at the intersection with Craiova-Pitești Express Road, section 4 - 1.055;
- Relocation of the Arad - Calea Aradului OHL bypass Arad - Calea Aradului - 928;
- CEF Izvoru Bărzii - Galic Sud, Halânga - 790;
- Connection to NES of CEF 60,2 MW Teiuș, Alba county - 713;
- Modernization of OHL Ișalnița - Craiova Nord, circuit 2 - replacement of the existing conductor with a new one OPGW - 639;
- Power supply systems for telecommunication cameras - 568;
- Rehabilitation of data transport network for telecontrol - 443;
- Grid extension for the supply of electricity to the industrial area in Remetea commune, Harghita county Volume 4 - Installation of PDL in the 220/110/20 kV Gheorgheni substation - 307;
- Video wall for CTSI control room - 294;
- DEN - 286;
- Replacement of battery batteries 1 and 2 220/110/20 kV Tg. Jiu Nord -2 pcs. - 267;
- Realization of fiber optic communication between Pitești Sud Station and remote control and supervision center of STT Pitești (SF) - 257;
- Graphic stations - 232;
- 400 kV Roșiori - Oradea Sud power line and connection road between Oradea and Sânmartin Commune, Bihor County - 205;
- Air conditioners - 174;
- Execution of works in the Tulcea Vest Station determined by the modification of the OHL 110 Tulcea Vest - Marmura by replacing the connection in the derivation of the production site CEE Sălbatica 1 - 137;
- Technical computing hardware and software - ultra portable multipurpose equipment - 115;
- Batteries for power supply system at STT Bacău headquarters - 106.

In 2024, an **outflow from tangible assets in progress** was recorded by recognizing on the Company's operating costs for the project "Off-grid photovoltaic system Gutinaș station" in the amount of 33 thousand lei.

The December 31, 2024 **construction in progress** balance of **972,395** consists of projects in progress, the most significant of which are listed below:

- 400 kV d.c. Gutinaș - Smârdan OHL - 304.937;
- Transition to 400 kV voltage of the axis Porțile de Fier - Reșița - Timișoara - Săcălaz - Arad - Stage I - 400kV power line s.c. Porțile de Fier - (Anina) - Reșița - 167.623;
- 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 - 82.827;
- Connection to ETG of CEE 300 MW Ivești, CEE 88 MW Fălciu 1 and CEE 18 MW Fălciu 2 through the new (400)/220/110 kV substation Banca - 46.885;
- Upgrading of the 400/110 kV Pelicanu transformer substation - 39.821;
- Upgrading of the 400/110/20 kV Smârdan Station - 38.604;
- Station 400 kV Stâlp - 38.153;
- 220 kV double circuit OHL Ostrovu Mare - ETG (H.CA nr. 17/2007) - 35.283;
- Upgrading of Isaccea 400 kV Station - Stage II - 34.563;
- Installation of two modern means of reactive power compensation in 400/220/110/20kV stations Sibiu Sud and Bradu - 32.357;
- 110 kV Medgidia South Medgidia 110 kV Station Upgrade - 26.525;
- Increasing the security of supply to consumers in the southern area of Bucharest, connected to the 400/220/110 KV BUCHAREST Bucharest South Station - 15.187;
- Increasing the transmission capacity of the 220kV OHL Ștejaru - Gheorgheni - Fântânele - 14.832;
- Upgrade of the 110 kV Timisoara 110 kV Station and 400 kV Transition of the Porțile de Fier - Anina - Resita - Timisoara - Timisoara - Săcălaz - Arad axis, phase II: 400 kV Timisoara - 8.905;

The accompanying notes are an integral part of these consolidated financial statements.

- 400 kV OHL Gădălin - Suceava, including interconnection to NES (H.CA no. 7/08.07.2010) - 8.524;
- Optimization of the operation of the existing 400kV OHL in the NES, used in interconnection and for power evacuation from the Cernavodă nuclear power plant and renewable energy plants in Dobrogea, by installing on-line systems (SMART GRID type) - 6.639;
- Modernization of the 110 kV and 400 (220 kV) installations in Focșani Vest substation - 4.513;
- 400 kV OHL Suceava - Balti, for the project portion on Romanian territory - 4.471;
- Implementation of new functions and software modifications in the EMS - SCADA computer system to implement European and national legislative requirements - 4.282;
- Integrated security system at substations, stage IV - 4.278;
- Relocation of high voltage electricity networks - 400kV(220KV) OHL Gutinaș - Focșani Vest joint circuit with 400 (220) kV OHL Focșani Vest-Barboși and Buzău - Focșani highway - Design Execution - 4.083;
- Relocation of 220 kV networks for Bucharest Ring Road, KM 0+000 - KM 52+770, LOT 4 KM 47+600 - KM 52+070 - 3.990;
- Transition to 400 kV voltage of the Porțile de Fier - Resita - Timisoara - Săcălaz - Arad axis, phase II, 400 kV d.c. OHL Resita - Timisoara - Săcălaz - 3.490;
- Expansion with new functionalities of the computerized access control and record system in the objectives of NPG CO. Transelectrica SA - 3.201;
- Upgrade to 400 kV of the 220 kV OHL Brazi Vest - Teleajen - Stâlp, including acquisition of 400 MVA 400/220/20 kV HVDC, extension works of the 400 kV and 220 kV substations, in the 400/220/110kV Brazi Vest - 3.050 substation;
- 110 kV, 220 kV and 400 kV switchgear - 3.016;
- Connection to ETG of 136 MW Platonești EEC, jud. Ialomița, through the realization of a 110 kV cell in the 400/110 kV Gura Ialomiței - 2.889;
- Integrated security system at substations, stage III (H.CA no. 2/2008) - 2.798;
- Center for research and development of live working technologies (LST) and rapid intervention in NES - phase II - 2.681;
- Pilot Project - Refurbishment of the 220/110/20 kV Alba Iulia 220/110/20 kV substation into a digital substation - 2.625;
- Deviation of OHL 110 kV Cetate 1 and 2 in the vicinity of 110/20/6 kV Ostrovul Mare Station - 2.578;
- Connection to the ETG of CEE Dumești 99 MW and CEE Românești 30 MW, Iasi county, by realization of a 110 kV line cell in the 220/110 kV FAI -2.546 substation;
- Connection to the public electricity grid of the production site CEF 7.5 MW Anasun Energy SRL located in Ulmi - Jud. Dâmbovița - 2.202;
- Replacement of the heating and air-conditioning system in the administrative building of the Bucharest Branch (S.F+P.T+C.S) - 2.182;
- Site clearance and realization of coexistence conditions between the road connecting DN 69 with A1 and the 220 kV OHL Arad - Calea Aradului - 1.927;
- Modernization of 110 kV and medium-voltage cells in Stâlp Power Station - 1.790;
- Isaccea 400 kV Isaccea - Phase I - Replacement of compensation coils, related cells and 400 kV Stupina cell - 1.679;
- Optimization of voltage regulation and power quality parameters by installing FACTS equipment in Gutinaș, Suceava and Roșiori stations - 1.492;
- Performance of works in the 400/110/20 kV Medgidia Sud Medgidia Sud substation belonging to NPG CO. Transelectrica SA, related to the 110kV OHL Medgidia Sud-FCM II circ. 1 and 2, belonging to E-Distribuție Dobrogea SA - 1.196;
- Integrated security system at the new (400) 220/110 kV Bank -1.133;
- Modernization of 220/110 kV Calafat - 866;
- 400 kV d.c. OHL (1 w.c.) Constanța Nord-Medgidia Sud - 813;
- Transition of the Porțile de Fier - Anina - Resita - Timișoara - Săcălaz - Arad axis to 400 kV. 400 kV OHL Timișoara - Arad (stage III) - 724;

The accompanying notes are an integral part of these consolidated financial statements.

- Power Quality Monitoring System (PQMS) - 697;
- Operational Headquarters DET Craiova - 623;
- Upgrade of the 110 kV station and upgrade to 400 kV Arad - 595 station;
- Extension of the 400 kV Cernavodă Station - Phase I+II, Replacement of 2 compensation coils, Connection of new lines - 580;
- DigiTEL Power Lines of the Future Pilot Project - Transition of the 400 kV OHL Isaccea - Tulcea Vest 400 kV Isaccea - Tulcea Vest from single circuit to double circuit - 568;
- Security solution for implementing security measures for classified information - 495;
- Realization of electricity metering and power quality monitoring systems in the 220/110/20 kV Pitești Sud - 468;
- Connection to ETG of Agighiol - Valea Nucarilor 34 MW - works in 110 kV Tulcea Vest - 464;
- Compensation coils 100 MVAR, 400 kV for 400 kv stations Arad, Bucharest and Bradu - 457;
- Replacement of circuit breakers in substations - Stage II - 456;
- CISD - Consultancy - 445;
- 220 kV station Ostrovu Mare (H.CA no. 17 / 2007) - 415;
- Replacement of battery batteries no. 1 and no. 2 - 220 V d.c. SI 220 kV from 400/220/110 kV Slatina - 412.

In accordance with the provisions of Article 46 of the ANRE Order no. 59/2013 for the approval of the Regulation on the connection of users to the public electricity networks, the reception of the installations resulting from the works for the realization of the connection installations and their commissioning is carried out in accordance with the legal provisions in force.

For the project financed from the connection tariff *"Connection to the ETG of CEE 56 MW Bogdănești, CEE 112,5 MW Deleni, CEE 20,8 MW Viișoara Nord 1, CEE 52,8 MW Viișoara Nord 1, CEE 47,5 MW Viișoara Sud, in the area of some localities in Vaslui County, through the new 400/220/110 kV Banca Electricity Station"* - the work is completed, it has a Minutes of completion of works no. 34759/14.11.2013, but the technical conditions for the realization of the Commissioning Minutes were not met. The contract is in force on 31.12.2024, total value of investment in progress - **48.018**.

The last revaluation of the assets was performed on 31 December 2023, thus the Company recorded in the accounting records the result of the revaluation report performed by Appraisal&Valuation, the valuation and consulting division of NAI Romania, an independent appraiser authorized by the National Union of Authorized Appraisers in Romania (ANEVAR).

The land was revalued at December 31, 2023 based on the direct comparison method.

In 2024, on the basis of GD no. 1327/2023, the expropriation of a 325 sq.m. land surface belonging to the private domain of the Company for the work of public utility of national interest - *Metropolitan Train Gilău-Florești-Cluj-Napoca-Baciu-Apahida-Jucu-Bonțida - phase I* - was recorded in the accounting records, based on GD no. 1327/2023. In this regard, the value of the land belonging to the Company was decreased by the amount of RON 32, on the "other reserves" accounts.

Buildings and specialized plant are presented in the financial statements at net value. The Company changed the method of recording revaluation as of December 31, 2015 from gross to net in order to present a clearer, more concise and more relevant picture to users of the financial statements without the influence of an artificial distortion of the gross carrying amount and depreciation.

The buildings were revalued at December 31, 2023 to fair value using the following approaches:

- the market approach - the direct comparison method, in the case of residential buildings such as apartments;
- the cost approach, in the case of non-residential buildings such as headquarters buildings, warehouses, workshops, garages, cabins.

Special plant, plant, machinery, equipment, measuring and control devices and vehicles are presented in the financial statements at net value. The Company changed the method of recording revaluation at December 31, 2019 from gross to net in order to present a clearer, more concise and more relevant picture

to users of the financial statements without the influence of an artificial distortion of the gross carrying amount and depreciation

Technical installations and means of transport were revalued at December 31, 2023 using the cost-based method. Under the cost based method, gross replacement cost was determined using the indirect method. The cost based method has been used for reasons relating to the specialization of assets for which insufficient market information and/or no active market was identified.

The assets belonging to the public domain of the state and granted in concession to the Company, representing completed tangible assets, carried out from own sources of financing, will be included in the inventory of assets in the public domain of the state after the recovery of own sources of financing, at the moment of approval, by Government Decision, of the inventory of assets belonging to the public domain of the state.

At December 31, 2024 and December 31, 2023, the Company has no pledged or mortgaged assets.

Fair value of tangible assets

The Company's tangible assets, other than tangible assets in progress, are presented in the financial statements at revalued amount, which is the fair value at the measurement date less accumulated depreciation and impairment adjustments.

The fair value of the Company's land was determined using the direct comparison method.

This method is recommended for properties where there is sufficient and reliable data on transactions or offers for sale with similar properties in the area. The analysis of transaction prices or asking or bid prices for comparable properties is followed by price adjustments to quantify the differences between the prices paid, asked or offered due to differences in the specific characteristics of each property, called comparators.

The fair value of buildings, equipment and measuring instruments was determined using the cost approach.

This method assumes that the maximum value of an asset to an informed buyer is the amount that would be required to purchase or construct a new asset of equivalent utility. When the asset is not new, all forms of depreciation attributable to the asset up to the valuation date should be subtracted from the gross current cost.

Information about the fair value hierarchy at December 31, 2024 and December 31, 2023:

	Level 1	Level 2	Level 3	Fair value at December 31, 2024
Land and land planning	-	171.359	-	171.359
Buildings and special installations	-	-	2.281.508	2.281.508
Plant and equipment	-	-	2.236.729	2.236.729
Metering and control devices	-	-	213.174	213.174
Vehicles	-	-	28.826	28.826
Other tangible fixed assets	-	-	11.262	11.262
Total	-	171.359	4.771.500	4.942.859

	Level 1	Level 2	Level 3	Fair value at December 31, 2023
Land and land planning	-	170.867	-	170.867
Buildings and special installations	-	-	1.945.054	1.945.054
Plant and equipment	-	-	2.267.849	2.267.849
Metering and control devices	-	-	144.137	144.137
Vehicles	-	-	25.065	25.065
Other tangible fixed assets	-	-	15.348	15.348
Total	-	170.867	4.397.453	4.568.321

The accompanying notes are an integral part of these consolidated financial statements.

During both 2024 and 2023 there were no transfers between fair value levels.

The carrying amount of tangible assets is the fair value of tangible assets from which the amount of the revaluation reserve at December 31, 2024 and December 31, 2023 has been deducted and is presented below:

	Cost value December 31, 2024	Cost value December 31, 2023
Land and land planning	109.692	33.996
Buildings and special installations	2.129.716	1.257.839
Plant and equipment	1.459.397	1.314.497
Metering and control devices	252.472	101.881
Vehicles	21.631	5.115
Other tangible fixed assets	7.056	15.347
TOTAL	3.979.964	2.728.675

6. ASSETS RELATED TO RIGHTS RELATED TO THE USE OF LEASED ASSETS - BUILDINGS

As of December 31, 2024 and December 31, 2023, fixed assets related to rights to use leased assets are as follows:

	Assets related to rights of use of leased assets (buildings)
COST	
Balance on 01 January 2023	43.224
Inflows	-
Outflows	-
Balance on 31 December 2023	43.224
Balance on 01 January 2024	43.224
Inflows	2.609
Outflows	(2.362)
Balance on 31 December 2024	43.470
ACCUMULATED DEPRECIATION	
Balance on 01 January 2023	19.535
Depreciation expense	8.641
Accumulated depreciation of outflows	-
Balance on 31 December 2023	28.176
Balance on 01 January 2024	28.176
Depreciation expense	8.719
Accumulated depreciation of outflows	(1.575)
Balance on 31 December 2024	35.320
DEPRECIATION ADJUSTMENTS	
Balance on 01 January 2023	-
Expenditures with impairment adjustments	-
Balance on 31 December 2023	-
DEPRECIATION ADJUSTMENTS	
Balance on 01 January 2024	-
Expenditures with impairment adjustments	-
Balance on 31 December 2024	-
NET ACCOUNTING VALUE	
Balance on 31 December 2023	15.048
Balance on 31 December 2024	8.150

The accompanying notes are an integral part of these consolidated financial statements.

The fixed assets related to the rights of use of 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.

Contract No. C232 entered into force on 01.10.2020, valid for a period of 5 years, has a value of 9 mil. euro (excluding VAT).

At December 31, 2024, the carrying amount of the right to use the premises leased by the Company in the Platinum office building is RON 5,964.

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

Smart SA has concluded a lease agreement which consists in renting an office building, 449.75 sq.m., Formenerg building, 3 Gheorghe Șincai Boulevard, with a value of 53.970 euro/year in the amount of 10 euro/sq.m. representing 4.497,5 euro/month, with an additional act of extension until the end of June 2025.

Teletrans SA has entered into a lease agreement consisting of the lease of the building, related land and courtyard, with an estimated rentable area of 1080 square meters and a courtyard in exclusive use of 196 square meters located at 12 Stelea Spătaru Street, with an additional act signed during the year for extension until July 2028. The Addendum implies an increase of the rent from 8,600 euro/month to 9,460 euro/month, and from year 3 of the contract the rent will be indexed annually with the HICP index.

As of December 31, 2023, the net value of the right to use the space leased by the subsidiaries in the respective office buildings is **2,186**.

7. INTANGIBLE ASSETS

i) Intangible assets

At December 31, 2024 and December 31, 2023, the balance of intangible assets is as follows:

	Licenses and software	Intangible assets in progress	Total
COST			
Balance on 01 January 2023	68.277	10.048	78.325
Inflows	34	5.780	5.813
Transfers from intangible assets in progress	277	(277)	-
Transfers form tangible assets in progress	-	-	-
Outflows	(4.205)	(5.474)	(9.680)
Balance on 31 December 2023	64.383	10.076	74.459
Balance on 01 January 2024	64.383	10.076	74.459
Inflows	656	7.336	7.992
Transfers from intangible assets in progress	2.347	(2.347)	-
Transfers form tangible assets in progress	28	-	28
Outflows	(28)	(2.802)	(2.830)
Balance on 31 December 2024	67.386	12.262	79.649

ACCUMULATED DEPRECIATION

The accompanying notes are an integral part of these consolidated financial statements.

	Licenses and software	Intangible assets in progress	Total
Balance on 01 January 2023	64.942	(19)	64.924
Depreciation expense	1.594	3	1.597
Accumulated depreciation of outflows	(4.205)	-	(4.205)
Balance on 31 December 2023	62.331	(16)	62.315
Balance on 01 January 2024	62.331	(16)	62.315
Depreciation expense	1.989	2	1.991
Accumulated depreciation of outflows	(28)	-	(28)
Balance on 31 December 2024	64.292	(14)	64.278
DEPRECIATION ADJUSTMENTS			
Balance on 01 January 2023	2	(2)	-
Expenditures with impairment adjustments	-	-	-
Balance on 31 December 2023	2	(2)	-
DEPRECIATION ADJUSTMENTS			
Balance on 01 January 2024	2	(2)	-
Expenditures with impairment adjustments	-	-	-
Balance on 31 December 2024	2	(2)	-
NET ACCOUNTING VALUE			
Balance on 31 December 2023	2.050	10.094	12.143
Balance on 31 December 2024	3.093	12.278	15.371

a) Intangible assets in progress

The balance of **intangible assets in construction in progress** at December 31, 2024, in the amount of **12,278**, consists of projects in progress, the most significant of which are listed below:

- Replacement of hardware components, upgrading and development of specific applications of the Balancing Market Platform - II DAMAS, Component Purchase of migration and upgrade services for specific applications of the Balancing Market - 7.607;
- MARI platform development - 2.532;
- Off-line program for the realization of individual network models, steady state calculation, cross-border capacity calculation, CGMES format conversion module (according to ENTSO-E requirements), in order to program and operate the NES on different time horizons - 1.118;
- PICASSO platform development - 550;
- Increasing the operational reliability of the Argeş-Vâlcea network area, realization of the 400 kV Arefu substation and installation of a 400 MVA, 400/220 kV - 537 HV 400 MVA.

The largest **transfers from intangible assets in progress to intangible assets** are represented by:

- System software, operating, process, SCADA application, antivirus for SLO-HMI - Fileşti Station - 1.198;

Online monitoring system software licenses for 21 monitoring systems for transformer units in NPG CO. Transelectrica SA substations - 818.

