



Transelectrica®
Societate Administrată în Sistem Dualist

Compania Națională de Transport al Energiei Electrice
Transelectrica SA - Sediul Social: Str. Olteni, nr. 2-4, C.P. 030786, București
România. Număr înregistrare Oficiul Registrului Comerțului J40/8060/2000,
Cod Unic de înregistrare 13328043. Telefon +4021 303 56 11, Fax +4021 303 56 10
Capital subscris și vărsat: 733.031.420 Lei
www.transelectrica.ro

No.....

To: **Bucharest Stock Exchange - Regulated Markets Issuers Operations Department**
Financial Supervisory Authority - General Supervision Division - Issuers Division

Statement in accordance with Law 24/2017, Financial Supervisory Authority Regulation no. 5/2018 and the BSE Code

Date of the report: **August 14, 2024**

Name of the issuing entity: **NPG CO. TRANSELECTRICA SA, Company managed under a two-tier system**

Registered office: 2-4 Olteni Str., sector 3, Bucharest

Phone/fax number: 021 30 35 611/021 30 35 610

Tax Registration Number: 13328043

Order number in the Trade Register: J40/8060/2000

Subscribed and paid-up share capital: 733.031.420 RON

LEI code: 254900OLXCOUQC90M036

Regulated market on which issued securities are traded: Bucharest Stock Exchange

Important event to report:

Summary of financial results related to the closing of the first semester of the year 2024

The reporting includes:

- Unaudited Interim Simplified Standalone Financial Statements as of June 30, 2024
- Unaudited Consolidated Interim Financial Statements as of June 30, 2024
- Half-yearly Report on the activity of NPG CO. "Transelectrica" S.A. for the period January-June 2024

The segment of allowed-profit activities recorded a positive result in the amount of 317 million lei in H1 2024, an increase compared to the result in the amount of 218 million lei achieved in H1 2023, considering that operating revenues increased by 21% (212 million lei), correlated with an increase in expenses (including depreciation) by 15% (113 million lei).

The increase in operating revenues (RON 1,205 million in H1 2024 compared to 993 million lei in H1 2023) was mainly influenced by the increase in the volume of charged electricity (1.7%) calculated at the tariffs approved by ANRE, revenues from OTC transactions (+48.7 million lei) and OTC capitalization in the amount of 23.9 million lei (non-monetary), revenues from breakdown aid, as well as from the recording of certain conjunctural revenues from other operating revenues (+105 million lei).

The increase in other operating income is mainly determined by the registration in the segment of income from compensations, fines and penalties of the amount of 95 million lei, as a result of 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 certain amounts (additional payment obligations established by Tax Assessment Decision no. F-MC 439/30.06.2017) enforced in 2017 by ANAF, based on the enforceable title no.13540 /22.08.2017.

The interconnection revenues recorded a decrease from 181 million lei in H1 2023 to 102 million lei in H1 2024 corresponding to the level of utilization of available interconnection capacity by traders on the electricity market. The interconnection capacity allocation market is fluctuating, with prices evolving in line with demand and the need of electricity market participants to purchase interconnection capacity.

Operating expenses (including depreciation) increased by 15% (888 million lei in H1 2024 compared to 775 million lei in H1 2023), whereas the costs of energy purchase to cover own technological consumption amounted to 296 million lei, 13% higher (+35 million lei) compared to H1 2023.

Following the provisions of GEO no. 153 /2022 (for the period January-March 2024) and GEO 32/2024 (for the period April-June 2024) Transelectrica purchased electricity to cover 75% of the quantity of the OTC forecast validated by the Centralized Electricity Purchase Mechanism (MACEE), at a regulated purchase price, and the average price of the energy purchased from the DAM during the period January - June 2024 was lower than the price of the similar period of 2023, remaining however higher than the price recorded in the previous years.

The segment of zero-profit activities recorded a negative result in H1 2024 in the amount of 50 million lei, an increase of +9 million lei compared to the negative result recorded in H1 2023. The regulatory framework specific to zero-profit activities contains regularization mechanisms that ensure the compensation of the



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excess or shortfall of revenues compared to the level of expenses necessary to carry out the respective activities.

Indicators	M.U.	H1 2024	H1 2023	Δ*
Financial				
Charged quantity	[TWh]	25.40	24.97	▲ 1.71%
ALLOWED PROFIT ACTIVITIES				
Average transport tariff (achieved)	[lei/MWh]	31.53	29.93	▲ 5%
Operating revenues, of which:	[million lei]	1.205	993	▲ 21%
Regulated transmission tariff revenue	[million lei]	801	748	▲ 7%
Interconnection revenues	[million lei]	102	181	▼ 44%
Revenues from OTC capitalisation	[million lei]	23.9	0.0	n/a
Operational expenses, of which:	[million lei]	(716)	(608)	▼ 18%
Expenses related to OTC	[million lei]	(296)	(261)	▼ 13%
EBITDA	[million lei]	489	385	▲ 27%
Depreciation	[million lei]	(172)	(167)	▼ 3%
EBIT	[million lei]	317	218	▲ 45%
ZERO-PROFIT ACTIVITIES				
EBIT	[million lei]	(50)	(41)	▼ 21%
ALL ACTIVITIES (Allowed Profit and Zero Profit)				
EBIT	[million lei]	267	177	▲ 51%
Net Profit	[million lei]	264	162	▲ 63%
Operational				
Net domestic consumption	[TWh]	26.0	25.5	▲ 2%
Net domestic production	[TWh]	26.0	28.3	▼ 8%
Net Export(-)/Import(+)	[TWh]	0.01	-2.9	n/a

* + Revenue, positive impact on result (▲), +Expenses, negative impact on result (▼)

The investment expenses in H1 2024 amounted to 236.98 million lei, 16% higher than the investment expenses in H1 2023 (203.44 million lei).

The first semester of 2024 recorded a 2% increase in net domestic consumption and an 8% decrease in net energy production. In January 2024 the electricity consumption at the NES level registered an increase of approximately 5% (influenced by lower temperatures), the increase of approximately 3% in June was also influenced by temperature (increased values), the national average value of 22°C, registering a positive thermal anomaly compared to the monthly norm of 3.1°C (the monthly norm 1991 - 2020 is 18.9°C). The months of April and May registered decreases, (approx 1.7% in April and 3.88% in May 2024, respectively).

Overall in the second quarter of 2024 the OTC in ETG decreased by 9% compared to the same period in 2023, mainly as a result of favorable physical flows on the interconnection lines on the borders with Ukraine and Hungary but also favorable weather conditions characterized by lower precipitation amounts, which led to a reduction in corona losses.

The Report regarding the activity of the Company from January through June 2024 and the Interim Consolidated and Standalone Financial Statements as of June 30, 2024, are available starting August 14, 2024, as follows:

- online, on the website www.transelectrica.ro, in the Investor Relations section Periodical Reporting/Reports, respectively <https://www.transelectrica.ro/rapoarte-2024>;
- at the Company's headquarters: 2-4 Olteni str., sector 3, Bucharest.