8. FINANCIAL ASSETS

The balance of financial assets at December 31, 2024 and December 31, 2023, respectively, amounting to 40,833, is mainly represented by:

- the net value of the shares held by the Company (36,101);
- guarantees for the temporary occupation of land, calculated and retained in accordance with Art. 39 para. (1), para. (2) and para. (5) of Law no. 46/2008 on the Forestry Code, for the realization of the investment objectives: 400 kV Reșița - Pancevo (Serbia) OHL 400 kV in the amount of 4.200.

Financial assets also include the net value of shares held by the Company in the amount of RON 36,101 as at December 31, 2024, as follows:

Shares held in FORMENERG	1.948
Shares held in ICEMENERG	-
Shares held on OPCOM	30.687
Shares held in ICEMENERG SERVICE	-
Shares held in BRM	26
Shares held in TSC NET	2.207
Shares held in Joint Allocation Office SA	1.232
Total shares held in affiliated and associated entities	36.101

9. INVENTORIES

At December 31, 2024 and December 31, 2023, inventories (at net value) are as follows:

	December 31, 2024	December 31, 2023
Spare parts	31.680	30.460
Consumables and other materials	20.642	24.894
Auxiliary materials	3.893	3.856
Other inventories	1.930	2.765
Total	58.144	61.975

As of December 31, 2024 and December 31, 2023, inventory impairment adjustments are as follows:

	December 31, 2024	December 31, 2023
Adjustments for impairment of consumables	6.879	7.228
Adjustments for impairment of other materials	5.329	6.412
Adjustments for impairment of packaging	122	218
Total	12.330	13.857

As of December 31, 2024 and December 31, 2023, the changes in inventory impairment adjustments are as follows:

	December 31, 2024	December 31, 2023
Balance at January 1	13.857	15.119
Inventories impairment adjustments	1.842	1.366
Reversal of inventories impairment adjustments	(3.368)	(2.627)
Balance at end of period	12.330	13.857

During the year 2024, the expenditure incurred on the consumption of materials and spare parts is as follows:

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	December 31, 2024	December 31, 2023
Expenditures on spare parts	12.369	11.920
Expenditures on consumables	5.359	4.526
Expenditures on other materials	2.025	1.535
Expenditures on auxiliary materials	95	156
Expenditures on fuel	3.166	3.035
Total	23.014	21.172

10. TRADE AND OTHER RECEIVABLES

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

	December 31, 2024	December 31, 2023
Trade receivables	2.708.161	1.748.668
Other receivables	233.647	215.758
Down payments to suppliers	769.896	151.660
VAT to recover	272.236	215.466
Adjustments for impairment of uncertain trade receivables	(128.066)	(130.158)
Adjustments for impairment of other uncertain receivables	(73.033)	(84.934)
Total	3.782.840	2.116.460

The structure of trade receivables is as follows:

	December 31, 2024	December 31, 2023
Clients on the electricity market, of which:	2.698.954	1.742.444
- Clients - operational activities	1.898.742	1.004.535
- Clients - balancing market	667.862	594.069
- Clients - bonus type support scheme to promote high efficiency cogeneration	132.351	143.840
Clients from other activities	9.206	6.224
Total trade receivables	2.708.161	1.748.668

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

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

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

The main customers in the total trade receivables 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 over 77% of total trade receivables

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

As of December 31, 2024, the Company has receivables receivable from the bonus support scheme for the promotion of high-efficiency cogeneration of approximately 5% (decreasing from December 31, 2023) of total trade receivables.

The accompanying notes are an integral part of these consolidated financial statements.

The customers in the bonus support scheme for the promotion of high-efficiency cogeneration are showing a decrease in receivables at December 31, 2024 mainly due to the decrease in the invoiced amount for the collection of the monthly contribution.

As of December 31, 2024, the Company has receivables receivable amounting to 132,351, represented by invoices issued related to the bonus support scheme for the promotion of high efficiency cogeneration, of which:

- overcompensation for the period 2011-2013 in the amount of 76.702, respectively from RAAN - 63.467 and CET Govora SA - 13.235;
- undue bonus for 2014 in the amount of 3.915, respectively from RAAN - 1.981, CET Govora - 1.934;
- undue bonus for 2015 in the amount of 564, respectively from CET Govora - 534, Interagro - 30;
- undue bonus for 2020 in the amount of 522 from Donau Chem;
- uncollected contribution for cogeneration from suppliers of electricity consumers, in the amount of 20,781, respectively from: Transenergo Com - 5,882, Petprod - 4,391, Romenergy Industry - 2,681, RAAN - 2,386, UGM Energy - 1,504, CET Govora - 901, KDF Energy - 474 and others.

Up to the date of this financial report, the Company has collected all receivables related to the overcompensation of the activity related to the support scheme for the year 2023 (amount of 5,483) from Bepco (2,864) and Termoficare Oradea (2,618), as well as the amount of 14,155 of the undue bonus established by ANRE Decisions for the year 2023, from the following producers: Bepco SRL, CET Grivița, Electro Energy Sud, Electrocentrale București, Electrocentrale Craiova, Electroulaj SA, Municipiul Iași, Petrotel Lukoil, Poligen Power, Soceram SA, Termoficare Oradea and UATAA Motru.

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

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

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

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

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

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

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

By Decision no. 563/14.06.2016, the Court of Appeal Craiova - Second Civil Section rejected the appeals

filed against the interim judgement no. 10/28.01.2016, rendered by the Mehedinți Tribunal - Second Civil, Administrative and Tax Litigation Section.

With the filing of the statement of claim, in the RAAN bankruptcy proceedings, CNTEE Transelectrica SA may invoke the provisions of Article 52 of Law no. 85/2006, applicable to the RAAN bankruptcy proceedings, provisions taken over by Article 90 of Law no. 85/2014, regarding the creditor's right to invoke the set-off of its claim against the debtor's claim against it, when the conditions provided by law for legal set-off are met at the date of the opening of the proceedings. Transelectrica was entered in the table of the debtor RAAN with the amount of 11,265 RON, in the category of claims resulting from the continuation of the debtor's activity. Of the amount requested by the Company, 89,361 RON, the amount of 78,096 RON was not entered in the preliminary table of claims, on the grounds that "it does not appear as being due in RAAN's accounting records". Moreover, the judicial liquidator considered that the request to enter the amount of 78,096 RON in the table was submitted late, as it related to the period 2011 - 2013, which is why the statement of claim should have been submitted at the time of the opening of the insolvency proceedings, namely on 18 September 2013.

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

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

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

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

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

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

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

Date for continuing bankruptcy proceedings: **11.06.2025.**

RAAN and Transelectrica are also involved in two other cases at different stages of the court proceedings.

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

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

As a result of the suspension in court, by civil judgement no. 3185/27.11.2015, of ANRE Decision no.

738/28.03.2014, which established the amount of overcompensation for the period 2011-2013, CET Govora SA has no longer complied with the obligations assumed by the Agreement.

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

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

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

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

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

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

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

In these circumstances, the Company included the amount of 22.188.224,16 related to the support scheme in the sundry debtors account, analysed separately - ANRE, with an impact on the net position of the support scheme.

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

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

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

Other receivables

As of December 31, 2024, other receivables in the amount of **233,647** include primarily:

➤ sundry debtors (**135.507**), of which:

- late payment penalties calculated for defaulting customers, amounting to 80,489 (of which 25,853

The accompanying notes are an integral part of these consolidated financial statements.

are penalties related to the support scheme). The highest late payment penalties were registered by the following customers: Romelectro (24.464), RAAN (16.901), Electromontaj SA (12.656), CET Govora (9.607), OPCOM (3.970), Total Electric Oltenia (3.289), Multiservice G&G SRL (2.162), Petprod (1.894), ISPE Proiectare și Consultanță (1.079), Romenergy Industry (600). Impairment adjustments have been recorded for penalties calculated for late payment of receivables from operating activities;

- compensation owed by suppliers for non-delivery of electricity: Arelco Power (988), Enol Grup (2,541) and Next Energy Partners (8,395). Impairment adjustments have been recognized for compensation due from suppliers from operating activities;
 - the receivable to be recovered from OPCOM representing the VAT related to the contribution in kind to the capital of the subsidiary in the amount of 4.517.
- amounts received as a subsidy (**9.866**), related to contracts for connection to the ETG;
- Deferred charges amounting to **15,627** mainly represented by: internal and international subscriptions (7,954), OTC (4,240), insurance policies (1,744), rent and maintenance of office building (746), OPCOM fees (67), miscellaneous services (98), other fees (45) and others;
- other social debts in the amount of **3,658** representing sick leave paid by the employer to employees and to be recovered from the National Health Insurance House, in accordance with the legislation in force.

Advances to suppliers

As of December 31, 2024, advances paid to suppliers are represented by debtor suppliers for services rendered in the amount of **769,896** and mainly represent amounts from transactions related to the price coupling mechanism (ICP - *Interim Coupling Project*, SIDC - *Single Intraday Coupling* and SDAC - *Single Day-ahead Coupling*) (684,782- for ICP and SDAC and 83,364 - for SIDC).

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

Under the day-ahead price coupling mechanism, the power exchanges, on the basis of auctions, match day-ahead electricity transactions taking into account the interconnection capacity made available by the TSOs through which the implicit allocation of the day-ahead capacity is realized. NPG CO. Transelectrica SA, as an TSO, transfers electricity, both physically and commercially, to neighbors (MAVIR-Hungary) and manages congestion revenues on the respective interconnection (art. 139 of ANRE Order no. 82/2014), and in relation to OPCOM SA and Bursa Română de Mărfuri SA - BRM SA (as of November 2024) it has the quality of an Implicit Participant in the Day-Ahead Market.

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

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

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

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

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

competition, increasing liquidity and enabling more efficient use of generation resources across Europe.

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

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

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

VAT to be recovered

VAT to be recovered **(272,236)** - amount mainly related to the settlements for the period September through December 2024. As of the date of this report, the Company has collected 271,900.

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

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

The largest impairment adjustments at December 31, 2024, calculated for trade receivables and related penalties, were recorded for JAO (30,002), CET Govora (24,645), Romelectro (24,468), Arelco Power (14,513), Total Electric Oltenia SA (14,186), Romenergy Industry (13,513), Elsaco Energy (9,276), OPCOM (8,818), RAAN (8,517), Next Energy Partners (8,395).

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

11. CASH AND CASH EQUIVALENTS

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

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

	December 31, 2024	December 31, 2023
Current bank accounts and deposits of which:	707.030	526.748
<i>a) current accounts at banks and deposits current activity</i>	200.420	90.081
<i>b) current accounts at banks and restricted deposits, of which</i>	506.610	436.667
- cash and deposits from high efficiency cogeneration	300.321	295.063
- cash of revenues from the allocation of interconnection capacities used for network investments	3.903	47.393
- cash from the connection fee	88.099	57.387
- European funds	54	87
- other restricted accounts (energy market guarantees and dividends)	109.417	36.737
- modernization funds	4.817	
Cash desk	144	151

The accompanying notes are an integral part of these consolidated financial statements.

	December 31, 2024	December 31, 2023
Other cash equivalents	-	-
Total	707.174	526.900

12. OTHER FINANCIAL ASSETS

Other financial assets include bank deposits with original maturity over 90 days.
At December 31, 2024, there are no bank deposits with an original maturity of more than 90 days.

13. SHAREHOLDERS' EQUITY

Share capital

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

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

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

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

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

At December 31, 2024, the shareholders of NPG CO. Transelectrica SA are: the Romanian State represented by the General Secretariat of the Government which holds 43,020,309 shares (58.69%), the privately managed pension fund NN with 4,007,688 shares (5.47%), PAVAL HOLDING with 4,753,567 shares (6.49%), other shareholders Legal Entities with 16,442,683 shares (22.43%) and other shareholders Individuals with 5,078,895 shares (6.92%).

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

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

Shareholder	December 31, 2024		December 31, 2023	
	Number of shares	% of share capital	Number of shares	% of share capital
Romanian State through SGG	43.020.309	58,69%	43.020.309	58,69%
Other legal entity shareholders	16.442.683	22,43%	16.231.423	22,14%
PAVAL HOLDING	4.753.567	6,49%	4.753.567	6,49%
NN Group NV	4.007.688	5,47%	4.007.688	5,47%
Other natural person shareholders	5.078.895	6,92%	5.290.155	7,21%
Total	73.303.142	100,00%	73.303.142	100,00%

The Company recognizes changes in the share capital under the conditions provided for by the legislation in force and only after their approval by the Extraordinary General Meeting of Shareholders and their registration with the Trade Register Office.

As of December 31, 2024 and December 31, 2023, the share capital is as follows:

	December 31, 2024	December 31, 2023
Share capital (nominal value)	733.031	733.031
Balance of share capital	733.031	733.031

Shareholders are entitled to dividends and each share carries one voting right at the Company's meetings. The amount of dividends due to the shareholders, distributed from the retained earnings related to the surplus realized from revaluation reserves existing in the balance as at 31.12.2023, according to the GMS Decision no. 3/29.04.2024, is in the amount of 20,525, and their payment was made through the Central Depository and the paying agent BRD - Groupe Societe Generale as of 27 June 2024

Share premium

All shares issued as part of the share capital increase that took place through the initial public primary offering in 2006 were subscribed and fully paid at the issue price. The share premium amounting to 49,843, i.e. the difference between the issue price of the shares and their nominal value, was recorded in the Company's reserves account.

Legal reserves

Statutory reserves in the amount of 146,606 at December 31, 2024 and December 31, 2023, represent statutory reserves established in accordance with applicable current legislation and are non-distributable. The company shall transfer to the legal reserve at least 5% of the annual accounting profit (GEO 64/2001, Law 227/2015 and Law 31/1991) until the cumulated balance reaches 20% of the paid-up share capital. During 2024, the Company did not establish a legal reserve, as as of December 31, 2022, the cumulative legal reserve balance reached one-fifth of paid-in capital stock.

Revaluation reserves

Revaluation reserves total **1,596,896** at December 31, 2024 and **1,738,703** at December 31, 2023.

The last revaluation of tangible assets classified in Group 1 - *Constructions* and Group 2 - *Technical installations, means of transport* recorded in the Company's private assets was performed on December 31, 2023 by Appraisal & Valuation, the valuation and consulting division of NAI Romania, an independent appraiser authorized by the National Association of Authorized Appraisers in Romania.

Other reserves

At December 31, 2024, other reserves totaled **256,747** compared to **195,752** at December 31, 2023. The increase in the balance of other reserves at December 31, 2024 compared to December 31, 2023 in the amount of 60,996 is mainly due to grants related to fixed assets in the public domain received for the following investment objectives:

- Relocation of 220 kV and 400 kV networks - Urechești - Domnești, Tântăreni - Bradu, Bradu - Brașov, Bradu - Stupărei and Bradu - Târgoviște for the Craiova - Pitești Express Road, section 4 - 16.939;

The accompanying notes are an integral part of these consolidated financial statements.

- Relocation of the 220 kV and 400 kV networks for the construction of the Brăila Galați express road - 10.149;
- 220 kV OHL diversion in Ampoi Alba Iulia area - 7.742;
- Relocation/protection of high voltage networks OHL 400 kV s.c. Mintia - Arad for the rehabilitation of the CF line Frontiera - Curtici - Simeria, part of the Pan European Corridor IV for the circulation of trains with maximum speed of 160 km/h - 5.718;
- Site clearance and realization of coexistence conditions between the objective "Suspended bridge over the Danube in the Brăila area" belonging to CNAIR SA and the electrical networks managed by NPG CO. Transelectrica SA - 4.911;
- Site clearance and coexistence conditions for the Sibiu-Pitești highway, section 4: Tigveni-Curtea de Argeș, Km 81+900 - km 91+761 - Relocation/Protection of 400 kV OHL s.c. Tântăreni - Sibiu Sud - 2.690;
- Regulation of the 400 kV Roșiori-Oradea South OHL with the objective Increased accessibility on county roads in the metropolitan area of Oradea - sector 1 - DJ767E, DJ767J, Bihor County, in the area of poles 348-349-350-351 - 2.537;
- Relocation of the 400 kV d.c. Gura Ialomiței - Stâlp power line for the execution of the Ploiești - Buzău Highway, Section 2 km 21+000 - km 49+350 - 2.518;
- Relocation/protection of 220 kV high voltage networks - 220 kV d.c. OHL Reșița - Timișoara, 220 kV d.c. OHL Timișoara - Arad/Timisoara - Săcălaz and 220 kV d.c. OHL Mintia - Timișoara at the intersection with the Timișoara South Bypass - 2.486;
- Relocation of the 400 kV OHL Mintia Arad, Arad bypass - 1.564;
- Provisorat works on the 220 kV OHL Lacu Sărat-Filești, for ensuring the conditions for the execution of the utilities relocation, by freeing the site and realizing the conditions of coexistence between "Suspension Bridge over the Danube in the area of Brăila - 1.528;
- Relocation/protection of 220 kV and 400 kV high voltage networks - 220 kV OHL Arefu-Bradul s.c. at the intersection with Craiova-Pitești Express Road, section 4 - 1.055;
- Relocation of Arad Calea Aradului OHL, Arad Arad Arad Arad bypass - 928.

Retained result

The retained result at December 31, 2024 amounts to **2,873,861** (December 31, 2022: **2,204,203**).

As of December 31, 2024, the Company records a positive retained result mainly due to the transfer of the revaluation reserves on the depreciation of fixed assets to retained earnings in the amount of **135,761**.

As of December 31, 2024, the actuarial loss recognized in retained earnings amounted to **414** (December 2023, **gain:905**). This amount resulted from the application of IAS 19 - Employee Benefits (Note 16).

Allocation of the net profit as at December 31, 2024 for NPG CO. Transelectrica

The net accounting profit of Transelectrica Company realized on December 31, 2024 in the amount of **585,924** is allocated to "Other reserves" as follows:

- the amount of 240,981, which represents the distribution to reserves of the amount of profit for which the company benefited from the income tax exemption, as of July 1, 2014, in accordance with the provisions of Article 22 of Law no. 227/2015 on the Fiscal Code, as amended and supplemented;

- the amount of 35,347, which represents the distribution of net revenues from the allocation of interconnection capacities realized in 2024. In accordance with Regulation (EU) No 2019/943 and ANRE Order No 171/2019, the revenues from the allocation of interconnection capacities shall be used to make investments in the transmission electricity network for the maintenance or increase of interconnection capacities

The proposed allocation of the book profit remaining after deduction of income taxes as of December 31, 2024, in the amount of 585,924, to the legal uses is as follows:

No.	Destination	Year 2024	Year 2023
1	Accounting profit remaining after deduction of income tax at December 31, 2024	585.924	213.611
	<i>Allocation of accounting profit to the following destinations:</i>		
a	Legal reserve - the cumulative balance has reached 20% of the paid-up share capital		

The accompanying notes are an integral part of these consolidated financial statements.

No.	Destination	Year 2024	Year 2023
b	Other tax incentive reserves - exemption from tax on reinvested earnings	240.981	125.637
c	Coverage of prior years' accounting losses, excluding the accounting loss carried forward arising from adjustments required by the application of IAS 29 'Financial Reporting in Hyperinflationary Economies'		
d	Other allocations provided by law - revenues realized in 2024 from the allocation of interconnection capacity (net of income tax)	35.347	87.975
2	Profit still to be distributed (1-a-b-c)	309.596	-
e	Employee profit-sharing	-	-
f	Dividends to be paid to shareholders out of the profit available for distribution	279.285	-
g	Other reserves established as own sources of financing	30.311	-
h	Retained earnings	-	-
3	Total breakdowns (a+b+c+d+e+f+g+h)	585.924	213.611

The proposed distribution of the accounting profit remaining after deduction of income tax as of December 31, 2024 complies with the provisions of the legislation in force, namely:

- OG no. 64/2001 - on the distribution of profit in national companies, national companies and commercial companies with full or majority state capital, as well as in autonomous regions, approved with amendments by Law no. 769/2001, with subsequent amendments and additions;
- OMFP no. 144/2005 - regarding the approval of the Specifications for the determination of the amounts subject to profit distribution according to OG no. 64/2001 on profit distribution in national companies, national companies and commercial companies with full or majority state capital, as well as in autonomous regions, approved with amendments by Law no. 769/2001, with subsequent amendments and additions;
- OMFP no. 128/2005 on some accounting regulations applicable to economic agents;
- Law no. 227/2015 on the Fiscal Code, with subsequent amendments and additions;
- Regulation (EU) No 943/2019 of the European Parliament and of the Council of June 5, 2019 on the internal market in electricity;
- Council Regulation (EU) No 2022/1854 of October 6, 2022 on emergency intervention to tackle high energy prices;
- ANRE Order no. 171/2019, with subsequent amendments and additions on the approval of the Methodology for establishing tariffs for the electricity transmission service;
- The report for the approval of the order regarding the approval of the average tariff for the electricity transmission service, of the components of the transmission tariff for the introduction of electricity into the grid (Tg) and for the extraction of electricity from the grid (TI) and of the price for reactive electricity, practiced by NPG CO. Transelectrica SA, valid from January 1, 2024, submitted by ANRE with address no. 2222/10.01.2024.
- The references for the approval of the orders on the approval of the tariff for the system service, practiced by NPG CO. Transelectrica SA, valid for the periods: January 1 - April 30, 2024, May 1 - August 31, 2024 and September 1 - December 31, 2024, submitted by ANRE with the addresses no. 2222/10.01.2024, no. 86627/21.06.2024 and no. 134580/04.10.2024.
- Memorandum approved by the Government of Romania in the meeting of March 27, 2025 with the topic: "Mandate of the state representatives in the General Meeting of Shareholders/Board of Directors, as the case may be, at national companies, national companies and companies with full or majority state capital, as well as at autonomous public authorities, in order to take the necessary measures to distribute a minimum of 90% of the net profit achieved in 2024 in the form of dividends/payments to the state budget", issued by the Ministry of Finance no. 658189/ 17.03.2025, transmitted by the majority shareholder with address no. 20/10548/MD of 07.04.2025.

Thus, the accounting profit for 2024 remaining after deduction of income tax is allocated to the following destinations:

- other reserves representing tax incentives provided by law in the amount of 240,981 - represented by the exemption from payment of tax on reinvested profit, in accordance with the provisions of Article 22 of Law no. 227/2015 on the Tax Code, as amended and supplemented;
- other distributions provided by law in the amount of 35,347 - represented by the income realized in 2024 from the allocation of interconnection capacity (amounts net of income tax), distributed in accordance with the provisions of Article 1 letter d) of OG no. 64/2001 on the distribution of profit to national companies, national companies and commercial companies with full or majority state capital, as well as to autonomous regions, with subsequent amendments and additions, in conjunction with the provisions of Regulation (EU) no. 943/2019, of Regulation (EU) No. 2022/1854 and of ANRE Order No. 171/2019, which provide for the use of revenues from the allocation of interconnection capacities for the realization of network investments for the maintenance or increase of interconnection capacities.
- dividends due to shareholders in the amount of 279,284,971 - to be distributed in accordance with the Decision of the General Meeting of Shareholders. The value of the dividends represents 90.21% of the accounting profit remaining after deducting the profit tax and covering the destinations from points a) - d). In this regard, we consider that we comply with the provisions of the Memorandum issued by the Ministry of Finance no. 658189/17.03.2025, transmitted by the majority shareholder with address no. 20/10548/MD of 07.04.2025, registered within the Company with no. 15353/08.04.2025. Regarding the determination of the value of gross dividends due to shareholders, the number of shares existing at the date of preparation of the financial statements for 2024 will be taken into account, namely 73,303,142 shares, and the gross dividend per share will be established considering two decimal places after the decimal point.
- other reserves established as own sources of financing in the amount of 30,310,934 – represents the profit not distributed to the destinations from letters a) - f).

14. DEFERRED REVENUES

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

Deferred revenue at December 31, 2024 is presented as follows:

	December 31, 2024	Of which current portion at December 31, 2024	December 31, 2023	Of which current portion at December 31, 2023
Deferred revenues – allocation of the interconnection capacity	6.728	6.728	1.054	1.054
Deferred revenues – European funds	3.335	3.335	839	839
Connection fee funds	296.793	7.155	317.657	9.062
European funds	232.180	2.299	194.200	4.198
Other subsidies	21.211	2.716	21.504	985
Total	560.247	22.232	535.254	16.138

The evolution of **current deferred revenues** from January through December 2024 is presented as follows:

	December 31, 2024	December 31, 2023
Opening balance 1 january	16.138	39.520
Cash in advance related to interconnection capacity	93.714	214.514
Proceeds from European funds	2.585	422
Transfer of long-term deferred revenues	(2.095)	(7.414)
Revenues from the use of interconnection capacities	(88.040)	(229.686)
Revenues from European funds	(70)	(1.217)
Balance on the end of period	22.232	16.138

The accompanying notes are an integral part of these consolidated financial statements.

The evolution of the **long-term deferred income** over the period January through December 2024 is as follows:

	December 31, 2024	December 31, 2023
Opening balance 1 january	519.115	439.028
Connection subsidies	47.520	231.303
Non-reimbursable funds	43.189	(18.410)
Non-refundable funds to be repaid	-	-
Transfer from short term deferred revenues	(85.944)	(153.505)
Subsidies wich resumed into revenues	14.134	20.698
Balance on the end of period	538.015	519.116

15. BORROWINGS

Non-current borrowings

As of December 31, 2024 and December 31, 2023, the balance of non-current borrowings from credit institutions is as follows:

Description	December 31, 2024	December 31, 2023
EIB 25709 (i)	11.975	23.952
EIB 25710 (i)	19.928	31.942
Total non-current loans from credit institutions, of which:	31.903	55.893
Less: Current portion of non-current borrowings	(23.985)	(23.987)
Total non-current loans net of current instalments	7.918	31.906

Situation of non-current borrowings as at 31.12.2024:

No.	Loan name	Date of granting	Value of the Loan (currency)	Balance on 31.12.2024 (currency)	Balance on 31.12.2024 (RON)	Interest rate	Maturity according to loan
1	EIB 25709	05.08.2010	32.500.000,00 EUR	2.407.407,50 EUR	11.975	3,596%	10.09.2025
2	EIB 25710	05.08.2010		4.006.410,21 EUR	19.928	3.856% and 2.847%	11.04.2028
TOTAL					31.902		

Non-current borrowings are detailed as follows:

a) and b) European Investment Bank (EIB) loan

Loans EIB 25709 and EIB 25710 were granted by the EIB on August 5, 2010 to finance the modernization and rehabilitation of the Romanian Transmission Grid. The amount of each loan is EUR 32.5 million. 25709 is unsecured, while 25710 is guaranteed by BNP Paribas SA Bucharest Branch. The repayment period is 15 years, with a grace period of 2 years. Repayment is from 2012 until 2025 for EIB loan 25709 (on March 10 and September 10 of each year) and from 2013 until 2028 for EIB loan 25710 (on April 11 and October 11 of each year). The interest rate is 3.596% for EIB loan 25709 and 3.856% and 2.847% for EIB loan 25710.

The amount outstanding at December 31, 2024 for the EIB loan 25709 is EUR 2.4 million and for the EIB loan 25710 is EUR 4 million.

The EIB 25709 loan agreement contains certain financial covenants: (i) the ratio of EBITDA to interest on non-current borrowings disbursed during the year must be at least 4.2; (ii) the ratio of long-term liabilities to equity must not exceed 0.95; (iii) the ratio of total net debt to EBITDA must be a maximum of 3.5.

EIB Loan 25710 is guaranteed by BNP Paribas SA Bucharest Branch. The guarantee contract was concluded on 20.12.2019 for a period of 3 years, guarantee fee of 0.40% per annum calculated at 115% on the amount of the loan outstanding. On 31.10.2022, Amendment No. 2 was signed, which guarantees the

The accompanying notes are an integral part of these consolidated financial statements.

EIB 25710 loan until 11.11.2028. For this period, the guarantee fee is 0.6% per annum calculated at 115% of the outstanding amount of the loan.

As of December 31, 2024, the financial indicators related to the loan agreements have been met.

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

	December 31, 2024	December 31, 2023
From 1 to 2 years	6.483	12.011
From 2 to 5 years	1.435	19.895
More than 5 years	-	-
Total	7.918	31.906

The Company has not hedged any of its foreign currency obligations or interest rate exposures.

All non-current borrowings outstanding at December 31, 2024 bear fixed interest

Current borrowings

Current borrowings are detailed as follows:

	December 31, 2024	December 31, 2023
Current portion of non-current borrowings	23.985	23.987
Short-term bank loans	-	-
SMART credit lines	8.354	7.072
Interest related to the non-current and current loans	303	541
Total current borrowings	32.641	31.600

Loans taken out for current activity

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

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

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

The credit line is secured by:

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

As of December 31, 2024, the line of credit is unused.

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

The credit agreement for RON 200million has the following structure:

- RON 175 million - revolving credit line used to cover the temporary working capital needs for the timely payment of the Company's maturing obligations, with a utilization period of 12 months, until 09.03.2023;

The accompanying notes are an integral part of these consolidated financial statements.

- RON 25 million in the form of a ceiling for the issuance of letters of guarantee, with a period of issuance of letters of guarantee of 12 months, until 09.03.2023 and a validity of letters of guarantee of 24 months.

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

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

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

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

The credit line is secured by:

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

As of December 31, 2024, the line of credit is unused.

Loans contracted by Subsidiaries

On January 9, 2024, the Subsidiary has contracted from EXIM Banca Românească a multi-product ceiling loan - single-company with a ceiling of RON 21million, which took over and extended the revolving ceiling credit line of RON 15million.

In August 2024, SMART SA contracted two multi-product credit facilities in RON from Banca Comercială Română with the following structure:

- RON 46million for the purpose of financing working capital over a period of 48 months at a variable interest rate based on ROBOR 3M plus the bank's margin (ROBOR 3M + 1.65 p.p.), of which: RON 15 million overdraft revolving overdraft facility (the first utilizations being for refinancing the facility granted by Exim - Banca Românească), RON 10 million for financing VAT related to investments (PNRR project), revolving, and revolving guarantee facility up to the amount of RON 46 million.
- RON 37 million to finance working capital for a period of 36 months at a variable interest rate based on ROBOR 3M plus the bank's margin (ROBOR 3M + 1.95 p.p.), of which: RON 10 million for financing the working capital in connection with the works related to the Works Contracts (up to RON 4.5 million for uses in connection with the Sunlight Ventures Project and up to the amount of RON 10 million for uses in connection with the Black Sea Renewables Project, the sublimits may be used in any combination) and revolving guarantee facility up to the amount of RON 37 million.

As of December 31, 2024, 8,354 was drawn on the line of credit.

16. EMPLOYEE BENEFIT OBLIGATIONS

Under the collective bargaining agreement, applicable in 2024, the Group provides long-term benefits to employees based on length of service and seniority with the Company. The benefits provided to management employees are disclosed in Note 31 - Salaries of the Company's management.

The Group's long-term benefits include the following:

- retirement bonus ranging from 1 to 5 gross basic monthly salaries depending on the number of years of service in the Company at the date of retirement;
- retirement bonuses between 1 and 5 gross basic monthly salaries depending on the number of years of seniority in the Company;
- aid in the event of retirement due to total loss of working capacity (total disability), in which case the Company pays 6 gross basic monthly salaries;
- help in case of death from other causes, in which case the company pays the family 22 lei;

The accompanying notes are an integral part of these consolidated financial statements.

- death benefit in the event of death due to an accident at work or occupational disease, in which case the Company pays the family 11 gross monthly basic salaries;
- material aid granted upon retirement for electricity, representing the equivalent of the electricity quota paid to an employee for 12 months, for employees with at least 10 years of continuous service in the Company.

The actuarial calculations of post-employment and other long-term employee benefits have been determined by a licensed actuary under a service contract with Proficariere SRL.

Employee benefit obligations are as follows:

	December 31, 2024	December 31, 2023
Jubilee premiums	63.108	55.221
Total incapacity benefits (disability)	236	-
Retirement premiums	42.926	31.159
Benefits granted for death from other causes	1.792	-
Benefits granted for death due to accident at work	411	-
Free electricity for current employees on retirement and current pensioners	7.687	11.508
Total	116.159	97.888

EMPLOYEE BENEFIT OBLIGATIONS

	December 31, 2023	Interest cost	Current service cost	Payments from the provision	Actuarial (profit)/loss for the period	December 31, 2024
Benefits pertaining to jubilees premiums to be granted to current employees	55.221	4.224	10.708	(6.195)	(850)	63.108
Benefits granted for total incapacity benefits (disability)	-	-	-	-	236	236
Benefits pertaining to retiree premiums of current employees	31.159	1.970	7.328	(2.020)	4.488	42.926
Benefits granted for death from other causes	-	-	568	(62)	1.287	1.792
Benefits granted for death due to accident at work	-	-	46	-	365	411
Electricity benefits to be paid to current employees after retirement	5.804	388	1.167	(295)	(4.216)	2.849
Benefits related to the electricity payments to be paid to current pensioners	5.705	382	-	(352)	(896)	4.838
Total	97.888	6.964	19.817	(8.924)	414	116.159

The accompanying notes are an integral part of these consolidated financial statements.

17. a. TRADE AND OTHER PAYABLES

At December 31, 2024 and December 31, 2023, trade and other payables are as follows:

	December 31, 2024	December 31, 2023
Providers - electricity market	2.253.148	1.340.922
Asset providers	158.614	177.264
Providers of other activities	45.938	43.799
Amounts due to employees	16.143	14.809
Other liabilities	1.381.401	624.156
Total	3.855.244	2.200.950

As of December 31, 2024 and December 31, 2023, the outstanding energy market payables of 2,253,148 and 1,340,922, respectively, are structured as follows:

	December 31, 2024	December 31, 2023
Providers - electricity market, of wich:		
-providers - operational activity	1.496.225	591.456
-providers - balancing market	711.977	617.379
-providers- bonus type support scheme to promote high efficiency cogeneration	44.946	132.087
Total	2.253.148	1.340.922

The 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 Marfuri, Electrica Furnizare SA.

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

The increase in the "balancing market liabilities" balance was driven by an increase in the volume of transactions recorded in the balancing market in the fourth quarter of 2024 compared to the fourth quarter of 2023.

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

As of December 31, 2024, there are payment obligations to suppliers (producers) in the amount of 3,539,953 (CET Govora SA) and the National University of Science and Technology Politehnica Bucharest, representing monthly bonus for cogeneration and ante overcompensation for 2015. The amounts representing the Company's debts related to the support scheme to CET Govora were withheld from payment based on art. 17 para. 5 of ANRE President's Order no. 116/2013, since the supplier (producer) has payment obligations towards the Company under the bonus support scheme.

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

CET Govora did not agree with this way of settling mutual claims and debts, which is why the Company has applied and continues to apply the provisions of Art. 17 para. 5 of ANRE President's Order no. 116/2013 for the approval of the Regulation on establishing the manner of collecting the contribution for high-efficiency cogeneration and payment of the bonus for electricity produced in high-efficiency cogeneration: *'if the producer has not fully paid to the support scheme administrator the payment obligations resulting in accordance with the provisions of this Regulation, the support scheme*

administrator shall pay to the producer the difference between the value of the invoices issued by the producer and the producer's payment obligations related to the support scheme, with explicit mention on the payment document of the respective amounts' and withheld from the payment the amounts related to the support scheme due.

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

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

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

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

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

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

At December 31, 2024, the Company has no outstanding debts to suppliers (state budget, local budget or other public institutions).

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

	December 31, 2024	December 31, 2023
Various creditors	385.573	312.095
Client-creditors	850.989	247.531
Dividends to pay	134	193
Other liabilities	144.705	64.337
Total	1.381.401	624.156

➤ "Sundry creditors, amounting to **385,573** as of December 31, 2024, represent, principally:

- net position of the support scheme for high efficiency cogeneration, debt position, amounting to 363.120.

The net position of the support scheme is the difference between:

- the amount of the contribution to be collected from the suppliers of electricity consumers, the amount of overcompensation for the activity of electricity and heat production in high efficiency cogeneration, the undue bonus to be collected from producers, according to ANRE decisions, on the one hand, and

The accompanying notes are an integral part of these consolidated financial statements.

- the amount of the cogeneration bonus, the pre-compensation and the unallocated bonus to be paid to high efficiency cogeneration producers, beneficiaries of the support scheme, on the other hand;
 - 14.281 solution study contracts for connection to the ETG;
 - 4.937 OTC caused by additional transits of energy in the networks of the concessionary distribution operators at the voltage level of 110 kV, for the share allocated to generators owning power plants with installed capacity above 5MW connected to the respective distribution networks;
 - 1.686 royalty Q4 2024 and others.
- "Trade accounts receivable" as of December 31, 2024, totaled **850,989**, of which 830.721 represent amounts received in advance under transactions related to the price coupling mechanisms, ICP (Interim Coupling Project), SIDC (Single Intraday Coupling), SDAC (Single Day-ahead Coupling) and FBMC (Flow Based Market Coupling), from: JAO (8,278), MAVIR (38,652), BRM (49,325), IBEX (174,896) and OPCOM (559,570).
- As of December 31, 2024, dividends due to Transelectrica shareholders and unpaid amount to **134**. These amounts are available to shareholders through the paying agent.
- "Other payables", in the amount of **144,705**, are mainly represented by guarantees of good payment of electricity market contracts concluded by NPG CO. Transelectrica SA in the amount of 110,833, VAT not chargeable during the reporting period in the amount of 28,616 and others.

17.b LEASING LIABILITIES - BUILDINGS

At December 31, 2024 and December 31, 2023, the **liability for tangible assets related to rights to use leased assets**, as required by IFRS 16 - Leases, is as follows:

	December 31, 2024	December 31, 2023
Liabilities - Current building leases	7.328	9.253
Liabilities - Non-current building leases	1.604	7.073
Total	8.932	16.326

As of December 31, 2024, the liability for fixed assets related to rights to use leased assets - buildings, in accordance with IFRS 16 - Leases, amounts to **8,932**, of which:

- short-term debt: 7.328
- long-term debt: 1.604

17.c NON-CURRENT LIABILITIES

"Other non-current liabilities", amounting to **5,613**, represents the Group's estimated global minimum tax liability, as a result of the application of the provisions of *Law 431/2023 on ensuring a global minimum level of taxation for multinational enterprise groups and large national groups*.

The national additional tax shall be declared and paid by the incorporating entities or designated incorporating entities established in Romania to the competent tax authority for the first year of application within 18 months from the last day of the reporting year.

18. PROVISIONS

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

	December 31, 2024	December 31, 2023
Provisions for litigation	25.885	25.983
Provisions for mandate contracts	8.600	40.491
Other provisions	1.468	717
Total	35.953	67.191

Provisions for litigation outstanding as of 12/31/2024, in the amount of **35,953**, consists primarily of provisions established for the following litigation:

The accompanying notes are an integral part of these consolidated financial statements.

- *File no. 36755/3/2018 - plaintiff Conaid Company SRL (17.216) - more details on this case are set out in Note 29 - Commitments and Contingencies.*
- *File no. 15561/3/2022 - claimant SMART SA (4.467) - more details on this file are given in Note 29 - Commitments and Contingencies.*
- *File no. 3083/3/202020 - complainant NUCLEARELECTRICA SA (1.473)*

On 26.06.2020, Nuclearelectrica sued the Company for payment of 1,291 representing negative imbalance and 182, statutory interest.

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

NPG CO. Transelectrica SA has lodged an appeal. In the sitting of 25.11.2021, the Bucharest Court of Appeal admits the appeal. Partially amends the civil judgment under appeal to the effect that: The action is dismissed as unfounded. Upholds the order of the Court of First Instance dismissing as unfounded the defendant's claim for costs. Orders the respondent-claimant to pay to the respondent-appellant the sum of EUR 20,591.66 as costs of the appeal. With appeal within 30 days from the date of the communication, the appeal application to be filed at the Bucharest Court of Appeal - Section VI Civil. Ruled by making the solution available to the parties by the court registry, today, 25.11.2021. Document: Decision 1927/2021 25.11.2021. Document: Decision 1927/2021 25.11.2021.