Ștefăniță MUNTEANU
Directorate Chairman

Florin-Cristian TĂTARU
Directorate Member



NPG TRANSELECTRICA SA

Half-yearly report
January - June 2024



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**REPORT ON THE ECONOMIC AND FINANCIAL ACTIVITY
OF NPG "TRANSELECTRICA" SA**

**in accordance with Article 67 of Law no.24/ 2017 on the capital market and Regulation no.5/ 2018
issued by the Financial Supervisory Authority (ASF)**

for the period ending June 30, 2024

Report date:	August 14, 2024
Company name:	NPG TRANSELECTRICA SA, a dual-tier company
Head office:	Bucharest, Str. Olteni nr. 2 - 4, District 3, postal code 030786
Phone/fax number:	021 303 5611/ 021 303 5610
Trade Register sole code:	13328043
Trade Register number:	J40/ 8060/ 2000
LEI code (Legal Entity Identifier)	254900OLXOUQC90M036
Date of establishment of the Company:	31.07.2000/ GEO 627
Share Capital:	733,031,420 RON, subscribed and paid up
The regulated market on which the issued securities are traded:	Bucharest Stock Exchange, Premium category
Main characteristics of the securities issued:	73,303,142 shares with a par value of 10 RON/share, dematerialised, registered, ordinary, indivisible, dematerialised, freely tradable shares, since 29.08.2006 under the symbol TEL
Market value:	3,071,401,649.80 RON (41.90 RON/share on 30.06.2024)
Accounting standard applied:	International Financial Reporting Standards
Auditing:	The half-yearly financial statements as at June 30, 2024 are unaudited. The amounts corresponding to December 31, 2023 are audited by the external financial auditor.

DECLARATION OF RESPONSIBLE PERSONS

To the best of our knowledge, the condensed separate interimfinancial statements as at and for the six-month period ended June 30, 2024 have been prepared in accordance with International Accounting Standard 34 - "Interim Financial Reporting" and give a true and fair view of the financial position and profit and loss account of NPG Transelectrica SA.

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

Bucharest, August 5, 2024

**Ștefăniță
MUNTEANU**

**Directorate
Chairman**

**Florin-Cristian
TĂTARU**

**Directorate
Member**

**Cătălin-Constantin
NADOLU**

**Directorate
Member**

**Bogdan
TONCESCU**

**Directorate
Member**



Key figures H1 2024 vs H1 2023

KEY FIGURES

FINANCIAL HIGHLIGHTS

RON	4.685	mn	▲	113%	Revenues
				y/y	
RON	439	mn	▲	27%	EBITDA
				y/y	
RON	264	mn	▲	63%	Net profit
				y/y	
TWh	25,40		▲	1.7%	Charged energy volume**
				y/y	

OPERATIONAL

2,32%	*	▼	-0,22	pp	Grid losses
			y/y		
20,82		▲	2.9%		Transported energy***
TWh			y/y		

INVESTMENTS

RON	256	mn	▲	37,5%	Acquisition of tangible and intangible assets
				y/y	
RON	360	mn	▼	32%	Fixed assets recorded in the accounts (commissioning)
				y/y	

OTC (CPT) - Technological Own Consumption

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

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

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

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



Financial data

A summary of the financial results as at June 30, 2024 is shown in the tables below. The financial results as at H1 2024 are unaudited and an expanded version of the financial results for the same period is set out in the Appendices to this Report.

Separate profit and loss account				
[mil RON]	H1 2024	H1 2023	Δ*	Δ* (%)
	1	2	3=1-2	4=1/2
Charged energy volume [TWh]	25.40	24.97	0.43	1.71%
ALLOWED PROFIT ACTIVITIES				
Operating revenues	1,205	993	212	21%
Transmission and other revenues on the electricity market, of which:	1,046	963	83	9%
<i>Regulated tariff</i>	801	748	53	7%
<i>Other revenues on the electricity market</i>	143	34	109	n/a
<i>Interconnection</i>	102	181	(79)	(44%)
Other revenues	159	30	129	n/a
Operating expenses	(716)	(608)	(109)	(18%)
System operating expenses	(355)	(307)	(48)	(16%)
Repairs and maintenance expenses	(52)	(44)	(8)	(18%)
Personnel expenses	(187)	(158)	(29)	(19%)
Other expenses	(122)	(98)	(23)	(23%)
EBITDA	489	385	103	27%
Depreciation	(172)	(167)	(5)	(3%)
EBIT	317	218	99	45%
ZERO PROFIT ACTIVITIES				
Operating revenues	3,480	1,207	2,274	188%
System services revenues	251	189	62	33%
Balancing market revenues	3,229	1,018	2,211	n/a
Operating expenses	(3,530)	(1,248)	(2,282)	(183%)
System services expenses	(301)	(231)	(70)	(30%)
Balancing market expenses	(3,229)	(1,017)	(2,212)	n/a
EBIT	(50)	(41)	(9)	(21%)
ALL ACTIVITIES (WITH PROFIT ALLOWED AND ZERO-PROFIT)				
Operating revenues	4,685	2,200	2,485	113%
Operating expenses	(4,246)	(1,855)	(2,391)	(129%)
EBITDA	439	344	95	27%
Depreciation	(172)	(167)	(5)	(3%)
EBIT	267	177	90	51%
Net finance result	16.2	2	14	n/a
EBT - Profit before income tax	283	179	104	58%
Income tax	(20)	(18)	(2)	(12%)
Net profit	264	162	102	63%

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

**Energy market (ITC, reactive energy, OTC sales, energy exchanges, disaster aid)

Separate statement of financial position				
[mil RON]	H1 2024	2023	Δ	Δ (%)
	1	2	3=1-2	4=1/2
Non-current assets				
Tangible assets	5,490	5,416	75	1%
Assets representing rights of use under a lease - buildings	10	14	(4)	(29%)
Intangible assets	288	282	6	2%
Financial assets	86	86	0	n/a
Total	5,874	5,798	76	1%
Current assets				
Inventories	54	51	3	6%
Trade and other receivables	3,390	2,116	1,274	60%
Profit tax recoverable	4	-	4	n/a
Cash and cash equivalents	527	519	8	1%
Total	3,975	2,686	1,289	48%
Total assets	9,849	8,484	1,366	16%
Shareholders' Equity	5,476	5,190	286	6%
Non-current liabilities				
Long term deferred revenues	525	519	6	1%
Long term borrowings	20	32	(12)	(38%)
Other loans and assimilated debts - Non-current building lease liabilities	2	6	(4)	(66%)
Other non-current liabilities	363	360	3	1%
Total	910	918	(7)	(1%)
Current liabilities				
Trade and other liabilities	3,331	2,242	1,089	49%
Short-term borrowings	24	25	(0)	n/a
Other loans and assimilated debts - Current building lease liabilities	9	9	0	1%
Other current liabilities	98	100	(2)	(2%)
Tax on profit to be paid	-	0.4	(0.4)	n/a
Total	3,463	2,376	1,087	46%
Total liabilities	4,373	3,294	1,079	33%
Total shareholder's equity and liabilities	9,849	8,484	1,366	16%

Separate cash flow statement				
[mil RON]	H1 2024	H1 2023	Δ	Δ (%)
Net cash from operating activities	281	379	(98)	(26%)
Net cash used in investing activities	(235)	(125)	(110)	(88%)
Net cash used in financing activities	(38)	(85)	47	56%
Net increase/decrease in cash and cash equivalents	8	169	(161)	(95%)
Cash and cash equivalents as at January 1st	519	315	204	65%
Cash and cash equivalents at the end of the period	527	484	43	9%

OPERATIONAL RESULTS

I. Volume of charged energy

In H1 2024, the total amount of electricity priced for electricity market services (25.40 TWh) increased by 1.7% compared to the same period in 2023 (the difference between the two periods was 0.43 TWh).