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

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

"Provisions for agency agreements", amounting to 8,600 as of December 31, 2024, represent:

- the variable component relating to the F FVOV packages allocated and not valorized during the terms of office executed in the period 2013-2017, for executive and non-executive directors, claimed by them in court;
- the remuneration representing the variable component, the non-competition compensation and that of the gross monthly gross fixed allowances remaining until the end of the term of office for the dismissed members of the Supervisory Board/Directorate, respectively for the 2020-2024 terms of office.

"Other provisions" amounting to 1,468 represent mainly untaken rest leave.

19. INCOME TAX

The income tax for the years 2024 and 2023 is as follows:

	December 31, 2024	December 31, 2023
Current income tax expense	44.377	38.516
Deferred tax expense/(income)	(49.595)	8.583
Minimum global tax expense Group	5.613	-
Total	395	29.934

The Company's current and deferred income taxes for the years 2024 and 2023 are determined at a statutory rate of 16%, effective in 2024 and 2023.

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Law no. 431/2023 also transposes the provisions of Directive (EU) 2022/2523 (hereinafter referred to as the "Pillar 2 Directive"), introducing in Romania a complex system of rules for the minimum effective taxation of 15% of multinational groups of undertakings and large domestic groups with annual consolidated revenues of at least EUR 750 million, from at least two of the four previous financial years.

Romania has thus implemented the QDMTT as of January 1, 2024, which in practical terms means that the national top-up tax at the level of Romanian constituent entities that are taxed at a reduced level is calculated according to the *QDMTT - Qualified Domestic Minimum Minimum Top Up Tax* (Article 17 of Law 431) and will be collected, declared and paid to the Romanian tax authorities.

In 2024, the Company recognized an estimated global minimum tax related to the Group in the amount of **5,613**, as a result of the application of the provisions of Law no. 431/2023 on ensuring a global minimum level of taxation for multinational enterprise groups and large national groups, for which the tax is required to be declared and paid by 30.06.2026.

Based on the amendments to IAS 12 - "Income Taxes", the Company has not recognized deferred tax in relation to the effective minimum tax relating to the group.

Reconciliation of the effective income tax rate:

	December 31, 2024	December 31, 2023
Income tax at the statutory rate of 16%	102.441	41.611
Effect of non-deductible expenses	29.396	41.412
Effect of non-taxable revenues	(40.767)	(20.370)
Taxable revaluation reserve	45.010	10.709
Legal reserve	(53)	-
Exempted income tax	(6.169)	(3.216)
Other effects	(85.480)	(31.629)
Total	44.377	38.516

The accompanying notes are an integral part of these consolidated financial statements.

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DEFERRED INCOME TAX

The 2024 and 2023 Deferred Tax Deferred Tax Liability Motion Table is presented as follows:

Elements	Balance at December 31, 2022	Recognised in profit and loss	Directly recognised in AERG	Balance at December 31, 2023	Recognised in profit and loss	Directly recognised in AERG	Balance at December 31, 2024
Property, plant and equipment – useful life	41.475	668	0	42.144	864	0	43.008
Property, plant and equipment – revaluation reserves	96.953	(9.612)	203.502	290.843	(47.061)	6.014	249.797
Property, plant and equipment financed by subsidies	(5.859)	(377)	0	(6.237)	(1.310)	0	(7.547)
Obligations regarding employee benefits	(13.955)	(1.761)	0	(15.716)	(2.869)	0	(18.585)
Interconnection estimate	(1.760)	(4.000)	0	(5.760)	4.560	0	(1.200)
Provisions for litigations	(4.392)	138	0	(4.254)	(543)	0	(4.797)
Inventory adjustments	(2.379)	162	0	(2.217)	244	0	(1.973)
Other elements	(51.940)	8.691	0	(43.249)	(4.418)	0	(47.666)
Production supplier estimates	0	(2.448)	0	(2.448)	937	0	(1.511)
Tax (assets)/liabilities	58.144	(8.540)	203.502	253.105	(49.595)	6.014	209.525

	Asset		Liability		Net	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Property, plant and equipment – useful life	(50.101)	(4.838)	93.109	46.981	43.007	42.144
Property, plant and equipment – revaluation reserves	(47.061)	(9.612)	296.858	300.455	249.797	290.843
Property, plant and equipment financed by subsidies	(9.179)	(741)	1.632	(5.495)	(7.547)	(6.237)
Obligations regarding employee benefits	(18.585)	(15.716)	-	-	(18.585)	(15.716)
Interconnection estimate	(1.200)	(5.760)	-	-	(1.200)	(5.760)
Provisions for litigations	(4.797)	(4.254)	-	-	(4.797)	(4.254)
Inventory adjustments	(1.973)	(2.217)	-	-	(1.973)	(2.217)
Other elements	(47.666)	(43.249)	-	-	(47.666)	(43,249)
Production supplier estimates	(1.511)	(2.448)	-	-	(1.511)	(2.448)
Tax (assets)/liabilities	(182.074)	(88.835)	391.598	341.941	209.525	253.105

The accompanying notes are an integral part of these consolidated financial statements.

20. EARNINGS PER SHARE

At December 31, 2024 and December 31, 2023, earnings per share are:

	December 31, 2024	December 31, 2023
Result for the year from continuing operations	556.973	263.061
Number of ordinary shares at beginning and end of period	73.303.142	73.303.142
Basic and diluted earnings per share (lei/share)	7,60	3,59

21. OTHER TAXES AND SOCIAL SECURITY CONTRIBUTIONS

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

	December 31, 2024	December 31, 2023
Contribution to the social security funds	18.859	19.202
Payable VAT	1.706	1.991
Payroll tax	3.681	3.463
Other tax payable	1.291	1.391
Total	25.537	26.047

As of December 31, 2024, the Company has accrued liabilities for social security contributions, payroll and other taxes, which were paid in January 2025.

22. OPERATING REVENUES

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

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

	Average fare for transport service	Tariff for the system service
Order No 57/28.08.2024 for the period September 01 - December 31, 2024	-	11,51 ^{*)}
Order No 15/29.05.2024 for the period June 01 - August 31, 2024		12,84
Order No 116/20.12.2023 for the period January 01 - May 31, 2024	-	9,17
Order No 109/20.12.2023 for the period January 01 - December 31, 2024	31,67 ^{**)}	-
Order No 67/25.05.2023 for the period June 01 - December 31, 2023	-	6,64
Order No 144/21.12.2022 for the period January 01 - May 31, 2023	-	7,73
Order No 28/29.03.2023 for the period April 01 - December 31, 2023	31,20	-
Order No 33/23.03.2022 for the period January 01 - March 31, 2023	28,10	

^{*)}The change in the tariff value for the system service was determined by the application of the mechanism for correcting significant deviations from the forecast that was the basis for the approval of the tariff that entered into force on June 01, 2024, in accordance with the provisions of the regulatory framework issued by ANRE;

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

The accompanying notes are an integral part of these consolidated financial statements.

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

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

	2024	2023
Quantity of electricity delivered to consumers (MWh)	51.824.802	50.394.667

Operating revenues realized in the years 2024 and 2023 are as follows:

	December 31, 2024	December 31, 2023
Transmission revenues	1.619.446	1.544.813
Revenues from the allocation of interconnection capacities	282.080	343.179
Revenues from reactive energy	1.660	8.060
Inter TSO Compensation (ITC) revenues	25.790	13.163
Revenues from transactions with own technological consumption	95.481	46.813
Total revenues from electricity transmission	2.024.457	1.956.027
Revenues from system services	571.078	358.896
Emergency energy assistance to neighboring	62.199	31.765
Total revenues from system services	633.277	390.661
Revenues on the balancing market	4.965.725	2.269.419
Income from other benefits and other operating income	178.498	94.995
Other revenue	178.498	94.995
Total revenue	7.801.956	4.711.102

Revenues from services

Revenues from the transmission service increased in 2024 compared to 2023 by 74,634, determined both by the increase in the average tariff for the transmission service approved by ANRE (see the table on tariffs approved by ANRE for the period analyzed, presented above), and by the increase in the quantity of electricity delivered to consumers by 2.84%, i.e. by 1,430,135 MWh.

Revenues from the allocation of interconnection capacity

Interconnection capacity allocation revenues decreased in 2024 compared to 2023 by 61,099, corresponding to the level of utilization of available interconnection capacity by electricity market traders.

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

The mechanism 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).

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

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

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

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

Revenues from Inter TSO Compensation (ITC)

Revenues from the application of the ITC mechanism come mostly from scheduled electricity exchanges with the countries considered as perimeter countries of the mechanism, namely Ukraine and the Republic of Moldova.

As of July 01, 2024, Ukraine joined the ITC mechanism and was no longer considered a perimeter country. As a result, only trade with the Republic of Moldova was taken into account.

For the first semester of 2024, the tariff applied to exchanges with perimeter countries was 2.8 EUR/MWh. As from July 01, 2024, since Ukraine's entry into the mechanism, the tariff decreased to 2.5 EUR/MWh, being applied only to exchanges on the border with the Republic of Moldova, which led to a reduction in the quantities and amounts invoiced respectively.

In general, Romania is a paying country under the mechanism, but exceptionally, income from monthly settlements can also be recorded.

Thus, in 2024, the revenues recorded from the application of the JTI Facility were 12,628 higher than in 2023. This increase is mainly due to:

- the change in the tariff for trade with perimeter countries in the period 15.06.2023- 30.06.2024 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 in 2024 with both perimeter countries (Ukraine and the Republic of Moldova), as opposed to 2023, when exchanges were only with the Republic of Moldova.

Revenues from transactions with own technological consumption

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

These revenues were higher in 2024 compared to 2023 by 48,668.

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

Revenues from transactions on the Balancing Market were significantly higher than those realized in the same period of the previous year, given the very high prices recorded on the Balancing Market, as well as

the fact that the imbalances recorded for OTC were in the opposite direction to the system, which led to the purchase of energy at a negative price, which constitutes revenue for the Company. This trend was more pronounced in the first half of 2024, with the second half of 2024 recording revenues comparable to the previous year.

Revenues from system services

Revenues from system services increased in 2024 compared to 2023 by 212,181, determined both by the increase in the tariff approved by ANRE for these services (see the table on tariffs approved by ANRE for the period analyzed, presented above), and by the increase in the quantity of electricity delivered to consumers by 2.84%, i.e. by 1,430,135 MWh.

In accordance with the provisions of the regulatory framework issued by ANRE, the approved tariff for system services was amended during 2024 due to the application of the mechanism for correcting significant deviations from the forecast that was the basis for the approval of the tariff that entered into force on January 1, 2024.

For the activity of system services, the specific regulatory framework contains regularization mechanisms that ensure the compensation of the excess or deficit of revenues in relation to the level of expenses necessary to carry out the activity. Thus, according to ANRE's regulations, the surplus/deficit of income in relation to the recognized costs resulting from the performance of this activity 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 revenue over the costs resulting from the carrying out of this activity shall be calculated per tariff scheduling period.

Emergency energy assistance to neighboring

At the request of the neighboring TSOs, during 2024, disaster aid totaling 62,199 was granted to provide the energy needed to cover domestic consumption in the respective countries. Emergency aid was granted to Ukraine due to the damage to the energy infrastructure in this country as a result of armed conflicts and to Serbia due to accidental shutdowns of groups in this country.

Revenue on the balancing market

Revenues realized in the balancing market increased significantly in 2024 compared to 2023 by 2,696,306, primarily due to the following:

- Accelerated growth in prosumer installed capacity from around 420 MW in early 2023 to around 1,500 MW in 2024;
- Lack of control/monitoring at the supplier level for the production of the prosumers they have in their portfolio and little concern for estimating/adjusting prosumers' production forecasts in relation to their contractual position;
- the low degree of adjustment of the production of renewable energy producers with the net contractual position (we mention here also producers beneficiaries of green certificates, based on the provisions of Law no. 220/2008);
- a sharp increase in supply prices in the balancing market (positive upwards and negative downwards respectively), with an impact on the marginal prices recorded in particular for energy activated for secondary balancing, and for energy activated on the tertiary market, which falls rapidly in situations of strong excess production;
- in the conditions of a predominantly surplus system, the balancing market is recording a high volume of selections at power reduction, i.e. significant negative prices in the Balancing Market which have resulted, on the one hand, in significant revenues for producers who have offered negative prices at power reduction, and, on the other hand, in considerable costs for 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.

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

Income from other benefits and other operating income

Income from other benefits and other operating income increased in 2024 compared to 2023 by **171,788**, mainly due to the recording of income from indemnities, fines and penalties as a result of the legal recovery, according to Civil Judgment no. 6169/2023, pronounced on December 20, 2023, by the ICCJ - Administrative and Tax Litigation Section and communicated to the Company on May 15, 2024, of amounts (additional payment obligations established by Tax Assessment Decision no. F-MC 439/30.06.2017) executed in 2017 by ANAF, based on enforceable title no. 13540/22.08.2017.

23. EXPENSES FOR SYSTEM OPERATION AND BALANCING MARKET

System operating and balancing market expenses realized in the years 2024 and 2023 are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Expenses on own technological consumption	609.330	519.731
Congestion expenses	107	90
Expenses for the electricity consumption in RET substations	45.850	37.669
Grid Losses expenses transit RED (ANRE decision)	12.840	-
ITC expenses (Inter TSO Compensation)	47.486	82.936
Total system operating expenses	<u>715.613</u>	<u>640.426</u>
Expenses regarding system services	523.611	499.185
Balancing market expenses	4.965.535	2.268.981
Total	<u>6.204.759</u>	<u>3.408.592</u>

Expenses on own technological consumption

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

Technology Own Consumption expenditures were higher by 89,599 in 2024 compared to 2023 due to a number of factors as follows:

- ✓ Due to its characteristics, the Own technological consumption (OTC) in the Electricity Transmission Grid (TTR) is strongly dependent on weather conditions, the structure of electricity production and consumption at national level, the distribution of electricity flows in the internal transmission grid and on the interconnection lines with neighboring power systems, its value being very little to not controllable in an interconnected and coupled regional energy market;
- ✓ Following the provisions of GEO no. 153/2022, amending and supplementing GEO no. 27/2022, NPG CO. Transelectrica SA purchased electricity to cover 75% of the quantity of the OTC forecast validated by the Centralized Electricity Purchase Mechanism (MACEE). For 50% of the validated needs, the energy was purchased through annual allocation, at a regulated purchase price of 450 lei/MWh. For the remaining energy requirements, monthly allocations were made at the price of 450 lei/MWh and 400 lei/MWh respectively (from April 01, 2024);
- ✓ as of 01.04.2024, the mechanism for 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 10 MW to participate in the scheme.
- ✓ The changes introduced by GEO 32/2024 led to a gradual exit from the support scheme and a return to competitive market mechanisms. As a result, starting with the monthly allocations for the month of August, the amount allocated to cover OTC through MACEE was almost zero. The required energy was purchased through bilateral contracts and from DAM;
- ✓ The accelerated increase in installed capacity at prosumers (from about 420 MW at the beginning of 2023 to about 1,500 MW at the beginning of 2024), together with the increasing share of wind and solar, led to a decrease in energy prices in short-term markets. Thus, the average price of energy purchased from the DAM in January-December 2024 was similar to the price in 2023;
- ✓ The price of DAM is highly dependent on weather conditions (drought, rainfall, extreme events) and

The accompanying notes are an integral part of these consolidated financial statements.

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 are highly volatile and uncertain and can vary widely. As a result, the costs resulting from hedging energy imbalances in this market were higher compared to 2023.

Congestion expenses

In the year 2024, there were 107 congestions. Due to the simultaneous unavailability of the 400 kV Bradu - Braşov and 400 kV Țânțăreni - Sibiu Sud power lines, which are located in the south - north direction of the NES, the very high transit of electricity through Romania from the south - east part of Europe to the center - north part of Europe, as a result of transactions on the European electricity market, high production in wind power plants and scorching temperatures, it was necessary to select units in the southern part of Romania (Oltenia and Dobrogea areas) for power reduction in order to manage network congestion. The 400 kV Bradu - Braşov line was taken out of service to remove a tree fallen on the line, cut by unknown persons. The 400 kV line Țânțăreni - Sibiu Sud was put back into operation after the completion of the line inspection.

Expenses on electricity consumption in ETG and RED stations

In order to carry out the activity of electricity transmission in the power stations and to operate the National Electricity System in safe conditions, NPG CO. Transelectrica SA must purchase electricity to cover the consumption related to the internal services of the high voltage power stations under the Company's management. These expenses increased by 8,180 in 2024 compared to 2023.

OTC expenses transit RED (acc. to ANRE decision)

In the year 2024, OTC expenses related to additional transits of electricity from the networks of concessionary distribution operators at the voltage level of 110 kV (for the quota assigned to the TSO) were recorded in the amount of 12,840.

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

Expenses on Inter TSO Compensation (ITC)

TCI expenses are the monthly payment obligations/collection fees for each transmission system operator (TSO). They are established under the mechanism of compensation/dispensation of the effects of the use of the transmission electricity network (ETG) for electricity transits between TSOs of the countries that have joined this mechanism under ENTSO-E. In 2024, these expenses were 35,451 lower than in 2023.

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

Expenses on system services

System service expenses increased in 2024 compared to 2023 in the amount of 24,426.

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

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

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

In accordance with the provisions of Article II of ANRE Order no. 18/30.05.2024, for a period of 3 months (period 01.06.2024-31.08.2024), in accordance with Regulation 2019/943 of the European Parliament and

of the Council of June 5, 2019, the purchase of balancing capacity services for frequency stability contracted by NPG CO. Transelectrica SA was carried out as follows:

- at a maximum price of 82,30 lei/hMW for the secondary regulating reserve / frequency restoration reserve with automatic increase activation and for the frequency restoration reserve with automatic decrease activation;
- at a maximum price of 37,94 lei/hMW for the fast tertiary regulating reserve on boost / frequency restoration reserve with manual activation on boost;
- at a maximum price of 16,38 lei/hMW for the discount fast tertiary dimming reserve / discount manually activated frequency reset reserve.

Also, in accordance with the provisions of art. I, point 3 of ANRE Order no. 18/30.05.2024, as of 01.09.2024 the maximum prices are no longer applicable, and the tender procedure is organized at the level of NPG CO. Transelectrica SA on the basis of the offer price.

As of July 01, 2024, ANRE Order no. 127/08.12.2021 for the approval of the Regulation on the terms and conditions for balancing service providers and frequency stabilization reserve providers and the Regulation on the terms and conditions for parties responsible for balancing and for the amendment and repeal of some orders of the President of the National Energy Regulatory Authority, with subsequent amendments and additions, which defines the new types of reserves to be purchased by NPG CO. Transelectrica SA, in accordance with the requirements of the European codes, entered into force. These are the Frequency Stabilization Reserve (symmetrical band), the Frequency Restoration Reserve with automatic and manual activation, and the Replacement Reserve. These reserves will be qualified as standard reserves, based on ANRE Order no. 89/2021 on the approval of the technical qualification for the provision of system services.

In the balancing capacity market, in line with the trend in the balancing market in 2024, the following has been observed:

- a steep increase in the purchase price of fast tertiary reserve - power curtailment. Thus, there were increases in the reserve purchase price from 9.82 lei/hMW to values up to 250 lei/hMW;
- The same trend was observed for the secondary reserve between January and May 2024;
- in the period June - August 2024, the purchase prices of balancing capacities RRFa, RRFm, for increasing and reducing power, were maintained at the level of the prices regulated by the provisions of Article II of ANRE Order no. 18/30.05.2024, with prices below the maximum limit imposed by the authority;

in September 2024, with the elimination of the capped prices, in accordance with the provisions of Article II of ANRE Order no. 18/30.05.2024, there was an upward trend in the purchase price for RRFa at increasing and reducing power and RRFm at reducing power.