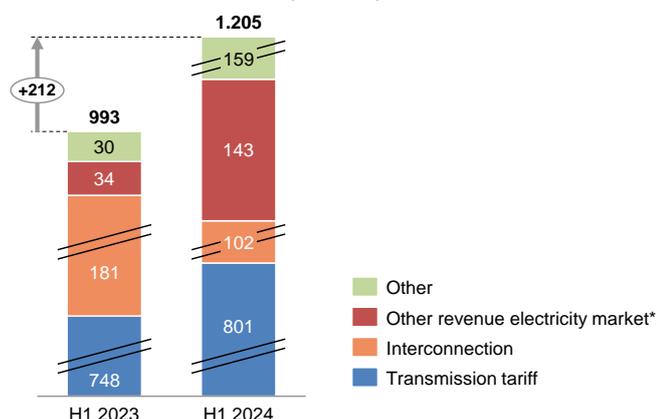
Allowed profit segment

Operating revenue



The segment of **permitted profit activities** recorded a 21% increase in revenues (RON 1,205 million in H1 2024 compared to RON 993 million in H1 2023) mainly on the back of an increase in regulated tariff revenues, as well as OTC transaction revenues, revenues from blackout relief and OTC capitalisation revenues.

Operating income from operating activities with profit allowed
(mil RON)



* ITC, reactive energy, OTC transactions, energy exchanges

The increase in transmission and other energy market revenues (RON 1,046 million in H1 2024 compared to RON 963 million in H1 2023) was mainly influenced by increase in the quantity of electricity by 1.7% in the context of the increase the average tariff approved by ANRE, which led an increase in revenues from regulated tariff by RON 53 million (+7%) compared to the same period of the previous year.

In the period January-June 2024, **revenues from the allocation of interconnection capacity** decreased from 181 million RON in H1 2023 to 102 million RON in H1 2024, due to the following reasons:

- The level of utilisation 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 in the analysed period was influenced by the supply and demand price formation pattern,

- The implicit allocations, where capacity and energy are allocated simultaneously, are strongly influenced by changes in the price of electricity on European exchanges,
- The impact of expanding market coupling, which has the effect of making energy prices uniform across Europe, this is also one of the main objectives of Regulation (EU) 2015/1222 "establishing guidelines on capacity allocation and congestion management".

The mechanism for allocating interconnection capacity consists of annual, monthly, daily and intra-day auctions. Auctions on the Romania-Serbia border, long-term auctions on the borders with Hungary and Bulgaria and daily auctions on the border with Moldova are explicit - only transmission capacity is auctioned, while daily (borders with Hungary and Bulgaria) and intra-daily (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) was commissioned, thus initiating the day-ahead flow-based market coupling in the Core capacity calculation region. The flow-based market coupling mechanism optimises 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, Belgium, Croatia, France, Germany, Hungary, Luxembourg, the Netherlands, Poland, Romania, Slovakia and Slovenia).

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

Income from Inter TSO Compensation (ITC)

These revenues were higher (RON +9.6 million) in H1 2024, i.e. RON 11.6 million compared to the same period in 2023 when they were RON 2 million, and mostly originate from the scheduled electricity exchanges with the countries considered perimeter of the mechanism, i.e. Ukraine and Republic of Moldova.

The increase in these revenues is driven by:

- *Change in the tariff for trade with perimeter countries* from June 15, 2023 from EUR 1.2/MWh to EUR 3/MWh, which led to an increase in revenues compared to the same period last year.

- Energy exchanges recorded in H1 2024 with both perimeter countries (Ukraine and the Republic of Moldova), in contrast to the similar period in 2023, when exchanges were only with the Republic of Moldova.

Revenues from trading of energy for own technological consumption (OTC) were mainly obtained from the sale of surplus energy resulting from the difference between the long and medium term forecast and the short term forecast on the Intra-day Market managed by OPCOM and from the difference between the forecast OTC and the OTC actually realised on the Balancing Market.

In H1 2024, the Company recorded higher energy trading revenues for OTC compared to the same period of 2023, i.e. + RON +48.7 mln.

In the structure of these revenues, transactions on the Intra-day 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 Centralised Electricity Procurement), and prices on the short-term markets decreased compared to the previous year, with some negative price intervals.

The revenues from transactions on the Balancing Market were significantly higher than those realised in the same period of the previous year, given that the energy system was predominantly in surplus during the period analysed, which led to significant negative prices on the Balancing Market.

Starting with 01.04.2024, the mechanism of centralised purchase of electricity MACEE was amended by GEO no. 32/2024, in the following sense:

- reducing the regulated purchase price to 400 RON/MWh
- removing the obligation for producers to participate in the scheme
- changing the period of application of the Facility from March 31, 2025 to December 31, 2024
- allowing other producers with production capacities below 10MW to participate in the scheme.

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

Income from disaster aid

In H1 2024, income from disaster aid in the amount of 60 million RON was recorded, compared to 3.6 million RON in H1 2023. Thus, in H1 2024, emergency aid was granted to Ukraine due to the damage to its energy infrastructure as a result of armed conflicts and to Serbia due to the accidental shutdown of groups in this country.

Income from capitalisation of own technological consumption (OTC)

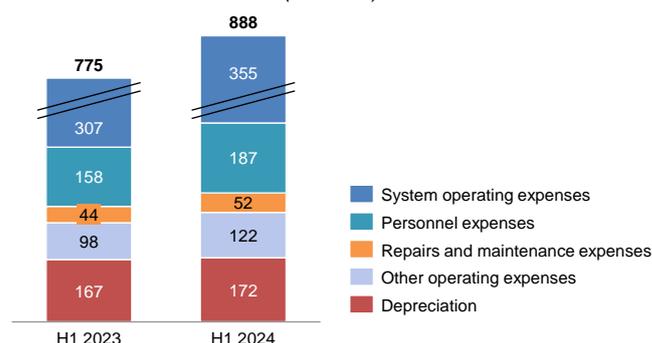
As from September 30, 2022, the Company applies the provisions of GEO no. 119/2022, whereby the additional costs of electricity purchase incurred between January 1, 2022 and March 31, 2025 to cover its own technological consumption, compared to the costs recognised in the regulated tariffs, are capitalised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

Thus, the Company recorded in H1 2024 revenues from OTC capitalisation in the amount of RON 23.9 million, representing additional OTC calculated as the difference between the net cost of OTC acquisition and the cost of OTC included in the regulatory tariff, for the period January 1, - June 30, 2024.

Operational expenditure

In the segment of **activities with profit allowed**, expenses (including depreciation and amortisation) increased by 15% (RON 888 million in H1 2024 compared to RON 775 million in H1 2023), mainly influenced by the increase in expenses related to system operation, personnel expenses and other expenses.

Operating costs of activities with profit allowed
(mil RON)



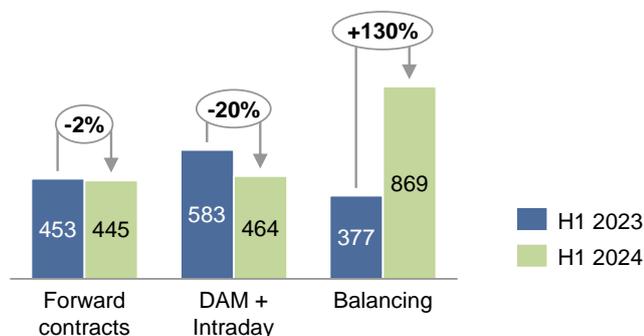
OTC: In the period January-June 2024, the costs of energy purchase to cover own technological consumption totalled 296 million RON, 13% higher (+35 million RON) compared to H1 2023, mainly due to a number of factors:

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

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

- following the provisions of GEO no. 153/2022 amending and supplementing GEO no. 27/2022, NPG Transelectrica SA purchased electricity to cover 75% of the quantity related to the OTC forecast validated by the Centralised Electricity Purchase Mechanism (MACEE), at a regulated purchase price of 450 RON/MWh for the first three months of the year, then the value was reduced to 400 RON/MWh for the energy contracted as of April 1, 2024 (according to GEO no. 32/2024);
- the accelerated growth of installed capacity at prosumers (from about 420 MW at the beginning of 2023 to about 1500 MW at the beginning of 2024), together with the increasing share of wind and solar energy, have led to a decrease in consumption as well as in energy prices on short-term markets. Thus, the average price of energy purchased from the PZU in the period from January to June 2024 was significantly lower than the price in the similar period of 2023);
- the average imbalance price set on the PE was much higher, which led to a significant increase in spending in this market compared to the same period in 2023.

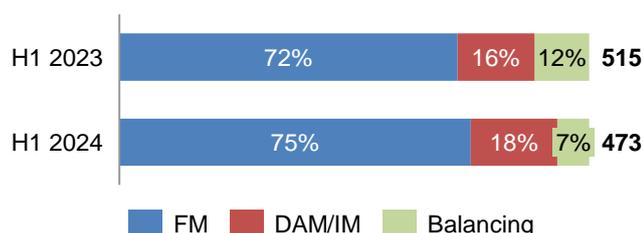
Average purchase prices*
(RON/MWh)



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

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

OTC acquisition mix in the markets
(net quantities, GWh)



The average net price of energy purchased in all markets in H1 2024 was 2% higher than in the same period in 2023.

OTC expenses transit RED (as per ANRE decision)

In the composition of system operating expenses in S1 2024, OTC-related expenses related to additional transits of electricity from the networks of concessionaire distribution operators at the voltage level of 110kV (for the quota assigned to the TSO) were recorded in the amount of 12.8 million lei. For the year 2024, 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 the year 2024 were approved for Distribuție Energie Oltenia S.A. and E-Distribuție Dobrogea S.A.

Inter TSO Compensation (ITC) expenses

In the period January-June 2024 these expenses were higher by 0.28 million RON compared to the same period of the previous year. They are set within the framework of the mechanism for the compensation/dispensation of the effects of the use of the electricity transmission network (RET) for transits of electricity between TSOs that have joined this mechanism within ENTSO-E.

The factors influencing the cost/revenue values of the ITC mechanism are the electricity exchanges - import, export, transit on the interconnection lines of the SEN, correlated with the electricity flows transited at the level of all countries participating in the mechanism.

From the category "Other costs" (an increase of 23 million RON in the analysed periods) those that had an impact in the analysed period are:

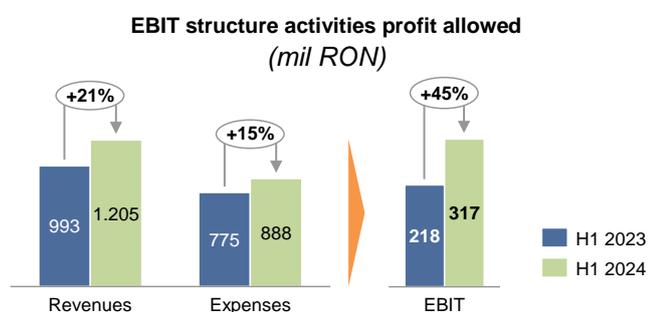
- other expenditure on services performed by third parties increased by +11 million RON, of which the most important was the most significant increase is the expenditure for civil protection and security +4,5 million RON,
- increase of the category "other expenses" by +10.8 million RON, mainly:
 - losses from receivables and sundry debtors +2.9 million RON,
 - expenses related to goods +5,4 million RON,
 - expenditure on electricity consumption administrative consumption an increase of +2,2 million RON,
 - expenditure on fines and penalties +3,6 million RON,
- the reduction of certain items of expenditure, such as: expenses relating to taxes, duties and similar charges, other operating expenses not deductible for tax purposes.

Depreciation expenses show an increase of RON 5 million, mainly influenced by the recording of depreciation expenses on tangible and intangible fixed assets (+ RON 2.8 million), calculated at the revalued value of the assets as at December 31, 2023, correlated with the commissioning of investment works and the acceptance of assets.

At the same time in H1 2024 the expenses with amortisation of intangible assets - additional intangible assets - OTC amounted to 35,6 million RON and showed an increase compared to H1 2023 (+1,7 million RON). The additional electricity purchase costs incurred in the period from January 1, 2022 to March 31, 2025 in order to cover own technological consumption, compared to the costs included in the regulated tariffs, shall be capitalised on a quarterly basis and the assets resulting from the capitalisation shall be depreciated over a period of 5 years from the date of capitalisation.

Operating result-profit allowed

Activities with profit allowed recorded a positive result in the amount of RON 317 million in H1 2024 up from the result in the amount of RON 218 million realised in H1 2023, as operating revenues increased by RON 212 million, correlated with an increase in expenses (including depreciation and amortisation) by RON 113 million.



Zero profit segment

Revenues from zero-profit activities recorded a significant increase (+ RON +2,274 million) from RON 1,207 million in H1 2023 to RON 3,480 million in H1 2024, mainly driven by the increase in revenues on the balancing market (+ RON +2,211 million) due to the prices recorded at the balancing market level, concomitant with the slight appreciation of revenues from technological system services (+ RON +62 million), driven by the increase in the tariff approved by ANRE as of June 1, 2024, in the context of the 1.7% increase in the quantity.

The **zero-profit activities** segment also recorded a significant increase in costs (+ RON +2,282 million) due to the increased amount of expenses on the balancing market.

Balancing market revenues/Balancing market expenses were more than 3 times higher in H1 2024 compared to H1 2023.

The **balancing market** was mainly influenced by the following elements:

- the accelerated increase in installed capacity at prosumers, from around 420 MW at the beginning of 2023 to around 1500 MW at the beginning of 2024, which, in terms of impact on the system, corresponds to a reduction in consumption;
- lack of control/monitoring at the level of the funder for the production of the prosumers they have in their portfolio and little concern for estimating/adjusting the prosumers' production forecasts in relation to the contractual position;
- the low degree of adjustment of the production of renewable energy producers with the net contractual position (we mention here also producers beneficiaries of green certificates, based on the provisions of Law 220/2008);
- a sharp increase in supply prices in the balancing market (positive upwards and negative downwards respectively), with an impact on the marginal prices recorded in particular for energy activated for secondary regulation, and for energy activated on the tertiary market, which falls rapidly in situations of strong excess production;
- in a predominantly surplus system, the balancing market is characterised by a high volume of selections at derating, i.e. significant negative prices in the Balancing Market, which determines, on the one hand, significant revenues for producers that have offered negative prices at derating, and on the other hand, considerable costs for PREs that have recorded positive imbalances;
- the evolution of contractual imbalances recorded at the level of electricity suppliers on the balancing market;
- hydraulic evolution.

For the period after 2024 we estimate that:

- *how contracting is realised on markets prior to the balancing market;*
- *ANRE's regulatory framework to adjust the functioning of the balancing market;*
- *behaviour of market participants;*
- *the evolution of electricity production and consumption at national level and the European context of electricity market evolution;*
- *the regional and European context of electricity market developments.*

will have a significant impact on the evolution of the balancing market.