Balancing market expenses

The balancing market expenses realized in 2024 showed an increase of 118.84% compared to 2023, i.e. by 2,696,554. These expenses result from the notifications/realizations of the participants on this market and are significantly influenced by the evolution of electricity production and consumption at national level, the European context of the evolution of the electricity market and the way of realization of contracting on the markets prior to the balancing market.

24. DEPRECIATION

	December 31, 2024	December 31, 2023
Expenses with the depreciation of the tangible and intangible fixed assets	288.595	263.765
Expenses with the depreciation of the assets related to the rights of use of the leased assets	8.719	8.641
Total	297.314	272.406

Depreciation expense on tangible assets and intangible assets in the amount of **288,595** represents depreciation recorded in 2024, calculated at the revalued amount of the assets as of December 31, 2023, correlated with the commissioning of capital expenditures and the taking delivery of the assets.

Intangible assets depreciation expenses recognized under IFRS 16 in the amount of **8,719** (the Company partially operates in leased office premises). In accordance with *IFRS 16 - Leases*, the right to use the

premises leased by the Company in the Platinum office building at 2-4 Olteni Street, Platinum Platinum, is recognized as an asset measured at the level of the rent payable until the end of the lease contract. The asset recognized in accordance with IFRS 16 is depreciated at the level of the monthly rent and is recorded under the indicator "depreciation and depreciation of tangible and intangible assets".

25. PERSONNEL EXPENSES

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Personnel expenses	489.463	447.429
- of which expenses for employees' salaries	<u>261.752</u>	<u>375.070</u>

Total personnel expenses realized in 2024 show an increase of 42,035 compared to 2023 mainly due to:

- increases in certain items of expenditure, such as: expenditure on personnel salaries, social expenditure, expenditure related to mandate contracts, expenditure on social security and social protection in accordance with the applicable legal provisions;
- update of the provisions set aside for the dismissed executive and non-executive directors, representing compensation based on the mandate contracts concluded in 2020 for the period 2020-2024 (as actuarially calculated);
- updating of the provisions set aside/reversal to income of a part of the provisions set aside, at the same time as the payment made for the OAVT certificates (OAVT = remuneration of executive and non-executive directors consisting of the variable component related to the packages of OAVTs allocated and not valorized during the term of office executed in the period 2013-2017), payments made on the basis of enforceable court judgments received by the Company (according to the actuarial calculation);
- updating the provision for employee benefit obligations (as actuarially calculated).

ii) Number of employees

As at December 31, 2024 and December 31, 2023, the actual number of employees with an individual employment contract of indefinite duration is as follows:

Number of employees	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Transelectrica SA	2.026	2037
Smart SA	599	612
Teletrans SA	<u>234</u>	<u>234</u>

26. OTHER OPERATING EXPENSES

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Other expenses with services provided by third parties	142.963	128.417
Postal and telecommunication expenses	1.255	1.036
Expenses on rents	7.115	6.732
(Revenues)/ Expenses net for impairment adjustments for current assets	(12.722)	105
Other expenses	<u>34.692</u>	<u>74.415</u>
Total	<u>173.302</u>	<u>210.705</u>

In 2024, these expenses decreased by 37,404 as compared to 2023, primarily due to variances in certain expense items such as:

- a decrease in certain items of expenditure, such as: taxes, duties and similar charges, other operating expenses not deductible for tax purposes, loss of receivables, revaluation of tangible assets, etc.;
- an increase in some items of expenditure on services performed by third parties, i.e.: expenditure on civil protection and security, expenditure on the implementation of pan-European codes, expenditure on personnel training, etc.;

The accompanying notes are an integral part of these consolidated financial statements.

- increase in other items of expenditure, such as: expenditure on goods (recovery of waste resulting from the maintenance/refurbishment/modernization of stations), expenditure on international dues, expenditure on energy purchased for administrative consumption, etc.;
- the increase in expenditure on the FVOVs paid on the basis of enforceable court judgments (performance bonus related to the FVOV Certificates granted to former executive and non-executive and non-revoked FVOVs, remuneration under the mandate contracts concluded in the period 2013-2017) and expenditure paid on the basis of enforceable court judgments granted to former executive and non-executive members who were revoked, representing compensation provided for in the mandate contracts concluded in 2020, for the period 2020-2024;
- recording of adjustments for the impairment of receivables (ROMELECTRO SA, OPCOM SA, etc.), adjustments for the impairment of inventories, as well as the reversal to income of adjustments for the impairment of current assets (ROMELECTRO SA, CET GOVORA SA, ARELCO POWER SRL, etc.), provisions for litigation (ELM ELECTROMONTAJ CLUJ SA, ENERGOBIT SA, etc.) and adjustments for the impairment of inventories, etc.

27. NET FINANCIAL RESULT

	December 31, 2024	December 31, 2023
Interest revenues	7.217	6.479
Revenues from exchange rate differences	4.965	27.901
Other financial revenues	14.697	1.516
Total financial revenues	26.879	35.896
Interest expenses	(10.009)	(9.940)
Expenses from exchange rate differences	(6.797)	(27.910)
Other financial expenses	(399)	(404)
Total financial expenses	(17.204)	(38.254)
Net financial result	9.675	(2.358)

As of December 31, 2024, the Company recorded a net financial result (profit) in the amount of **9,675**, higher by 12,033 compared to the previous year, mainly influenced by the increase in dividend income received from the subsidiary OPCOM SA in the total amount of 14,650.

Compared to 2023, the level of realized foreign exchange gains and losses in 2024 was influenced by the volume of transactions related to the market coupling business segment in conjunction with the evolution of the exchange rates of the national currency against the euro.

As at December 31, 2024, in the total amount of 10,009 (interest expense), the amount of 524 represents the interest calculated on fixed assets related to the rights to use the leased assets - buildings, in accordance with IFRS 16 - Leases.

The exchange rate of the national currency recorded on December 31, 2024 compared to that recorded on December 31, 2023, is as follows:

Currency	December 31, 2024	December 31, 2023
Lei / Euro	4,9741	4,9746

28. LEGISLATIVE AND FISCAL FRAMEWORK

The Romanian legal-fiscal framework and its implementation in practice changes frequently and is subject to different interpretations by different control bodies. Income tax returns are subject to review and correction by the tax authorities, generally for a period of five years after the date of their completion. Management believes that it has adequately recorded tax liabilities in the financial statements. However, there remains a risk that the tax authorities may take different positions on the interpretation of these matters. Their impact could not be determined at this date.

29. COMMITMENTS AND CONTINGENCIES

➤ Commitments

The accompanying notes are an integral part of these consolidated financial statements.

As at December 31, 2024, the Company had commitments amounting to RON 1,391,498 representing contracts in progress for investment works related to the modernization and upgrading of the transmission network.

➤ **Land used by the Group**

In accordance with the Company's policy, the financial statements include only the value of land for which certificates of title have been obtained as of the date of the financial statements.

According to Law no. 99/1999, if the Company obtains the certificate of attestation of ownership for a land after the moment of privatization, the land will be considered as a contribution in kind of the Romanian State.

The Extraordinary General Meeting of Shareholders approved by Resolution no. 7/28.05.2020 the increase in principle of the share capital of NPG CO. Transelectrica SA with the contribution in kind represented by the value of 17 plots of land for which the Company has obtained the certificates of attestation of ownership and the submission to the Commercial Register Office of the Bucharest Court of First Instance and the proposal to appoint JPA Audit and Consultancy SRL as an authorized ANEVAR appraiser for the valuation under the law of the contribution in kind subject to the increase in share capital.

Following the validation by the ORCTB of the proposal of the General Shareholders' Meeting regarding the expert, JPA Audit și Consultanță SRL as ANEVAR authorized appraiser prepared and communicated to the Company the Valuation Report no. 21278/10.05.2019, updated by Valuation Report no. 1158/10.01.2022 establishing the fair value of the land as at 30.09.2021.

Until 31.12.2024, there were different opinions on the application/interpretation of the relevant legislation, i.e. privatization legislation and capital market legislation, and NPG CO. Transelectrica SA is objectively unable to increase the share capital by the value of the 17 plots of land for which the Company has obtained the certificates of attestation of ownership and for which the expert JPA Audit și Consultanță SRL has established a fair value.

➤ **Ongoing litigation**

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

Based on existing information, the Group's management believes that it believes that there are no significant pending litigations in which the Company is a defendant, except for the following:

• **AUTONOMOUS REGIE FOR NUCLEAR ACTIVITIES (RAAN)**

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

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

On 14.06.2016, bankruptcy proceedings were ordered against RAAN.

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

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

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

At the term of 03.10.2024, the court grants a term on 23.01.2025, and at this term of 23.01.2025 a new term is granted for **26.03.2025** for the continuation of the proceedings, namely for the collection of the claims, the valuation of the assets, and for the performance of the other liquidation operations. At the deadline of 26.03.2025, the case is postponed to **11.06.2025**, for the continuation of the maintenance procedures, respectively for the collection of receivables, the realization of assets, as well as the performance of other liquidation operations.

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

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

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

• COURT OF AUDITORS

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

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

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

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

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

• OPCOM

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

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

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

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

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

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

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

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

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

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

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

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

• **CONAID COMPANY SRL**

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

Case judgement was deferred to 17.06.2016, when the court postponed pronouncement to 29.06.2016, when it pronounced Ruling 2148/2016 whereby it decided as follows: "It denies the exceptions invoked by the recurrent-Plaintiff SC Conaid Company SRL by means of the judiciary administrator RVA Insolvency Specialists SPRL and by the recurrent-defendant the National Power Grid Company Transelectrica SA. It

admits the appeal filed by the defendant National Power Grid Company Transelectrica SA against the hearing conclusion of 18 February 2014 and civil ruling 1866 of 11 June 2014 pronounced by the Appeal Court Bucharest, Section VIII of Administrative and Fiscal Disputes. It cancels the contested conclusion

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

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

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

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

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

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

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

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

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

Conaid Company SRL filed an appeal, deadline set on **27.03.2025**. At the deadline of 27.03.2025, the court admits the appeal. It annuls the appealed civil sentence and sends the case to the first instance, for the resolution of the merits. With an appeal within 30 days from the communication, the appeal is filed with the Bucharest Court of Appeal, Section VI Civil.

• **REȘIȚA MUNICIPALITY**

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

Settlement in brief: It admitted the exception of territorial incompetence for Caras Severin Tribunal. It

declined the settlement competence of the request filed by Plaintiff Resita City through the mayor in contradiction with defendant CNTEE Transelectrica SA in favour of Bucharest Tribunal. No appeal according to article 132 para 3 Civil Procedural Code. It was pronounced at public hearing on 11 March 2019.

On the hearing term of 25.10.2019 the exception is admitted of territorial incompetence of Bucharest Tribunal. It declined the settlement competence of this case in favour of Caras-Severin Tribunal. It ascertains the occurrence of a negative competence conflict between Bucharest Tribunal and Caras Severin Tribunal. It suspended the case and referred the file to the High Court of Cassation and Justice, in order to settle the negative competence conflict. No appeal was granted. Ruling 2376/25.10.2019.

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

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

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

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

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

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

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

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

On 19.09.2024, the plaintiff's request for adjournment of the case was granted and a copy of the expert's report was ordered to be served on him. The discussion on the final fee for the expert's report was postponed until both parties had studied it. The hearing of the case was adjourned, due to the absence of the expert's report, to 10.10.2024, when the parties will have a term to be informed pursuant to art. 229 of the Code of Civil Procedure, through their representatives.

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

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

At the term of **27.02.2025**, the court rejects the plea of prescription of the right to bring the action regarding the claims consisting in the rent for 2015 and the plea of lateness of the filing of the amendments to the action, pleaded by the defendant Transelectrica S.A. It qualifies the plea of res

judicata as a substantive defense relating to the positive effect of res judicata. Dismisses the claim brought by the defendant Municipality of Reșița against the defendant Transelectrica S.A. With a right of appeal within 30 days of communication.

- **ANAF**

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

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

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

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

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

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

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

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

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

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

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

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

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

The hearing of the case was resumed and on the term of 10.10.2024, for the communication of the documents submitted on file by the appellant to the respondent, the hearing of the case was adjourned to the terms of 21.11.2024, 06.03.2025 and subsequently set a term for **17.04.2025** for the hearing of the case. At the deadline of 17.04.2025, the court adjourned the case to 19.06.2025 due to the lack of an expert report.

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

On the 06.11.2018 session term the court admitted the administration of the expertise evidence, in the

accounting - fiscal specific domain.

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

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

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

- it removed the obligation to pay the profit tax amounting to 18,522, the VAT amounting to 5,695 and fiscal accessories pertaining to such main fiscal debits in quantum of 48,437, and the fiscal liabilities established for the 349 fiscal invoices of special regime found as missing from the Plaintiff's management;
- it cancelled the non-deductible nature of 27,002 in the calculation of taxable income, which represent system technological services invoiced by electricity suppliers, considered as non-deductible after the fiscal audit, and it compelled payment of the main fiscal liabilities and accessories associated to such amount;
- it cancelled the non-deductible nature of 344 in the calculation of taxable income, representing "services for weeds removal" and it compelled payment of main fiscal receivables and accessories related to such amount;
- it cancelled the non-deductible nature of 230,685 in the calculation of taxable income, representing expenses with promotional and protocol products and the payment liability of main fiscal receivables related to such amount.
- it cancelled the non-deductible nature of VAT in quantum of 46 associated to 344 representing "weeds removal services" and the payment liability of main fiscal receivables related to such amount;
- it cancelled the non-deductible nature of VAT in quantum of 38 associated to 231, representing expenses with promotional and protocol products and the payment liability of main fiscal receivables and accessories related to such amount;
- it cancelled the mention regarding the obligation of the Transmission Branch Sibiu within CNTEE Transelectrica SA to register 577 as taxable revenue on 30.06.2010 at the latest, date when the verified unit was accepted to be recorded in the creditors' table by such amount, mention regarding the nature of taxable revenue when calculating the profit for 577 in accordance with the provisions of article 19 para 1 from Law 571/2003 on the Fiscal Code, with later amendments and additions, corroborated with pt. 23 let. d of GD 44/2004 including the Methodological Norms to apply Law 571/2003; the chapter regarding the income tax, namely Chapter VII Accounts operation of Order 3055 / 29 October 2009 approving the Accounting Regulations complying with European directives and the payment liability of main fiscal receivables and accessories related to such amount;
- in the Minutes it cancelled the ascertainment with respect to "determining the deductible value added tax to a lower value than that registered by the Plaintiff, thus resulting a difference in sum of 13" (annex 15), and the payment liability of main fiscal receivables and accessories related to such amount;
- it cancelled the payment liability of delay penalties which have a sanctioning juridical regime, calculated for more than 6 months from the beginning date of fiscal inspection with respect to the main fiscal liabilities maintained by the law court in this ruling, as established by Taxation Decision F-MC 439/30.06.2017 issued on 12.07.2017 by the the National Agency of Fiscal Administration, General Directorate Managing Large Tax Payers, Taxation Decision F-MC 439/30.06.201 issued by the the National Agency of Fiscal Administration, General Directorate Managing Large Tax Payers and Decision 122/13.03.2018 on settling the contestation filed against the Taxation Decision F-MC

The accompanying notes are an integral part of these consolidated financial statements.

439/30.06.2017 issued by the National Agency of Fiscal Administration, General Directorate Settling Contestations.

Maintains the other provisions of Decision No 122/F-MC 439/30.06.2017, issued by ANAF - Directorate It maintained the other provisions of Decision 122/13.03.2018 on settling the contestation filed against the Taxation Decision F-MC 439/30.06.2017 issued on 12.07.2017 by the the National Agency of Fiscal Administration, General Directorate Managing Large Tax Payers and Taxation Decision F-MC 439/30.06.2017 issued by the the National Agency of Fiscal Administration, General Directorate Managing Large Tax Payers. It denied the other suspended requests as groundless. It denied as groundless the request to grant law court expenses consisting of the stamp judiciary fee. It compelled the defendants to jointly pay the Plaintiff the law court expenses amounting to 4,000 Lei, representing fee for the execution of accounting-fiscality expertise, proportional to the request admittance. Appeal right granted within 15 days from communication, to be submitted to the Appeal Court Bucharest. Ruling 382/20.10.2020.

The parties filed an appeal in March 2022.

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

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

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

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

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

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

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

Subject matter:

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

Status of the case:

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

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

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

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

Subject matter:

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

Status of the case:

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

- **OTHERS**

The Group is involved in significant litigation, in particular for debt recovery (e.g. Total Electric Oltenia SA, Regia Autonomă de Activități Nucleare, Energy Holding SRL, UGM Energy Trading SRL, CET Bacău, CET Govora, Nuclearelectrica, CET Brașov, Elsaco Energy SRL, Arelco Power SRL, Opcom, Menarom PEC SA Galați, Romelectro SA, Transenergo Com SA, ENNET GRUP SRL, PET Communication, ISPE, Grand Voltage SRL, EXPLOCOM GK SRL and others).

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

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

- **Subsidiary Control**

SMART SA**ANOFM - Bucharest**

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

ANAF

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

Status of the case: ongoing.

- **Guarantees**

At December 31, 2024 and December 31, 2023, guarantees are as follows:

	<u>December 31,</u>	<u>December 31, 2023</u>
Guarantees granted, of which:	537.109	553,784
- letters of guarantee issued – production	157.286	160,144
- letters of guarantee issued – investments	29.823	43,639
- other guarantees granted	350.000	350,000

The accompanying notes are an integral part of these consolidated financial statements.

Guarantees received, of which:	821.959	854,876
- letters of guarantee received – production	327.366	395,894
- letters of guarantee received – investments	446.737	411,183
- other guarantees received	47.856	47,799

Guarantees granted

The Company is obliged, according to the Operating License no. 161/2000 for the provision of electricity transmission service, as well as system balancing services, granted by ANRE's President Decision no. 865/22.12.2000, with subsequent amendments and additions, to constitute and maintain a financial guarantee of 1% of the turnover associated with the activities authorized by the license, for the last financial year, which ensures the continuity of the activities covered by the license, taking into account the major risks that may affect these activities and covering any damages claimed under the contractual provisions. In order to comply with this obligation, on 01.02.2022, the Company entered into a credit agreement with Banca Comercială Română with the purpose of granting a ceiling for the issuance of bank letters of guarantee in the amount of 23,268 with validity in the period from 01.01.2022 to 31.12.2022.

On 24.11.2022, the addendum no. 1 to the credit agreement concluded with Banca Comercială Română was concluded, having as object the granting of a ceiling for the issuance of letters of bank guarantee, increasing the amount of the ceiling to 37,026 and extending the validity until 31.12.2023.

On 18.12.2023, additional act no. 2 to the credit agreement concluded with Banca Comercială Română was concluded, having as object the granting of a ceiling for the issuance of letters of guarantee, increasing the amount of the ceiling to 59,014 and extending the validity until 31.12.2024.

On 24.12.2024, additional act no. 3 to the credit agreement concluded with Banca Comercială Română was concluded, having as object the granting of a ceiling for the issuance of letters of bank guarantee, by which the amount of the ceiling was decreased to 46.314 and the validity was extended until 31.12.2025.

The other guarantees granted are mainly bank letters of guarantee issued for the purchase of electricity to cover the Own technological consumption (OTC) on the centralized markets administered by OPCOM - the Centralized Market for Bilateral Contracts for Electricity - the extended auction trading mode and the use of products ensuring trading flexibility (PCCB-LE-flex), the trading modality by continuous trading (PCCB-NC), the Centralized Market with continuous double trading of bilateral electricity contracts (PC-OTC), the Day-Ahead Market (DAM) and the Intra-day Market (PI), as well as commitments/guarantees granted in relation to ongoing loan contracts for investment activity.

Other guarantees given represent the assigned contracts to guarantee the credit lines contracted for the support scheme for cogeneration and working capital

Guarantees received

The guarantees received are mainly represented by bank letters of guarantee of good payment related to contracts concluded on the electricity market, balancing, high efficiency cogeneration, letters of guarantee of good execution, letters of guarantee of advance payment/good execution related to investment contracts and other guarantees received under contracts financed from the connection fee.

e) Revaluation reserves at December 31, 2024

As of December 31, 2024, the revaluation reserves (net of tax) amounted to 1,514,138 (December 31, 2023 in the amount of 1,634,712).

Starting with May 1, 2009, reserves from the revaluation of fixed assets, including land, carried out after January 1, 2004, which are deducted in the calculation of taxable profit through tax depreciation or expenses related to assets disposed of and/or scrapped, shall be taxed at the same time as the deduction of tax depreciation, respectively at the time of the disposal of these fixed assets, as the case may be.

The realized reserves are taxable in the future, in the event of a change of destination of the reserves in any form, in the event of liquidation, merger of the company, including its use to cover accounting losses, except for the transfer, after May 1, 2009, of the reserves mentioned in the previous paragraph.

f) Electricity transmission and system service tariff

The electricity transmission tariff is set based on a "revenue cap" regulatory methodology. Through this, ANRE sets an initial annual target revenue calculated by adding together the regulated costs and the regulated return on recognized assets. Certain costs included in the regulated cost base are subject to

efficiency requirements that limit the level of costs that can be recovered through the regulated tariff (controllable operating and maintenance costs, own technological consumption). The set of annual target revenues calculated for a regulatory period is re-profiled through a linearization procedure in order to mitigate possible large increases/decreases in revenue from one tariff year to the next. The revenue thus reprofiled is adjusted annually by the consumer price index.

Certain changes to the pricing mechanism may have a significant impact on the recovery of the regulated depreciation of fixed assets included in the regulated asset base.

The year 2024 is the fifth in the series of five consecutive years that make up the fourth multiannual tariff regulation period for the transmission of electricity (January 1, 2020 - December 31, 2024). The main coordinates of the fourth regulatory period have been established by ANRE on the basis of the specific regulatory framework, namely the methodology for setting the tariff for the activity of electricity transmission, approved by ANRE Order No. 171/2019, as amended and supplemented. Compared to the previous forms of the methodology on the basis of which the tariffs were set in the third regulatory period (July 1, 2014 - June 30, 2019) and in the transition period from the third regulatory period to the fourth regulatory period (July 1, 2019 - December 31, 2019), the methodology applicable to the setting of tariffs in the fourth regulatory period has not undergone substantial changes.

As regards the fundamental aspects of the methodology (the main elements that make up the regulated income and how it is formed, the recovery of operating costs, the recovery and remuneration of capital invested in regulated assets, the presence and nature of incentive elements, the way in which the regulated income is collected), they have remained unchanged ensuring continuity and predictability of the regulatory framework. The detailed tariff settings for the entire multi-year regulatory period IV were initially set during 2019.

During 2020, in accordance with the methodology mentioned above, a revision of the previously approved period coordinates took place. This revision was also necessary in view of the modification of the tariff configuration in order to merge the tariff for the transmission activity with the tariff for the functional services component of the system services activity. The merger of these two tariffs took place by absorbing into the transmission tariff the tariff for the functional services component of the system services activity. Thus, it was necessary to revise the initial starting settings (Regulated Assets Base) and the approved cost scheduling for the horizon of the fourth regulatory period in order to include the assets and costs related to the system functional services activity in the starting settings and in the multiannual scheduling of the fourth regulatory period. Previously, the cost schedule for system functional service activity costs was reviewed and set annually upon approval of the tariff for system functional services, as the previous methodology did not provide for the setting and approval of a multi-annual schedule for these costs.

In addition to the merging of the two aforementioned tariffs presented above, the revision of the coordinates of the regulatory period IV also included some elements initially approved for the transmission activity, such as the investment plan (revised slightly downwards to correct a technical error made when initially setting the schedule - the schedule values were initially reported in nominal terms, for scheduling purposes it was necessary to adjust the values initially reported by extracting estimated inflation for the regulatory period), the value of the Regulated Assets Base as of January 1, 2020 (revised based on investments actually made in the second half of 2019), the starting point and required efficiency slope for controllable operating and maintenance costs subject to efficiency (the starting point was revised by including in the multi-year historical average the costs realized in the second half of 2019 and by removing from the multi-year historical average certain costs that were reclassified to non-controllable costs in the fourth regulatory period, the efficiency slope was reduced from 1.5% to 1.0%), the forecast price for the purchase of electricity to cover technical losses in the transmission network (revised by indexing to inflation realized in the second half of 2019).

In the context of the significant increase in electricity prices on the wholesale markets from the summer of 2021, a series of measures have been implemented in the legislative and regulatory framework to mitigate the significant impact of this development on the costs incurred by the operators of public electricity transmission and distribution networks with the purchase from the wholesale market of the energy necessary to cover their own technological consumption in the networks:

- in accordance with the regulatory framework issued by ANRE, when setting the transmission tariff that entered into force on January 1, 2022, the revenue component included in the tariff intended to cover the costs of energy purchase to cover own technological consumption in the transmission network was increased, compared to the value initially set for 2022 in the multiannual programming of costs for the regulatory period 2020-2024;

The accompanying notes are an integral part of these consolidated financial statements.

- In accordance with the legislative framework (GEO no. 27/2022), on April 1, 2022, the electricity transmission tariff was modified in an increasing direction compared to the period January 1 - March 31, 2022, with extended applicability to the first quarter of 2023. The purpose of this tariff increase was to ensure the Company's recovery of the deficit recorded in 2021 between the revenue included in the tariff and the actual cost of electricity purchased on the wholesale market to cover its own technological consumption in the transmission network. This measure brought forward the deficit recovery process in 2021, which according to ANRE regulations would have been realized one year later, i.e. in 2023;
- in accordance with the legislative framework (GEO no. 119/2022), the measure of capitalization of the additional costs of own technological consumption was introduced, i.e. the difference between the cost realized and the cost included in the transmission tariff. Thus, when setting the transmission tariff applicable in the period April 1, 2023 - December 31, 2023, the component related to the additional costs with OTC was the main element that led to the increase in the average electricity transmission tariff compared to the period April 1, 2022 - March 31, 2023. The recovery through the transmission tariff of this difference is to be realized in a phased manner over a five-year period. For the difference capitalized in the year 2022, the recovery through the transmission tariff will be realized in the period 2023-2027. By Law No 357/13.12.2022 approving GEO No 119/2022, the capitalization measure was extended for the period 1 January 2022 - 31 March 2025

The cumulative effect of the above-mentioned measures was to balance the Company's revenues and costs, as the Company's own technological consumption costs increased significantly amid the large increase in electricity prices on wholesale markets. At the same time, the three transmission tariff increases, applied on January 1, 2022, April 1, 2022, April 1, 2023 and January 1, 2024, also contributed to reducing the pressure that the increased costs exerted on cash flows.

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	

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	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	2,53
	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 Electrică Dobrogea S.A. (previous name E - Distribuție Dobrogea S.A.)	3,95

In accordance with the applicable regulatory framework, the costs of OTC caused by additional transits of energy in the networks of the concessionary distribution system operators at the 110 kV voltage level are recovered by the concessionary distribution system operators from the transmission system operator and from the 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 owning and operating plants connected to the respective distribution networks. 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.

Tariff for the system service

By ANRE Orders no. 116/2023, no. 15/2024 and no. 57/2024, the tariff for the purchase of system services practiced by NPG CO. Transelectrica SA and valid for the periods:

- January 01 - May 31, 2024;
- June 01 - August 31, 2024;
- September 1 - December 31, 2024.

The tariff values applied in 2024 are shown in the table below:

System Service	u.m.	Tariff applied from January 01 - May 31, 2024 ANRE Order 116/2023	Difference (%)	Tariff applied from June 01 - August 31, 2024 ANRE Order 15/2024	Difference (%)	Rate applied from September 01 to December 31 2024 ANRE Order 57/2024	Difference (%)
(1)	(2)	(4)	(5)=(4)/(3)	(6)	(7)=(6)/(4)	(8)	(9)=(8)/(6)
Average tariff	lei/MWh	9,17	38,1%	12,84	40,02%	11,51	-10,36%

The main elements that led to the increase in the tariff applied from January 1 to May 31, 2024 are:

- Increased costs for purchasing system services;
- Decrease negative correction;
- Decrease in chargeable quantity.

The positive and negative adjustments of the tariff in the period June 1 - December 31, 2024, were 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 If 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 verifications at the end of the first quarter and first semester of 2024 of the situation of costs and revenues related to the system services activity, ANRE adjusted accordingly the tariff amount for the period June 01 - December 31, 2024.

(g) Contingencies

At December 31, 2024, **contingent liabilities** totaled 55,651. These relate to disputes involving claims for additional costs incurred as a result of the increase in the minimum construction wage for investment contracts, of which we list the most significant:

- Case no. 25896/3/2020 - plaintiff Electromontaj Bucharest (37.034)

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

Judgement date: 25.08.2022 - Expert report submission.

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

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

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

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

Electromontaj SA lodged an appeal and set a term for 13.09.2024.

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

On 06.12.2024, the Court of Appeals dismisses the appeal as unfounded, dismisses the Appellant-Claimant's motion for costs on appeal as unfounded, final.

The ICCJ ordered the transfer of the case to the CA Craiova and the annulment of the CAB decision.

- Case No 30801/3/2021 - Complainant Romelectro (2.271)

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

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

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

The accompanying notes are an integral part of these consolidated financial statements.

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

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

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

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

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

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

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

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

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

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

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

At the term of October 18, 2024, the case is adjourned to 10.01.2025 for lack of expert's report. At the term of 10.01.2025, the court sets a term for the communication of the expert's report on **04.04.2025**. At the deadline of 04.04.2025, the court adjourned the case to 16.05.2025 to take note of the objections raised to the expert report.

- *Case no. 8193/3/2022 - complainant Tempos Sev (2.437)*

The file concerns claims representing claims - GEO 114/2018 for contract C80/2018 - *Refurbishment of 220/110kV Hășdat station*.

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

At the hearing on 14.10.2022, the judgement was adjourned to 21.10.2022. Solution: "Pursuant to Article

258 and Article 255 of the Civil Procedure Code, it authorises for both parties the production of documentary evidence and for the defendant it also authorises the production of evidence of the applicant's cross-examination and of the accountant's expert's report. The Court orders that the accountant's expert's report shall have the objectives indicated by the defendant in its statement of defence, to which shall be added the additional objectives indicated by the defendant in the Note of Evidence filed at the hearing on 14 October 2022, as well as the objectives indicated by the plaintiff in the Notes of the hearing filed at the same hearing. Orders the applicant to file the documents requested by the defendant in the Note of 14 October 2022. The applicant is requested to file the reply to the interrogatory which was communicated with the statement of defence, under the signature of the legal representative,

The accompanying notes are an integral part of these consolidated financial statements.

under penalty of application of the provisions of Article 358 of the Civil Procedure Code. Delivered today, 21.10.2022, by delivery of the judgment to the parties by the court registry." Judgment date 05.05.2023.

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

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

At the term of October 18, 2024, adjourned the case to 13.12.2024 for lack of expert's report. At the term of 13.12.2024, the court adjourned the case to **21.03.2025** for the drawing up of the expert's report on the basis of the documents before it. At the deadline of 21.03.2025, the case is postponed and a deadline of **13.06.2025** is granted for the preparation of the expert report.

- *Case No 8442/3/2022 - Complainant Tempos Sev (1.429)*

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

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

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

- *Case nr. 8440/3/2022 - complainant Tempos Sev (2.437)*

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

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

At the hearing on 08.11.2022, the case is adjourned

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

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

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

Due to the absence of the expert's report, the court adjourns the case to **02.09.2025**.

- *Case 4478/118/2024 - complainant Pet Communication (3.093)*

The case concerns the non-existence of the right of the defendant NPG CO. Transelectrica SA to invoice penalties for exceeding the execution time for the main stages 2 and 3 of the contract no. C45/23.02.02.2021.

At the term of 08.08.2024, in order to administer the proposed evidence, adjourned the case to 07.11.2024.

After several adjournments, due to the absence of the expert's report, the trial is set for **03.04.2025**. Due to the lack of an expert report, the court postpones the hearing of the case to **05.06.2025**.

- *Case no. 6580/117/2024 - plaintiff Electrogrup SA from Cluj (2.760)*

The case concerns the execution of a procurement contract, namely:

1. To oblige Transelectrica to conclude an addendum to the Works Contract no. C5 of May 19, 2021, having as object the extension of the contractual duration with the days of delay resulting from the execution of the contract that are not the Executor's fault, provisionally estimated at 616 days;

2. Order Transelectrica to reimburse the amounts paid by way of penalties on the basis of Invoices No. 114 of March 29, 2024 (paid by Payment Order No. 13065/25.06.2024) and No. 296 of June 25, 2024 (paid by Payment Order No. 15424/23.07.2024) issued by the defendant, in the total amount of 2.164 as undue payment, plus the legal interest due from the date of their payment until the date of restitution, (i) primarily, as a result of the defendant being obliged to conclude an additional act to the Works Contract

no. C5 of May 19, 2021, having as its object the extension of the contractual duration by the days of delay resulting from the execution of the contract which are not the fault of the Performer and (ii) in the alternative, as a result of the finding that the days of delay imputed by Transelectrica are not the fault of the Performer;

3. Obliging Transelectrica to pay damages, representing the damage suffered by the plaintiff due to the delays, provisionally estimated at 596.

At the term of 14.02.2025, the court adjourned the case until **14.03.2025**. The court adjourns the case to 23.05.2025, in order for the defendant to file a procedural position/response.

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

- *Audit by the Court of Auditors of Romania*

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

a) contracting and procurement;

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

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

Following the completion of the audit mission, Department IV of the Court of Auditors of Romania issued the *Compliance Audit Report of NPG CO. Transelectrica SA no. 6000/23.01.2025* and the *Letter to the management no. 60001/23.01.2025*, which established a number of 17 findings with a deadline for implementation April 30, 2025.

In light of these findings, the Company's management has ordered an internal review which is ongoing.

30. AFFILIATED PARTIES

i) *Related parties - main economic and financial indicators of the Company's Subsidiaries as at 31.12.2023*

The main economic and financial indicators achieved by the Company's subsidiaries as at December 31, 2023 (the last financial year for which the financial statements of the subsidiaries have been approved) are presented as follows:

Name of indicators	OPCOM	FORMENERG
Turnover	49.450	2.838
Gross profit/loss	19.745	(815)
Subscribed share capital	31.366	1.948
Unsubscribed share capital	-	-
Reserves	10.948	250
Total shareholders' equities	62.785	1.867

ii) *Related parties - transactions with Subsidiaries owned by the Company*

At December 31, 2024 and December 31, 2023 balances with subsidiaries owned by the Company are detailed as follows:

Affiliated entity	Trade receivables		Trade liabilities	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
FORMENERG SA	-	-	-	-
OPCOM SA	634.691	137.025	644.297	170.044
TOTAL	634.691	137.025	644.297	170.044

Transactions carried out in 2024 and 2023 with its subsidiaries are detailed as follows:

The accompanying notes are an integral part of these consolidated financial statements.

Affiliated entity	Sales		Procurements	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
FORMENERG SA	-	-	7	85
OPCOM SA	3.637.185	1.443.107	1.833.386	3.241.883
TOTAL	3.637.185	1.443.107	1.833.394	3.241.968

During 2024, the Company received dividends from its subsidiary OPCOM (14,650).

iii) Related parties - transactions with other state-owned enterprises

The company is a majority state-owned entity.

The value of the Company's transactions with entities controlled by the State or over which the State exercises significant influence represents a significant portion of the sales and purchases recorded in the year ended December 31, 2024.

As described in Note 1 ("Legislative environment"), the Company's activities are regulated by ANRE. At the same time, as also presented in Note 3 (b), in accordance with the Concession Contract and the Electricity and Natural Gas Law No. 123/2012, an annual royalty is payable, calculated as 4/1000 of the value of gross revenues realized from the gross revenues from the transmission and transit of electricity through the national transmission systems, which are publicly owned by the State.

iv) Affiliates - companies in which NPG CO. Transelectrica holds stakes

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 to the following entities:

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

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.

31. SALARIES OF COMPANY MANAGEMENT

Salaries paid to employees on Individual Employment Contracts (IEC) in management positions for services rendered are mainly composed of basic salary, management allowance, termination and post-employment benefits, as well as fixed and variable components for members of the Directorate and Supervisory Board.

These are detailed as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Employees under Individual contract in managerial positions</u>		
Short-term benefits	28.500	25.345
Other long-term benefits	316	105

The accompanying notes are an integral part of these consolidated financial statements.

Directorate and Supervisory Board members

Fixed component	5.029	4.350
Variable component	-	-
Total	33.845	29.799

By Decision no. 9 of the Ordinary General Meeting of Shareholders of the National Electricity Transmission Company "Transelectrica" - S.A. of October 18, 2023, the appointment of the members of the Supervisory Board was approved for a term of office of 5 months, starting October 22, 2023, with the possibility of extension, once, for another 2 months, for good reasons, as well as the establishment of the remuneration.

By Decision no. 10 of the Ordinary General Meeting of Shareholders of the National Electricity Transmission Company "Transelectrica" - S.A. of November 28, 2023, the appointment of a provisional member of the Supervisory Board was approved for a term of office until March 21, 2024, with the possibility of extension, once, for another 2 months, for good reasons, as well as the establishment of the remuneration.

By the Decision no. 1 of the Ordinary General Meeting of the Shareholders of the National Electricity Transmission Company "Transelectrica" - S.A. of 28.02.2024, the appointment of the members of the Supervisory Board was approved for a term of office of 4 years, starting from 01.03.2024 and until 29.02.2028, as well as the remuneration.

By Supervisory Board Decision No. 39 of 24.10.2023, the appointment of the members of the Company's Directorate as of 25.10.2023 for a term of 5 months, with the possibility of extension, once, for another 2 months, for good reasons, was approved, as well as the determination of the remuneration.

By Supervisory Board Decision no. 11 of 21.03.2024, it was approved the two-month extension of the members of the Company's Directorate from 25.03.2024 until 24.05.2024.

By Supervisory Board Decision no. 23 of 22.05.2024, the appointment of the members of the Company's Directorate as of 25.05.2024 for a term of 5 months was approved, as well as the determination of their remuneration.

By Decision of the Supervisory Board no. 39 of 30.09.2024, in accordance with the provisions of art. 35 paragraphs (4)-(8) and (11) of GEO no. 109/2011 on the corporate governance of public enterprises, following the completion of the selection procedure for the candidates for the positions of members of the Directorate of NPG CO. Transelectrica SA, pursuant to art. 23 of the Articles of Association, the appointment of the members of the Company's Directorate as of 03.10.2024 until 29.02.2028 for a maximum period of four years, as well as the establishment of their remuneration, was approved.

32. NON-CONTROLLING INTERESTS

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Balance at January 1	-	-
Share of loss in year	-	-
Additional Non-controlling interests	-	-
Balance at end of period	-	-

33. FINANCIAL INSTRUMENTS*Financial risk management*

The Group is exposed to the following risks arising from financial instruments: market risk (interest rate risk and currency risk), credit risk and liquidity risk. The Group's overall management focuses on the unpredictability of the financial market and seeks to minimize potential adverse effects on the Group's financial performance. Market risk is the risk that changes in market prices such as foreign exchange and interest rates will affect the Group's income or the value of its holdings of financial instruments.

The Group has no formal commitments to combat financial risks. However, financial risks are monitored at management level with an emphasis on the Group's needs to effectively offset opportunities and threats.

This note discloses information about the Group's exposure to the aforementioned risks, the objectives, policies and processes related to risk measurement and management, and the Company's capital management.

Interest rate risk

The Group's operating cash flows are affected by changes in interest rates, mainly as a result of long-term foreign currency borrowings from external funding banks. The Group has long-term fixed-interest borrowings which may not expose it to cash flow risk.