Also as of July 1, 2024, the ANRE Order on the approval of balancing terms and conditions, ANRE Order no.127/08.12.2021 for the approval of the Regulation on terms and conditions for balancing service providers and for frequency stabilisation reserve providers and the Regulation on terms and conditions for balancing parties and for the amendment and repeal of some orders of the President of the National Energy Regulatory Authority published in the Official Gazette no. 1196 of December 13, 2021, with subsequent amendments and additions, entered into force.

System services are purchased by the Company from producers in order to ensure that the level of operational safety of the SEN and the quality of the electricity transported is maintained at the parameters required by the technical standards in force.

These services are contracted out:

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

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

In H1 2024, the contracting of system services under the regulated regime was carried out only for reactive energy, in accordance with ANRE Decision no. 1078/2020, being provided by Societatea de Producere a Energia Electrică în Hidrocentrale "Hidroelectrica" SA.

Revenues from system services recorded a 33% increase compared to the same period last year (251 million RON in H1 2024 compared to 189 million RON in H1 2023), driven by the increase in the quantity of electricity delivered to consumers (+1.7%) in the context of the increase from June 1, 2024 of the tariff approved by ANRE for these services.

The amount of **expenditure on system services** in H1 2024, showed an increase (+30%) compared to the same period in 2023.

The amount of STS acquisition costs was mainly determined by the following factors:

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

- at a maximum price of 82.30 RON/hMW for the secondary regulation reserve/frequency restoration reserve with automatic increase activation and for the automatic decrease activation;
- at a maximum price of 37.94 RON/hMW for the fast tertiary regulation reserve on boost/reset reserve with manual activation on boost;
- at a maximum price of 16.38 RON/hMW for the fast tertiary regulation reserve/reset frequency reserve with manual activation on dimming.
- in line with the trend observed on the balancing market, there was a steep increase in the purchase price of the Fast Tertiary Reserve - power curtailment, starting from April 2024. Thus, the purchase price of the reserve increased from 9.82 RON/hMW to values of up to 250 RON/hMW (purchase price for the Tertiary Fast Reserve - power reduction registered on 20.04.2024). We note that the same trend was observed at the Secondary Reserve, where on 20.04.2024 prices of 100 RON/hMW were recorded.

Starting with 01.06.2024, with the applicability of the provisions of the Order of the President of ANRE no.18/30.05.2024, the price trend has been contracting, with prices below the maximum limit imposed by the authority.

Also, in accordance with art. I item 3 of the ANRE President Order 18/30.05.2024 starting with 01.09.2024 the maximum prices are no longer applicable and the auction procedure will be organised at Transelectrica level based on the offer price.

Operating result-zero profit

EBIT generated by **zero-profit activities** recorded a negative result in H1 2024 in the amount of RON 50 million, up by + RON 9 million compared to the negative result realised in H1 2023.

In H1 2024, revenues from system services were lower by RON 50 mil compared to the realised system services procurement expenses.

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

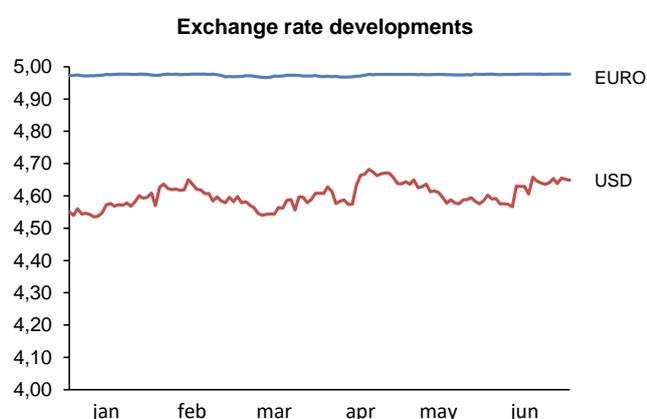
The surplus/deficit of income over the costs of carrying out this activity shall be calculated by tariff programme periods.

I. Financial Result

The net financial result recorded in H1 2024 in the amount of RON 16 million, compared to a profit of RON 2 million in the same period last year, was mainly influenced by the recording of income from shares held in subsidiaries based on dividends received, i.e. RON 14.6 million.

The share of foreign exchange income/expenses in total financial income/expenses is high and is significantly influenced by the high volume of transactions related to the market coupling business segment.

The evolution of the RON/EUR and RON/USD exchange rates in H1 2024 is shown in the following chart:



II. Company gross profit (EBT)

Total operating revenue

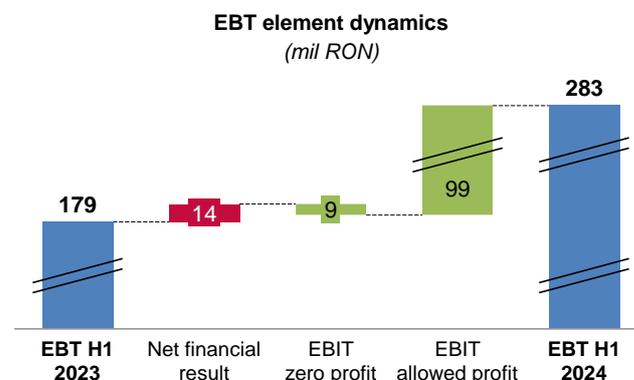
Total operating revenues realised in H1 2024 appreciated by 113% compared to the same period of the previous year (RON 4,685 million in H1 2024 compared to RON 2,200 million in H1 2023), in the context of the significant impact of revenues from zero-profit activities.

Total operating expenditure

The total operating expenses (including depreciation and amortisation) realised in H1 2024 increased by 118% compared to the same period last year by 4,418 million RON in H1 2024 compared to 2,023 million RON in H1 2023 in the context of the significant impact of the increase in expenses from zero-profit activities.

The gross result recorded a higher value in the period under review, from from 179 million RON in H1 2023 to 283 million RON in H1 2024, mainly due to the increase in the tariffed volume of energy at the tariffs approved by ANRE, revenues from OTC transactions, revenues from the capitalization of OTC (non-monetary), of the income from accident aid, as well as from the registration of some short-term income from other operating income that registered an increase in the first semester of 2024 compared to the first semester of 2023 with the amount of 105 million lei, determined in mainly, the registration of income from compensations, fines and penalties as a result of legal recovery, according to Civil Decision no. 6169/2023, pronounced on December 20, 2023, by the ICCJ - Administrative and Fiscal Litigation Section and communicated to the Company on May 15, 2024, of certain amounts (additional payment obligations established by Taxation Decision no. F-MC 439/30.06.2017) executed in 2017 by ANAF, based on executive title no. 13540/22.08.2017.

The dynamics between the result recorded in H1 2024 compared to H1 2023, broken down by the constituent components of the result, are shown in the following graph:



III. Net result

The gross result influenced by the corporate income tax of RON 20 million resulted in a net result at the end of H1 2024 of RON 264 million, up from RON 162 million in H1 2023, mainly due to the profit activities allowed.

FINANCIAL POSITION

I. Fixed assets

Fixed assets recorded an increase in the first half of 2024 compared to December 2023 in the amount of RON 76 million, mainly due to the increase in the value of tangible fixed assets.

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

Fixed assets related to the rights of use of leased assets - buildings represent the right of use of the premises leased by the Company in the Platinum office

building, in accordance with IFRS 16 - Leases. As of 01.10.2020 the lease contract valid for a period of 5 years entered into force.