As at the balance sheet date, the ratio between the Group's fixed interest rate and floating rate financial instruments is shown below:

	December 31, 2024	December 31, 2023
Fixed interest rate financial instruments		
Financial liabilities	32.205	56.434
Variable rate financial instruments		
Financial liabilities	8.354	7.072

Currency risk

The Group may be exposed to foreign exchange fluctuations through cash and cash equivalents, non-current borrowings or trade payables denominated in foreign currencies.

The Group's functional currency is the Romanian leu. The Group is exposed to foreign exchange risk on cash and cash equivalents, purchases and borrowings denominated in currencies other than the functional currency. The currencies that expose the Group to this risk are mainly EUR and USD. Foreign currency borrowings and liabilities are subsequently denominated in RON at the exchange rate at the balance sheet date, as communicated by the National Bank of Romania. The resulting differences are included in the profit and loss account but do not affect cash flow until the debt is settled.

The Company's exposure to currency risk, expressed in RON, was:

December 31, 2024	Value	RON	EUR	USD
Monetary assets				
Cash and cash equivalents	707.174	679.442	27.711	22
Other financial assets	-	-	-	-
Trade and other receivables	3.782.840	2.279.595	1.503.223	22
Gross exposure	4.490.014	2.959.037	1.530.933	44
Financial liabilities				
Trade and other liabilities	3.889.713	2.316.112	1.573.601	-
Borrowings	40.559	8.354	32.205	-
Gross exposure	3.930.272	2.324.466	1.605.806	-
Net balance at reporting date	559.742	634.571	(74.873)	
December 31, 2023	Value	RON	EUR	USD
Monetary assets				
Cash and cash equivalents	526.900	500.317	26.550	32
Other financial assets	-	-	-	-
Trade and other receivables	2.116.460	1.659.539	456.900	21
Gross exposure	2.643.359	2.159.855	483.451	53
Financial liabilities				
Trade and other liabilities	2.243.322	1.611.391	631.931	-
Borrowings	63.507	7.072	56.434	-
Gross exposure	2.306.829	1.618.464	688.365	-
Net balance at reporting date	336.530	541.392	(204.915)	53

Trade and other receivables, as well as trade and other payables less suppliers of fixed assets are

The accompanying notes are an integral part of these consolidated financial statements.

expressed in RON only.

The following exchange rates have been applied:

	Average exchange rate		Exchange rate on	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
RON/ EURO	4,9748	4,9520	4,9741	4,9746
RON/ USD	4,6048	4,5700	4,7768	4,4958

Currency risk sensitivity analysis

A 10% appreciation of the Romanian leu against the following foreign currencies at December 31, 2024 and December 31, 2023 would have increased gross profit by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit December 31, 2024	Profit December 31, 2023
EUR	7.487	20.491
USD	4	5
Total	7.492	20.497

A 10% depreciation of the Romanian leu against the following foreign currencies at December 31, 2024 and December 31, 2023 would have had a similar but opposite effect on the above amounts, assuming all other variables remained constant.

	Loss December 31, 2024	Loss December 31, 2023
EUR	(7.487)	(20.491)
USD	(4)	(5)
Total	(7.492)	(20.497)

Credit risk

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

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

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

The collection risk related to these claims is limited, as these amounts are mainly due from state-owned companies.

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

	Net value December 31, 2024	Net value December 31, 2023
Financial assets		
Net trade receivables	2.580.095	1.618.509
Net other receivables and down payments to suppliers	930.509	282.484
VAT to recover	272.236	215.466

The accompanying notes are an integral part of these consolidated financial statements.

	Net value December 31, 2024	Net value December 31, 2023
Cash and cash equivalents	707.174	526.900
Other financial assets	-	-
Total	4.490.014	2.643.359

The ageing of **receivables** at the date of the statement of financial position was:

	Gross value December 31, 2024	Adjustment of depreciation December 31, 2024	Gross value December 31, 2023	Adjustment of depreciation December 31, 2023
Not reached to maturity	2.491.830	27	1.524.954	341
Due date exceeded 1 – 30 days	2.219	-	(231)	-
Due date exceeded 31 – 90 days	492	-	683	-
Due date exceeded 90 – 180 days	78	-	343	15
Due date exceeded 180 – 270 days	(31)	-	30.182	30.014
Due date exceeded 270 – 365 days	(8)	-	215	17
More than a year	213.581	128.038	192.521	99.771
Total	2.708.160	128.066	1.748.668	130.158

The ageing of **other receivables** at the date of the statement of financial position was:

	Gross value December 31, 2024	Adjustment of depreciation December 31, 2024	Gross value December 31, 2023	Adjustment of depreciation December 31, 2023
Not reached to maturity	1.180.385	331	470.348	1.842
Due date exceeded 1 – 30 days	1.197	-	11.004	-
Due date exceeded 31 – 90 days	4.784	-	16.377	347
Due date exceeded 90 – 180 days	424	342	493	16
Due date exceeded 180 – 270 days	1.154	911	202	35
Due date exceeded 270 – 365 days	849	413	835	1.770
More than a year	86.985	71.036	83.624	80.924
Total	1.275.778	73.033	582.884	84.934

The Group's policy is to record impairment adjustments for loss of value amounting to 100% of customers in dispute, insolvency and bankruptcy and 100% of trade and other receivables not received in a period of more than 180 days, excluding outstanding receivables arising from the bonus support scheme. The Company also conducts individual analysis of trade and other uncollected receivables.

The largest impairment adjustments at December 31, 2024, calculated for trade receivables and related penalties, were recorded for JAO (30,002), CET Govora (24,645), Romelectro (24,468), Arelco Power (14,513), Total Electric Oltenia SA (14,186), Romenergy Industry (13,513), Elsaco Energy (9,276), OPCOM (8,818), RAAN (8,517), Next Energy Partners (8,395).

For the recovery of the impairment-adjusted receivables, the Company has taken all legal steps for recovery: initial notification, execution of guarantees, court action, registration in the creditor's estate, etc.

The evolution of **customer impairment adjustments** is presented as follows

	December 31, 2024	December 31, 2023
Opening balance 1 january	130.158	138.513
Recognition of adjustments for impairment	288	38.761
Reversal of adjustments for impairment	2.381	47.115
Balance on the end of period	128.066	130.158

The accompanying notes are an integral part of these consolidated financial statements.

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

	December 31, 2024	December 31, 2023
Opening balance 1 january	84.933	76.919
Recognition of adjustments for impairment	7.431	25.239
Reversal of adjustments for impairment	19.331	17.225
Balance on the end of period	73.033	84.933

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its obligations associated with financial liabilities that are settled in cash or by the transfer of another financial asset.

A prudent liquidity risk management policy implies the maintenance of sufficient cash and cash equivalents, the availability of funding through adequate credit facilities.

	December 31, 2024	December 31, 2023
Assets		
Monetary assets in RON	2.959.037	2.159.855
Monetary assets in foreign currency	1.530.977	483.504
	4.490.014	2.643.359
Liabilities		
Monetary liabilities in RON	(2.324.466)	(1.618.464)
Monetary liabilities in foreign currency	(1.605.806)	(688.365)
	(3.930.272)	(2.306.829)
Net monetary position in RON	634.571	541.392
Net foreign currency monetary position	(74.829)	(204.861)

The following table shows the contractual maturity of financial liabilities, including interest payments:

December 31, 2024	Net value	Contract value	<12 months	1-2years	2-5years	>5years
Financial liabilities						
Trade and other liabilities	3.864.176	3.838.172	3.858.507	1.604	4.065	-
Other tax and social security liabilities	25.537	25.613	25.537	-	-	-
Borrowings	40.559	47.205	32.641	6.483	1.435	-
Total	3.930.272	3.910.990	3.916.685	8.087	5.500	-
December 31, 2023	Net value	Contract value	<12 months	1-2years	2-5years	>5years
Financial liabilities						
Trade and other liabilities	2.217.276	2.206.636	2.207.862	9.414	-	-
Other tax and social security liabilities	26.046	26.046	26.046	-	-	-
Borrowings	63.507	71.434	31.600	12.011	19.895	-
Total	2.306.829	2.304.116	2.265.509	21.425	19.895	-

Fair value of financial instruments

Fair value is the amount at which the financial instrument would change in normal arm's length transactions between knowledgeable, willing parties in knowledge of objective circumstances, other than those determined by liquidation or foreclosure. Fair values are derived from quoted market prices or cash

flow models, as appropriate. At December 31, 2024 and December 31, 2023, management believes that the fair values of cash and cash equivalents, trade and other receivables, trade payables, loans, and other short-term liabilities approximate their carrying amounts. The carrying amount of borrowings is depreciated cost.

December 31, 2024	Accounting value	Fair value
Financial Assets		
Net trade receivables	2.580.095	2.580.095
Cash and cash equivalents	707.174	707.174
Net other receivables and down payments to suppliers	930.509	930.509
VAT to be recovered	272.236	272.236
Other financial assets	-	-
Total	4.490.014	4.490.014
Non-current financial liabilities		
Borrowings, except bonds	7.918	7.918
Total	7.918	7.918
Current financial liabilities		
Providers, including asset providers	3.848.033	3.848.033
Borrowings	32.641	32.641
Amounts due to employees and other liabilities	41.680	41.680
Total	3.922.354	3.922.354
December 31, 2023	Accounting value	Fair value
Financial Assets		
Net trade receivables	1.618.509	1.618.509
Cash and cash equivalents	526.900	526.900
Net other receivables and down payments to suppliers	282.484	282.484
VAT to be recovered	215.466	215.466
Other financial assets	-	-
Total	2.643.359	2.643.359
Non-current financial liabilities		
Borrowings, except bonds	31.906	31.906
Total	31.906	31.906
Current financial liabilities		
Providers, including asset providers	2.202.467	2.202.467
Borrowings	31.600	31.600
Amounts due to employees and other liabilities	40.855	40.855
Total	2.274.923	2.274.923

Categories of financial instruments

	December 31, 2024	December 31, 2023
Financial Assets		
Cash and cash equivalents	707.174	526.900
Trade and other receivables	3.782.840	2.116.460
Financial liabilities		
Depreciated cost	3.930.272	2.306.829

Personnel risk and the pay system

At December 31, 2024, the average age of the Group's personnel is high. There is a possibility that in the

The accompanying notes are an integral part of these consolidated financial statements.

future, the Group may face a shortage of personnel due to employee departures due to natural causes.

Another personneling risk is the possibility of highly qualified employees leaving for private companies, which may offer salary packages and compensation above the current level offered by the Company.

Capital risk management

The Group's policy is to maintain a strong capital base to keep investors, lenders and a confident market and also to support future business development.

Debt indicator

	December 31, 2024	December 31, 2023
Current and long-term borrowings	40.559	63.507
Cash and cash equivalents	(707.174)	(526.900)
Other financial assets	-	-
	(666.615)	(463.393)
Total equity	5.656.984	5.068.137
Indebtedness indicator	0,86	0,64

34. FEES CHARGED BY EACH STATUTORY AUDITOR OR AUDIT FIRM

The statement of the fees charged by each statutory auditor or audit firm for the statutory audit of the annual financial statements and the total fees charged by each statutory auditor or audit firm for other assurance services, tax advisory services and non-audit services, as per item 38 of Annex 1 of the OMFP no. 2844/2016 with subsequent amendments and additions, for the financial year 2024, is presented as follows:

- **PKF Finconta SRL** - Contract no. 1235/17.01.2025 - "Financial audit services for the year 2024" which includes the following services:
 - ✓ audit of the separate financial statements prepared in accordance with OMFP No 2844/2016;
 - ✓ the audit of the consolidated financial statements prepared in accordance with IFRS as adopted by the European Union and prepared in accordance with OMFP no. 2844/2016;
 - ✓ issuing the Report on the conformity of the Annual Report with the separate annual financial statements;
 - ✓ issuing the Report on the conformity of the Consolidated Annual Report with the consolidated annual financial statements;
 - ✓ audit services on the fulfillment of the financial conditions specified in the loan contracts concluded/to be concluded with Commercial Banks/ International Financial Institutions;
 - ✓ to audit the revenues realized from the activity of providing telecommunication networks in order to certify the revenues and the consistency with the accounting records for the determination of the monitoring tariff by the public regulator for electronic communications (ANCOM) in accordance with the applicable legislation (at the date of drafting this specification - Decision No 2892/2007);
 - ✓ auditing the financial indicators assumed in the Management Plan/ Management Component of the Management Plan for the payment of the rights provided for in the mandate contracts concluded with the members of the Company's Directorate and with the members of the Company's Supervisory Board, respectively issuing a Report attesting the correctness of the calculations of the financial indicators assumed by the mandate contracts concluded by the Company with each member of the Directorate and of the Supervisory Board of Transelectrica;
 - ✓ to analyze the transactions reported by the Company pursuant to Article 108 of Law no. 24/2017 on issuers of financial instruments and market operations, republished, and to prepare and submit to the Company the reports referred to in Article 108 paragraphs (5) and (6) of Law no. 24/2017 on issuers of financial instruments and market operations, republished;
 - ✓ the preparation and delivery/transmission of supplementary reports on transactions claimed by shareholders representing at least 5% of the total voting rights, referred to in Article 111, para. (1) lit. b) of Law no. 24/2017 on issuers of financial instruments and market operations, republished, in accordance with the financial auditing standards and the reporting framework defined by the international accounting standards and A.S.F. regulations, under the conditions of art. 144 lit. C of A.S.F. Regulation no. 5/2018 on issuers of financial instruments and market operations.

The accompanying notes are an integral part of these consolidated financial statements.

- ✓ audit information on issues such as business model, strategy and related policies, non-financial key performance indicators and target indicators, corporate governance on sustainability issues, dual materiality assessment, ESG risk and opportunity management, as well as environmental (including European taxonomy) and social disclosures in accordance with the Taxonomy Regulation (EU) 2022/852 and Directive (EU) 2022/2464 (CSRD), adopted on November 28, 2022.

The fees charged for financial audit services for the financial year 2023 and paid in the year 2024 are in the amount of 363, plus VAT. Except for the above mentioned contract, there are no other service contracts with the statutory auditor.

35. ENVIRONMENTAL OBJECTIVES

NPG CO. Transelectrica SA has implemented an integrated management system for quality, environment, occupational health and safety, through which it efficiently manages the environmental aspects related to the transmission of electricity, as well as the maintenance and modernization of the ETG, in order to prevent pollution and increase environmental performance.

The Company's concern for environmental protection is also reflected in the Policy Statement of the integrated management system in the areas of quality, environment, occupational health and safety.

The fundamental objective of the development strategy is to meet the needs and expectations of its customers and other stakeholders in an Integrated Quality, Environment, Occupational Health and Safety Management System, implemented, certified, maintained and continuously improved in accordance with the requirements of SR EN ISO 9001:2015, SR EN ISO 14001:2015 and SR ISO 45001:2023.

In order to realize this strategy and achieve sustainable success, the Company's management is committed to:

- the operation of the electricity system under the conditions laid down by European and national regulations in primary and secondary legislation to meet the needs and expectations of customers and other stakeholders;
- the organizational framework necessary for establishing, analyzing and implementing the objectives of the Integrated Management System quality, environment, safety and health at work;
- sustainable development and reducing the negative environmental impacts of ETGs by:
 - ✓ Identification of associated environmental issues/risks and opportunities,
 - ✓ monitoring environmental factors, preventing/combating pollution using the best available technologies,
 - ✓ decontamination, rehabilitation or ecological reconstruction of land and water surfaces affected by the Company's activities,
 - ✓ preventing and reducing emissions of fluorinated greenhouse gases (GHGs): SF6, ozone, freon, etc.,
 - ✓ prevention and reduction of air pollution by keeping the concentration of pollutants emitted into the atmosphere (emissions from thermal power plants and cars) within the permitted limits,
 - ✓ prevention and reduction of water pollution by keeping the concentration of pollutants in water within the permitted limits,
 - ✓ proper waste management,
 - ✓ reduce the risk of collision and electrocution of birds,
 - ✓ preventing forest fires by maintaining the safety lane,
 - ✓ avoid alteration of natural habitats, in particular protected natural areas.

At the level of NPG CO. Transelectrica SA, the Integrated Management System Analysis Report is elaborated annually and a program of measures for the continuous improvement of the IMS (including the SMM) is approved.

36. SUBSEQUENT EVENTS

- **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,

The accompanying notes are an integral part of these consolidated financial statements.

- did not approve the establishment 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, as well as 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 existing electricity transmission networks (ETG) - 30% of the total value 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.

- **Reșița-Pancevo 400 kV overhead 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) Reșița (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, 63 kilometers of which are on Romanian territory.

The full commercial operation of the interconnection line between Reșița and Pancevo was realized within the framework of the second phase of the project for the construction of the 400 kV level in the Reșița Transformer Station, 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**

The accompanying notes are an integral part of these consolidated financial statements.

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 finalization 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 axis, after the completion of the 400 kV voltage transition works, which are ongoing at this date.

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

- **ONRC registration of 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 Shareholders' Meeting of the Company, convened 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, have resolved:

- The performance by Transelectrica of financial operations and services with cash on hand 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 up to 500.000 (or equivalent in euro) per transaction.
- 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 a limit of 50, including all expenses incurred with representation in court until a final judgment is rendered.
- 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;
- To approve 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 to authorize 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.

- **Decision no.3 of February 13, 2025 Teletrans Subsidiary**

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

- **Decision No. 3 of the Ordinary General Meeting of Shareholders of April 1, 2025**

The Ordinary General Meeting of Shareholders of the Company, held on April 1, 2025:

- approved the establishment of the Investment Program for the financial year 2025 and the estimates for the years 2026 and 2027;
- approved the Company's Income and Expense Budget for the year 2025, as well as the estimates for the years 2026 and 2027;

- approved the reconfirmation, in accordance with art. 38 and art. 39 of GEO no. 109/2011, with subsequent amendments and supplements, of point 10 of the OGMS Decision no. 3 of April 29, 2024, respectively: establishing the general limits of the remuneration and other benefits to be granted by C.N.T.E.E. TRANSELECTRICA S.A. members of the Executive Board, including fixed compensation, variable compensation, as well as other benefits granted to them.

- **Majority shareholder request**

The Company informed the investing public that on April 8, 2025, it registered the address of the majority shareholder (legally represented by the General Secretariat of the Government), having as subject the Memorandum with the theme: Mandate of the state representatives in the General Meeting of Shareholders/Board of Directors, as the case may be, at national companies, national companies and companies with full or majority state capital, as well as at autonomous public authorities, in order to take the necessary measures to distribute a minimum of 90% of the net profit achieved in 2024 in the form of dividends/payments to the state budget, in order to fulfill its provisions.

The request of the majority shareholder and the response formulated by the Company are posted on the Company's website, in the Investor Relations/AGM/Materials section, related to the annual OGMS meeting, convened for April 29 (30) 2025.

- **Decision No. 4 of the Ordinary General Meeting of Shareholders of April 29, 2025**

The Ordinary General Meeting of Shareholders of the Company, held on April 29, 2025:

- did not approve the separate financial statements of CNTEE „Transelectrica”–S.A. for the financial year 2024;
- did not approve the consolidated financial statements of CNTEE „Transelectrica”–S.A. in accordance with the International Financial Reporting Standards adopted by the European Union as of and for the financial year ended December 31, 2024;
- did not approve the consolidated financial statements prepared in accordance with OMFP no. 2844/2016 for the approval of accounting regulations in accordance with the International Financial Reporting Standards as of and for the financial year ended December 31, 2024;
- did not approve the distribution of the accounting profit remaining after deducting the profit tax on 31.12.2024 in the amount of 585,924,311 lei;
- did not approve the discharge of the members of the Management Board and the members of the Supervisory Board for the financial year 2024;
- approved the Remuneration Report for the financial year 2024;
- approved the "Remuneration Policy for the members of the executive and non-executive management of CNTEE "Transelectrica" - S.A. revised at the level of March 2025;
- did not approve the Annual Report on the individual financial statements of the Company for the financial year ended December 31, 2024;
- did not approve the Annual Report on the consolidated financial statements prepared in accordance with the International Financial Reporting Standards adopted by the European Union of the Company for the financial year ended December 31, 2024;
- did not approve the Annual Report on the consolidated financial statements of the Company prepared in accordance with OMFP no. 2844/2016 for the approval of the accounting regulations in accordance with the International Financial Reporting Standards adopted by the European Union for the financial year ended December 31, 2024;
- did not approve the Consolidated Sustainability Report of CNTEE „Transelectrica”–S.A. for the year 2024;
- did not approve the establishment of the date of June 05, 2025 as the “ex date”, the calendar date from which the shares of the Company subject to the Decision of the Ordinary General Meeting of Shareholders are traded without the rights deriving from that decision;
- approved the establishment of the date of June 06, 2025 as the registration date of the shareholders on whom the effects of the Decision of the Ordinary General Meeting of Shareholders will be reflected;
- did not approve the establishment of the date of June 26, 2025 as the “payment date” of the gross dividend per share from the profit recorded on 31.12.2024.