As at June 30, 2024, the net book value of the right of use of the premises leased by the Company in the Platinum office building amounts to RON 9.9 million.

Intangible fixed assets

Intangible assets in progress at June 30, 2024 show a balance of RON 27.5 million represented by projects in progress, of which the most significant are:

- Metering and data management system for electricity metering on the wholesale market - 16.3 million RON;
- Replacement of hardware components, update 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 - 7,6 million RON;
- MARI platform development - 2 mil RON

In H1 2024, additional OTC capitalisation income in the amount of 23.9 million RON was recorded, representing additional costs of electricity purchase to cover own technological consumption compared to the cost recognised in the tariff.

As at June 30, 2024, the carrying amount of intangible assets resulting from the capitalisation of the additional OTC amounts to RON 259 million.

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

Thus, capitalised costs are amortised over a period of 5 years from the date of capitalisation and are remunerated at 50% of the regulated rate of return approved by the National Energy Regulatory Authority, applicable during the amortisation period of the respective costs and are recognised as a separate component.

II. Current assets

Current assets as at June 30, 2024 (RON 3,975 million) increased by 48% compared to December 31, 2023 (RON 2,686 million), mainly due to the increase in receivables.

Trade receivables show an increase of 54% compared to December 31, 2024 (RON 2,682 million at June 30, 2024 compared to RON 1,746 million at December 31, 2023). The most important developments were from:

- customers from operational activity which, due to the increase in energy consumption, generated a higher

balance of receivables from operational activity (RON 1,138 million as at March 31, 2024 compared to RON 1,005 million as at December 31, 2023).

The main outstanding customers on the electricity market are: Ciga Energy SA, Cinta Energy SA, Electrica Furnizare SA, IBEX, OPCOM, Hidroelectrica, MAVIR, RAAN, Engie Romania SA, Complexul Energetic Oltenia SA. Their share is 74.16% of total trade receivables.

- customers - balancing market, which, due to the increase in the balance of customers' customers from contracts concluded on the balancing market in the first half of 2024 compared to the second half of 2023, also led to an increase in the balance for this type of activity (RON 1,381 million as at June 30, 2024 compared to RON 594 million as at December 31, 2023).
- customers - support scheme, which increased by 11% (+16 million RON), mainly due to the increase in the invoiced amount for the collection of the monthly contribution.

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

As at June 30, 2024, the Company has receivables receivable amounting to RON 160 million, represented by invoices issued related to the bonus support scheme for the promotion of high efficiency cogeneration, of which mainly:

- overcompensation for the period 2011-2013 in the amount of 76.70 million RON, respectively from RAAN - 63.46 million RON and CET Govora SA - 13.23 million RON;
- undue bonus for 2014 in the amount of 3.91 million RON, respectively from RAAN - 1.98 million RON, and CET Govora - 1.93 million RON;
- undue bonus for 2015 in the amount of 0.56 million RON, respectively from CET Govora - 0.53 million RON, Interagro - 0.03 million RON;
- undue bonus for 2020 in the amount of 0.52 million RON from Donau Chem;
- uncollected contribution for cogeneration from suppliers of electricity consumers in the amount of 20.7 million RON, respectively from: Transenergo Com - 5.9 million RON, Petprod - 4.4 million RON, Romenergy Industry - 2.7 million RON, RAAN - 2.4 million RON, UGM Energy - 1.5 million RON, CET Govora - 0.9 million RON, KDF Energy - 0.6 million RON, etc.

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

Other receivables as at June 30, 2024, amounting to 389, recorded an increase of 83% million RON and mainly include:

- sundry debtors (198.8 million RON), of which:
 - late payment penalties calculated for defaulting customers in the amount of 96 million RON (of which 35.15 million RON are penalties related to support scheme).

The highest late payment penalties were recorded by customers: Romelectro (39.8 million RON), RAAN (17 million RON), CET Govora (9.6 million RON), Electrocentrale București (9.4 million RON), OPCOM (3.6 million RON), Total Electric Oltenia (3.3 million RON), Pet Communications SRL (3.1 million RON), Multiservice G&G SRL (2.2 million RON), Petprod (1.9 million RON), ISPE Proiectare și Consultanță (1 million RON).

- compensation due by suppliers for non-delivery of electricity: Arelco Power (RON 0.99 million), Enol Grup (RON 2.54 million) and Next Energy Partners (RON 8.39 million).
- the receivable to be recovered from OPCOM representing the VAT related to the contribution in kind to the share capital of the subsidiary in the amount of RON 4.52 million.
- deferred expenses in the amount of 8.5 million RON, mainly represented by domestic and international membership fees (3.8 million RON), taxes and fees (1.8 million RON), ANRE contribution (1.2 million RON), rent and maintenance of office building (0.7 million RON), insurance policies (0.6 million RON), miscellaneous services and others;
- other social receivables in the amount of 1.4 million RON representing sick leave paid by the employer to employees, amounts to be recovered from the National Health Insurance House, in accordance with the legislation in force.

Advances to suppliers paid as at June 30, 2024 represented by debtor suppliers for services rendered in the amount of RON 325 million increased

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

The balance represents mainly amounts from the transactions related to the price coupling mechanism (for SIDC the amount of 277.6 million RON, and for ICP - Interim Coupling Project and SDAC - Single Day-ahead Coupling the amount of 45.6 million RON).

The kick-off of the successful SDAC Single Day-ahead Coupling SDAC Single Day-ahead Coupling took place on October 28, 2021 and is the result of the cooperation between the Designated Electricity Market Operators (DSOs) and the Transmission System Operators (TSOs) of Bulgaria and Romania, namely IBEX EAD, OPCOM SA, ESO EAD and Transelectrica.

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

The launch of Flow Based Market Coupling in the Core region on June 8, 2022 represented the transition from the ICP - Interim Coupling Project to FBMC - Flow Based Market Coupling, optimising 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, Romania, Slovakia and Slovenia.

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

VAT to be recovered in the amount of RON 203 million related to the VAT returns for the period March - June 2024, of which up to the date of this report, the amount of RON 59 million has been collected, representing the value added tax claimed for refund for March 2024.

The largest existing impairment adjustments in the balance at June 30, 2024, calculated for trade receivables and related penalties, are for Romelectro (RON 39.8 million), JAO (RON 30 million), CET Govora (RON 24, RON 6 million), Arelco Power (RON 14.8 million), Total Electric Oltenia SA (RON 14.2 million), Romenergy Industry (RON 13.5 million), Elsaco Energy (RON 9.3 million), RAAN (RON 8.5 million), OPCOM (RON 8.5 million), Next Energy Partners (RON 8.4 million).

Payables

Long-term liabilities in the amount of RON 910 million as at June 30, 2024 decreased by 1% compared to the amount of RON 918 million as at December 31, 2023.

Interest-bearing debts

At June 30, 2024 the amount of long-term borrowings decreased compared to December 31, 2023 mainly due to repayments under existing loan agreements. The amount of short-term borrowings also decreased slightly, from a balance of RON 24.5 million in December 2023 to RON 24.4 million on June 30, 2024. As at June 30, 2024 the credit line has not been drawn down.

Between January and June 2024, **short-term liabilities** increased by 46%, from RON 2,376 million at December 31, 2023 to RON 3,463 million at June 30, 2024, mainly due to an increase in trade and other payables.

Impact on the evolution of trade debts:

- **suppliers on the energy market**, which increased by RON 1,038 million and recorded a balance of RON 2,379 million as at June 30, 2024 compared to RON 1,341 million as at December 2023.

This development was mainly influenced by:

- the increase in the *balance of debts related to operational activity* by 170 million lei was influenced by the price formation model based on demand and supply for coupling the electricity market. Implied allocations, in which capacity and energy are provided simultaneously, were strongly influenced by variations in the price of electricity on exchanges in Europe.

Suppliers on the electricity market are mainly represented by: Hidroelectrica SA, OPCOM, MAVIR, IBEX, CIGA Energy SA, S Complexul energetic Oltenia SA, Joint Allocation Office, Electrocentrale București SA, CINTA Energy SA, Electrica Furnizare SA. On June 30, 2024, their share of total energy suppliers is about 87.2%.

- *increase in the balance "balancing market liabilities"* by 979.6 mil RON was mainly due to the increase in the volume of transactions recorded on the balancing market in the first half of 2024 compared to the second half of 2023.

- the *decrease in liabilities related to the support scheme to suppliers (producers)* by 111.5 million RON was determined both by the decrease in the value of the monthly bonus for high efficiency cogeneration in June 2024 compared to December 2023, and by the payments made to RAAN in May and June 2024 for the cogeneration bonus withheld from payment, according to enforceable civil decisions rendered by the Bucharest Court of Appeal.

- **suppliers of fixed assets** decreased by RON 38.2 million due to the realisation of overdue payments,
- **suppliers other activities** also fell by 35 RON 35 million, mainly represented by the category of payables related to services rendered by third parties not due.
- **"other liabilities"** increased by RON 119.5 million, from a balance of RON 636.7 million at December 31, 2023 to RON 756.2 million at June 30, 2024, on the back of developments in customer creditors.

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

- *sundry creditors* in the amount of RON 339.9 million (increased by RON 28 million compared to December 31, 2023) are mainly represented by the net position of the support scheme for high efficiency cogeneration, debt position (RON 327 million), contracts for solution studies for connection to RET (RON 13 million), royalty Q2 2024 (RON 1.5 million),
- *customer creditors* as at June 30 2024 in the amount of RON 329.9 million (increased by RON 83 million compared to December 31, 2023) and represent amounts received in advance in transactions related to price coupling mechanisms in the amount of RON 328.7 million RON (*ICP (Interim Coupling Project), SIDC (Single Intraday Coupling), SDAC (Single Day-ahead Coupling), FBMC (Flow Based Market Coupling)*), but also from OPCOM (RON 174.2 million), IBEX (RON 145 million), MAVIR (RON 8.8 million), Bursa Romana de Mărfuri (RON 0.6 million) and JAO (RON 0.03 million)
- *the liability for fixed assets related to the rights of use of leased assets - buildings*, in accordance with IFRS 16 - Leases, amounts to 8.7 million RON (short-term debt),
- *other liabilities* in the amount of RON 75.2 million are mainly represented by guarantees of good payment of electricity market contracts concluded by Transelectrica in the amount of RON 47.9 million and VAT not chargeable during the reporting period in the amount of RON 27.1 million.

Provisions decreased by RON 4 million, from RON 65 million at December 31, 2023 to RON 61 million at June 30, 2024.

III. Equity capital

Shareholders' equity increased mainly due to the recognition in retained earnings of the net profit in the amount of RON 264 million realised on June 30, 2024. Thus, the equity at June 30, 2024 is RON 5,476 million compared to RON 5,190 million at December 31, 2023.

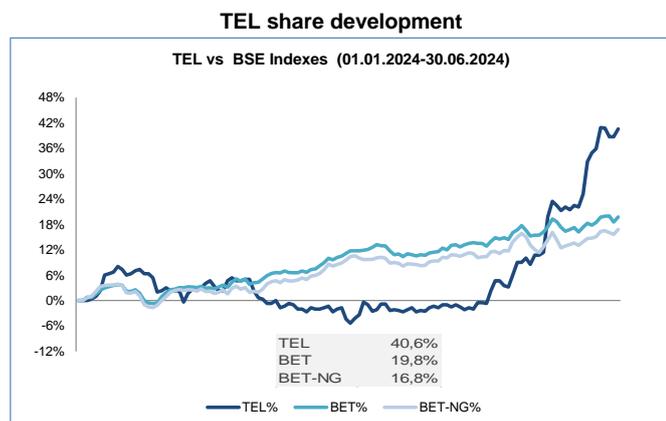
SHARE DEVELOPMENT

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

The year 2024 started with a trading price of 29.80 RON/share, opening the way towards the maximum price of the period of 42.00 RON/share recorded on 21.06.2024, which generated a return of approximately 41% for shareholders.

The final price of the period brought TEL shares market capitalisation of 3.071 million RON.

The trading of TEL shares during the first half of 2024 on the Romanian capital market recorded 12,545 transactions with an average number of 102 transactions/day and 1,408,035 shares traded, with a total value of RON 79,233 thousand.



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

- the BET index (Bucharest Exchange Trading - the benchmark index of the capital market

which reflects the evolution of the 20 most liquid companies listed on the regulated market of the BVB),

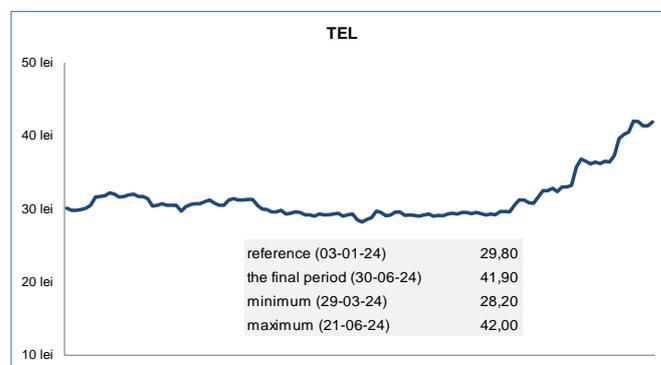
- the BET-NG index (Bucharest Exchange Trading Energy & Related Utilities - sector index reflecting the evolution of energy and related utilities companies listed on the regulated BVB market).

On July, 29 the Bucharest Stock Exchange launched 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), including Transelectrica, with a 2.39% share at the launch.

According to the latest periodic adjustment date recorded on 07.06.2024, TEL shares have a weight of 1.47% in the BET index and 2.75% in the BET-NG index.

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

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



MAIN RISKS AND UNCERTAINTIES

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

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

The Company periodically and systematically analyses the risks related to the performance of its own activities, annually elaborating the *Register of identified risks*, *Risk Tracking Sheets*, *Risk Alert Forms* (for newly emerging risks), the *Plan for the implementation of control measures*, in order to limit the possible consequences of these risks, in accordance with the legal provisions.

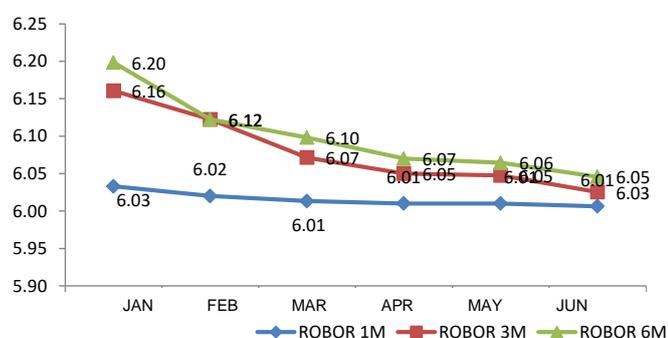
Elements that may affect the Company's liquidity include:

➤ interest rate fluctuation

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

In the short term, Transelectrica has contracted two credit lines for the financing of the bonus support scheme for high efficiency cogeneration, with a variable interest rate calculated on the basis of the 1M ROBOR reference rate, plus a margin of 0%, respectively a credit line for the financing of current activities, with an interest rate calculated on the basis of the 1M ROBOR reference rate, plus a margin of 0.05%.