Considering the AGM Decision No. 4/2025, as well as the memorandum submitted by the majority shareholder on April 8, 2025 regarding the distribution of a minimum share of 90% of the net profit remaining to be distributed for the year 2024 as dividends, the Company's Management decided to amend the financial statements previously issued on March 17, 2025, by amending Note 13 "Equity" regarding the proposal to distribute the net profit for the year 2024 (of the parent company) as dividends in the share of 90.21%, previously 50.20%.

The accompanying notes are an integral part of these consolidated financial statements.

37. DERECOGNITION OF CAPITALIZATION OF OWN TECHNOLOGICAL CONSUMPTION**Impact of derecognition of capitalization of Own technological consumption (OTC)**

Context: How NPG CO. Transelectrica recognizes the additional cost of its own technological consumption in the consolidated financial statements prepared pursuant to OMFP 2844/2016 for the approval of 25>Accounting Regulations in compliance with International Financial Reporting Standards for the financial year 2023, is not in compliance with International Financial Reporting Standards, IFRS-EU, as mentioned by the Financial Supervisory Authority, by Decisions issued No. 1153/18.11.2024 respectively 1155/18.11.2024.

In the context presented NPG CO. Transelectrica has undertaken the measures required in order to comply with the requirements for the preparation and publication of consolidated financial statements for the financial year 2024 and in accordance with IFRS-EU with the restatement of opening balances, in compliance with the International Financial Reporting Standard IAS 38 Intangible Assets.

The recognition as an intangible asset of the additional cost with OTC over and above the cost recognized in tariffs does not meet the IFRS definition of an intangible asset as provided by IAS 38.8, i.e. an asset is a resource

(a) controlled by an entity as a result of past events; and

(b) from which future economic benefits are expected to flow to the entity.

An intangible asset is an identifiable non-monetary asset without physical form.

In accordance with paragraph IAS 38.13:

An entity controls an asset if the entity has the ability to obtain economic benefits

future benefits from the resource base and to restrict the access of others to those benefits.

An entity's ability to control the future economic benefits arising from an asset

intangible normally arises from legal rights the enforcement of which can be upheld in court.

In the absence of legal rights, control is more difficult to demonstrate. However, the legal enforceability of a right is not a prerequisite for control, because the entity may be able to control future economic benefits in other ways

The following presents the derecognition of OTC capitalization beginning with the opening balances for fiscal year 2022. The impact of the derecognition of capitalization is reflected for each year for the period 2022-2023, and the impact of the assumption of balances in each year is presented for the statement of financial position.

In preparing the statement of **financial position** the Group has adjusted the amounts previously reported in the consolidated financial statements prepared in accordance with the provisions of OMFP 2844/2016, respectively the items that have been derecognized are as follows:

- The derecognition of intangible assets represented by additional OTC of 338,527 in 2022, 13,735 in 2023 and 102,020 in 2024.
- Derecognition of depreciation of intangible assets related to additional OTC of 13,987 in 2022, 68,040 in 2023 and 74,479 in 2024.

	Dec 31, 2022 OMFP	Adjustments 2022	Dec 31, 2022 IFRS	Dec 31, 2023 OMFP	Adjustments 2023	Dec 31, 2023 IFRS
	1	2	3=1+2	5	6=2+4	7=5+6
Intangible assets, of which	337.941	(324.539)	13.402	282.378	(270.235)	12.143
Additional Grid losses	324.539	(324.539)	-	270.235	(270.235)	-
Retained earnings	2.201.628	(272.613)	1.929.015	2.431.200	(226.997)	2.204.203
Deferred tax liabilities	110.070	(51.926)	58.144	296.343	(43.238)	253.105
Total assets	8.199.928	(324.539)	7.875.389	8.601.577	(270.235)	8.331.342
Total equity	3.904.693	(272.613)	3.632.080	5.295.134	(226.997)	5.068.137
Total liabilities	4.295.236	(51.926)	4.243.309	3.306.443	(43.238)	3.263.205

	Dec 31, 2024 OMFP	Adjustments 2024	Dec 31, 2024 IFRS
	8	9	10=8+9
Intangible assets, of which	313.147	(297.776)	15.371
Additional OTC	297.776	(297.776)	-
Retained earnings	3.123.993	(250.132)	2.873.861
Deferred tax liabilities	257.169	(47.644)	209.525
Total assets	10.825.542	(297.776)	10.527.766
Total equity	5.907.117	(250.132)	5.656.984
Total liabilities	4.918.426	(47.644)	4.870.782

In preparing the **income statement** the Group has adjusted the amounts previously reported in the consolidated financial statements prepared in accordance with the provisions of OMFP 2844/2016, respectively the items that have been derecognized are as follows:

- *Derecognition* OTC capitalization income of 338,527 in 2022, 13,735 in 2023, and 102,020 in 2024.
- *Derecognize Derecognition* of depreciation expense related to additional OTC of 13,987 in 2022, 68,040 in 2023 and 74,479 in 2024.
- The tax effect of deferred taxes related to the above adjustments of 51,926 in 2022, (8,689) in 2023 and 4,407 in 2024.

	Dec 31, 2022 OMFP	Adjustments 2022	Dec 31, 2022 IFRS	Dec 31, 2023 OMFP	Adjustments 2023	Dec 31, 2023 IFRS
	1	2	3=1+2	1	2	3=1+2
Other revenues	409.863	(338.527)	71.336	108.730	(13.735)	94.995
Grid losses anticipatory tariff income	338.527	(338.527)	-	13.735	(13.735)	-
Depreciation, of which	(281.217)	13.987	(267.229)	(340.445)	68.040	(272.406)
Additional Grid losses depreciation	(13.987)	13.987	-	(68.040)	68.040	-
Income tax expense, of which	(73.990)	51.926	(22.064)	(21.245)	(8.689)	(29.934)
Current tax	(84.791)	-	(84.791)	(38.516)	-	(38.516)
Deferred tax	10.801	51.926	62.728	17.271	(8.689)	8.583
Net profit	521.633	(272.613)	249.020	217.446	45.616	263.061

	Dec 31, 2022 OMFP	Adjustments 2024	Dec 31, 2022 IFRS
	1	2	3=1+2
Other revenues	280.518	(102.020)	178.498
Grid losses anticipatory tariff income	102.020	(102.020)	-
Depreciation, of which	(371.792)	74.479	(297.314)
Additional Grid losses depreciation	(74.479)	74.479	-
Income tax expense, of which	(4.802)	4.407	(395)
Current tax	(49.990)	-	(49.990)
Deferred tax	45.188	4.407	49.595
Net profit	580.108	(23.135)	556.973

Regarding the ASF Decisions referred to, we reiterate that on 19.11.2024 NPG CO.Transelectrica informed the investing public that in the content of the individual and consolidated financial statements for the financial year 2023 prepared in accordance with OMFP no. 2844/2016 for the approval of

25>AccountingRegulations in accordance with the updated International Financial Reporting Standards (including the amendments made by Order 3900/2022), users have been informed about the equity impact that the accounting treatment of own technological consumption has on the financial statements, and relevant information has been presented on its impact on both the financial position and financial performance.

The elaboration of a set of consolidated financial statements in compliance with IFRS-EU was carried out to meet the requirements of the Financial Supervisory Authority, namely for compliance with the provisions of Article 65 paragraph (3) of Law no.24/2017 on issuers of financial instruments and market operations, republished, as amended and supplemented.

Consolidated statement of financial position

	Year 2023 OMFP	Adjust	Year 2023 IFRS	Year 2022 OMFP	Adjust	Year 2022 IFRS
Assets						
Non-current assets						
Tangible assets	5.558.143	-	5.558.143	4.063.849	-	4.063.849
Assets representing rights of use under a lease -buildings	15.048	-	15.048	23.689	-	23.689
Intangible assets	282.378	(270.235)	12.143	337.941	(324.539)	13.402
Financial assets	40.673	-	40.673	40.720	-	40.720
Total non-current assets	5.896.242	(270.235)	5.626.007	4.466.199	(324.539)	4.141.660
Current assets						
Inventories	61.975	-	61.975	53.068	-	53.068
Trade and other receivables	2.116.460	-	2.116.460	3.342.852	-	3.342.852
Profit tax recoverable	-	-	-	4.128	-	4.128
Other financial assets	-	-	-	-	-	-
Cash and cash equivalents	526.900	-	526.900	333.681	-	333.681
Total current assets	2.705.335	-	2.705.335	3.733.729	-	3.733.729
Total assets	8.601.577	(270.235)	8.331.342	8.199.928	(324.539)	7.875.389
Shareholder's equity and liabilities						
Shareholders' equity						
Share capital	733.031	-	733.031	733.031	-	733.031
Share premium	49.843	-	49.843	49.843	-	49.843
Legal reserve	146.606	-	146.606	146.606	-	146.606
Revaluation reserve	1.738.703	-	1.738.703	734.233	-	734.233
Other reserves	195.751	-	195.751	39.351	-	39.351
Retained earnings	2.431.200	(226.997)	2.204.203	2.201.628	(272.613)	1.929.015
Total shareholders' equities attributable to Group owners	5.295.134	(226.997)	5.068.137	3.904.692	(272.613)	3.632.079
Non-controlling interests	-	-	-	-	-	-
Total equity	5.295.134	(226.997)	5.068.137	3.904.692	(272.613)	3.632.079

The accompanying notes are an integral part of these consolidated financial statements.

	Year 2023 OMFP	Adjust	Year 2023 IFRS	Year 2022 OMFP	Adjust	Year 2022 IFRS
Non-current liabilities						
Long term deferred revenues	519.116	-	519.116	439.028	-	439.028
Long term Borrowings	31.906	-	31.906	55.588	-	55.588
Other loans and assimilated debts - Non-current lease liabilities	7.073	-	7.073	15.949	-	15.949
Deferred tax liabilities	296.343	(43.238)	253.105	110.070	(51.926)	58.144
Employee benefits obligations	97.888	-	97.888	86.881	-	86.881
Total long-term liabilities	952.326	(43.238)	909.088	707.516	(51.926)	655.590
Current liabilities						
Trade and other liabilities	2.200.950	-	2.200.950	3.352.175	-	3.352.175
Other loans and assimilated debts - Current lease liabilities	9.253	-	9.253	9.141	-	9.141
Other tax and social security liabilities	26.047	-	26.047	17.377	-	17.377
Current Borrowings	31.600	-	31.600	97.950	-	97.950
Provisions	67.191	-	67.191	71.557	-	71.557
Short term deferred revenues	16.138	-	16.138	39.520	-	39.520
Income tax payable	2.938	-	2.938	-	-	-
Total current liabilities	2.354.117	-	2.354.117	3.587.720	-	3.587.720
Total liabilities	3.306.443	(43.238)	3.263.205	4.295.236	(51.926)	4.243.310
Total shareholders' equity and liabilities	8.601.577	(270.235)	8.331.342	8.199.928	(324.539)	7.875.389

	Year 2024 OMFP	Adjust	Year 2024 IFRS
Assets			
Non-current assets			
Tangible assets	5.915.254	-	5.915.254
Assets representing rights of use under a lease -buildings	8.150	-	8.150
Intangible assets	313.147	(297.776)	15.371
Financial assets	40.833	-	40.833
Total non-current assets	6.277.384	(297.776)	5.979.608
Current assets			
Inventories	58.144	-	58.144
Trade and other receivables	3.782.840	-	3.782.840
Profit tax recoverable	-	-	-
Other financial assets	-	-	-
Cash and cash equivalents	707.174	-	707.174
Total current assets	4.548.158	-	4.548.158
		-	
Total assets	10.825.542	(297.776)	10.527.766
Shareholder's equity and liabilities			
Shareholders' equity			
Share capital	733.031	-	733.031
Share premium	49.843	-	49.843
Legal reserve	146.606	-	146.606
Revaluation reserve	1.596.896	-	1.596.896
Other reserves	256.747	-	256.747
Retained earnings	3.123.993	(250.132)	2.873.861
Total shareholders' equities attributable to Group owners	5.907.116	(250.132)	5.656.984
Non-controlling interests	-	-	-
Total equity	5.907.116	(250.132)	5.656.984
Non-current liabilities			
Long term deferred revenues	538.015	-	538.015
Long term Borrowings	7.918	-	7.918
Other loans and assimilated debts - Non-current lease liabilities	1.604	-	1.604
Deferred tax liabilities	257.169	(47.644)	209.525
Employee benefits obligations	116.159	-	116.159
Other Non-current liabilities	5.613	-	5.613
Total non-current liabilities	926.478	(47.644)	878.834

The accompanying notes are an integral part of these consolidated financial statements.

	Year 2024 OMFP	Adjust	Year 2024 OMFP
		-	
Current liabilities		-	
Trade and other liabilities	3.855.244	-	3.855.244
Other loans and assimilated debts - Current	7.328	-	7.328
building lease liabilities	25.537	-	25.537
Other tax and social security liabilities	32.641	-	32.641
Current Borrowings	35.953	-	35.953
Provisions	22.232	-	22.232
Short term deferred revenues	13.013	-	13.013
Income tax payable		-	
Total current liabilities	3.991.948	-	3.991.948
		-	
Total liabilities	4.918.426	(47.644)	4.870.782
		-	
Total shareholders' equity and liabilities	10.825.542	(297.776)	10.527.766

Consolidated profit and loss account

	Year 2023 OMFP	Adjust	Year 2023 IFRS	Year 2022 OMFP	Adjust	Year 2022 IFRS
Operating revenues						
Transmission revenues	1.956.027	-	1.956.027	1.884.909	-	1.884.909
System service revenues	390.661	-	390.661	533.616	-	533.616
Balancing market revenues	2.269.419	-	2.269.419	3.478.995	-	3.478.995
Other revenues	108.730	(13.735)	94.995	409.863	(338.527)	71.336
Total operating revenues	4.724.837	(13.735)	4.711.102	6.307.383	(338.527)	5.968.856
		-				
Operating expenses						
System Operating Expenses	(640.426)	-	(640.426)	(901.663)	-	(901.663)
Balancing market expenses	(2.268.981)	-	(2.268.981)	(3.479.716)	-	(3.479.716)
System services expenses	(499.185)	-	(499.185)	(466.608)	-	(466.608)
Depreciation and amortization	(340.445)	68.040	(272.406)	(281.217)	13.987	(267.229)
Personnel expenses	(447.429)	-	(447.429)	(385.954)	-	(385.954)
Repairs and maintenance expenses	(55.445)	-	(55.445)	(51.380)	-	(51.380)
Materials and consumables	(21.172)	-	(21.172)	(40.372)	-	(40.372)
Other operational expenses	(210.705)	-	(210.705)	(96.637)	-	(96.637)
Total operating expenses	(4.483.788)	68.040	(4.415.749)	(5.703.547)	13.987	(5.689.559)
		-				
Operating result	241.049	54.305	295.353	603.836	(324.539)	279.297
		-				
Financial income	35.896	-	35.896	65.058	-	65.058
Financial expenses	(38.254)	-	(38.254)	(73.271)	-	(73.271)
Net financial result	(2.358)	-	(2.358)	(8.213)	-	(8.213)
		-				
Result before income tax	238.691	54.305	292.995	595.623	(324.539)	271.084
Income tax	(21.245)	(8.689)	(29.934)	(73.990)	51.926	(22.064)
Result for the year from continuing operations	217.446	45.616	263.061	521.633	(272.613)	249.020
RESULT OF THE EXERCISE						
Attributable:						
Group Owners	217.446	45.615	263.061	521.633	(272.613)	249.020
Non-controlling interests	-	-	-	-	-	-
Basic and diluted earnings per share (lei/share)	2,97	(1)	3,59	7,12	(4)	3,40

	Year 2023 OMFP	Adjust	Year 2023 IFRS	Year 2022 OMFP	Adjust	Year 2022 IFRS
Result of the financial year	217.446	45.616	263.061	521.633	(272.613)	249.020
Other comprehensive income						
Elements which will not be reclassified in the profit and loss account, out of which:						
- Effect of taxation on revaluation reserve	(203.451)	-	(203.451)		-	-
- Surplus from the revaluation of tangible assets	1.275.560	-	1.275.560		-	-
- Actuarial losses on defined benefit plans	905	-	905	(10.575)	-	(10.575)
Other comprehensive income (OCI)	1.073.014	-	1.073.014	(10.575)	-	(10.575)
Total comprehensive income for the year	1.290.460	45.616	1.336.075	511.058	(272.613)	238.445

	YEAR 2024 OMFP	Adjust	YEAR 2024 IFRS
Operating revenues			
Transmission revenues	2.024.457	-	2.024.457
System service revenues	633.277	-	633.277
Balancing market revenues	4.965.724	-	4.965.724
Other revenues	280.518	(102.020)	178.498
Total operating revenues	7.903.976	(102.020)	7.801.956
Operating expenses			
System Operating Expenses	(715.613)	-	(715.613)
Balancing market expenses	(4.965.535)	-	(4.965.535)
System services expenses	(523.611)	-	(523.611)
Depreciation and amortization	(371.792)	74.479	(297.314)
Personnel expenses	(489.463)	-	(489.463)
Repairs and maintenance expenses	(66.410)	-	(66.410)
Materials and consumables	(23.015)	-	(23.015)
Other operational expenses	(173.302)	-	(173.302)
Total operating expenses	(7.328.741)	74.479	(7.254.263)
Operating result	575.235	(27.541)	547.693
Financial income	26.879	-	26.879
Financial expenses	(17.204)	-	(17.204)
Net financial result	9.675	-	9.675
Result before income tax	584.910	(27.541)	557.368
Income tax	(4.802)	4.407	(395)
Result for the year from continuing operations	580.108	(23.135)	556.973
RESULT OF THE EXERCISE			
Attributable:			
Group Owners	580.108	(23.135)	556.973
Non-controlling interests	-	-	-
Basic and diluted earnings per share (lei/share)	7,91	(0.3)	7,60

	Year 2024 OMFP	Adjust	Year 2024 IFRS
Result of the financial year	580.108	(23.135)	556.973
Other comprehensive income			
Elements which will not be reclassified in the profit and loss account, out of which:			
- Effect of taxation on revaluation reserve	(6.014)	-	(6.014)
- Surplus from the revaluation of tangible assets	-	-	-
- Actuarial losses on defined benefit plans	(414)	-	(414)
Other comprehensive income (OCI)	(6.428)	-	(6.428)
Total comprehensive income for the year	573.680	(23.135)	550.545

The accompanying consolidated financial statements have been signed by management as of April 30, 2025:

Directorate,

**Ștefăniță
MUNTEANU**
Directorate
Chairman

**Cosmin-Vasile
NICULA**
Directorate
Member

**Victor
MORARU**
Directorate
Member

**Florin-Cristian
TĂTARU**
Directorate
Member

**Cătălin-Constantin
NADOLU**
Directorate
Member

**Florin STANCIU – Manager DSFTM
f.Economic and Financial Directorate**

Cristiana Zîrnovan
Budget and Management Reporting Department
Manager