Interest rates on the national money market have been on a downward trend over the past 6 months, amid excess liquidity in the banking system, coupled with lower demand for loans and tighter credit supply conditions.



➤ exchange rate movements

Currency risk expresses a probability of incurring losses on international commercial contracts or other economic relationships because of changes in the exchange rate of the currency between the conclusion of the contract and its maturity.

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

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

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

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

At the same time, while the national currency appreciated between January and March as a result of developments on the international financial markets, between March and June it depreciated, influenced by a series of economic, social and political factors.

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

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

➤ provisions in the grant agreements

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

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

➤ risk of non-compliance with legal requirements

The Company's liquidity could be affected by penalties due to non-compliance reported during the periodic control activities of the authorised bodies (CCR, ANRE, MFP, etc). This risk did not materialise during the period under review.

➤ operational risk

In order to comply with the principles of decision-making transparency, established by the provisions of Law no. 52/2003 on decision-making transparency in public administration, republished, ANRE submits for public consultation a Draft Order on the establishment of the regulated rate of return on invested capital applied to the approval of tariffs for transmission and distribution of electricity and natural gas transmission and distribution services, for the fifth regulatory period. The draft was published on March 12, 2024, with a deadline for Transelectrica to submit comments and proposals of 30 days from the date of publication.

The ANRE Order proposed for approval includes measures to update the elements for calculating the weighted average cost of capital for the fifth regulatory period, for electricity and natural gas transmission and distribution activities, in accordance with the Methodologies for setting tariffs for electricity and natural gas network operators.

Currently, i.e. the fourth regulatory period, the regulated rate of return on invested capital, expressed in real terms, before tax, applied when setting tariffs for electricity and natural gas transmission and distribution services is 6.39%, with 2024 being the transition period for distribution tariffs from the fourth to the fifth regulatory period.

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

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

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

As of the date of this report, due to the solutions found and the timely actions taken, the Company has met its financial obligations.

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

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

This risk reflects a complex of factors, with a potential effect on the increase of financing costs on the credit market, which may significantly affect the Company in view of the possible need for capital to be attracted to finance the investment plan within the RET 2022-2031 Development Plan.

Moody's currently rates the Company at Baa3, stable outlook.

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

The company attaches due importance to analysing the risk environment and early identification of possible risks that may arise in the future, as well as the use of early warning systems, not only dealing with the consequences of events that may occur, but adopting a reactive management style, implementing preventive measures, taken in advance, aimed at mitigating the occurrence of possible risks.

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



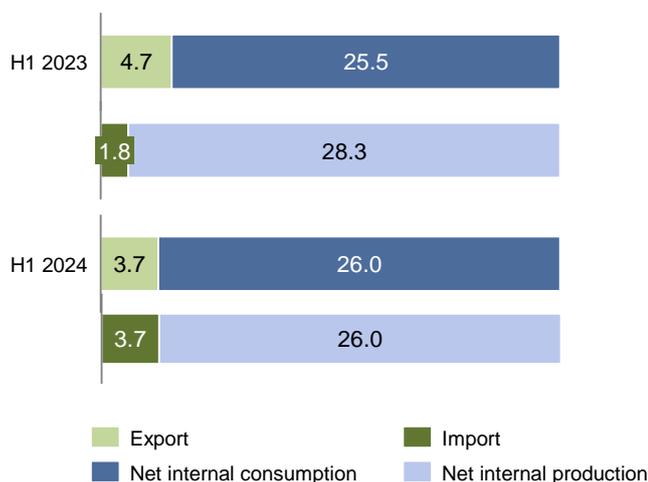
Operational data

SEN ENERGY BALANCE

Analysing the evolution of the components of the energy balance in the period January - June 2024 compared to the same period in 2023, there is an increase of 2% in net domestic consumption¹ and a decrease of 8% in net energy production.

Cross-border physical exports recorded a 20% decrease in H1 2024 compared to the same period in 2023, while imports recorded a 107%.

Energy balance (TWh)



The significant increase in consumption in January 2024, 5.4%, was largely influenced by the lower average monthly temperature of -0.19 °C in January 2024 compared to +3.2 °C in January 2023.

At the opposite pole, the 2.53% increase in June was also influenced by temperature, with the national average of 22°C recording a positive temperature anomaly compared to the monthly norm of 3.1°C (the 1991-2020 monthly norm is 18.9°C).

The months of April and May saw decreases, 1.7% in April and 3.88% in May 2024 respectively.

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

PRODUCTION MIX

In terms of production mix, in the period January - June 2024 compared to the same period of 2023, there was an increase of 2% in the Thermo component, while the Nuclear, Hydro and Renewables components decreased by 3%, 22% and 4% respectively.

Since the third quarter of 2023, battery generation has been included in the generation mix, which at the end of June 2024 totalled 2.50 GWh.

The net energy produced in May does not include the value for consumers. Also, for June the values for storage, renewables and hydro are provisional and do not include the value for prosumers.

Analysing the weights of the components of the net generation mix for the period January - June 2024, it can be seen that the largest share, 33%, is represented by the Hydro component, followed by the Thermo component with 30%, while energy produced from renewable and nuclear sources have a share of 18%.

Net electricity generation mix (TWh)



NATIONAL PRODUCTION PARK

In H1 2024, installed capacity in thermal power plants decreased by about 3% from 5,630 MW installed on June 30, 2023 to 5,447 MW installed on June 30, 2024.

On July 1, 2024, the gross installed capacity in the SEN totalled 18,319 MW, with the following structure by primary energy sources: coal - 2,762 MW (1,909 MW net), hydrocarbons - 2,715 MW (2,275 MW net), nuclear - 1,413 MW (1,300 MW net), hydro - 6,639 MW (6,312 MW net), wind - 3,027 MW (2,966 MW net), photovoltaic - 1,626 MW (1,527 MW net), biomass - 137 MW (125 MW net).

The data presented reflect production capacities that have a commercial operating licence.

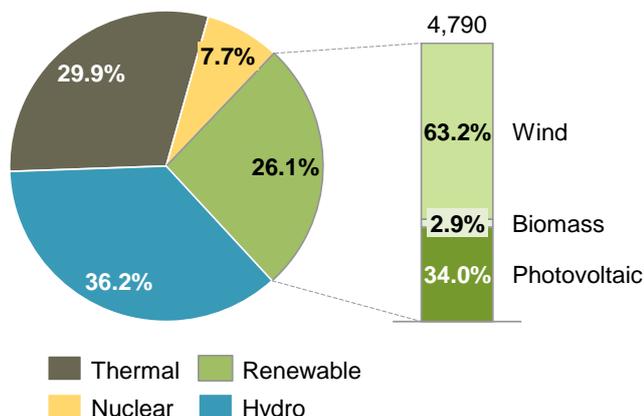
Production units on probation are not included in this report.

As for the installed capacity in storage facilities, as of 01.07.2024 it totalled 16.2 MW, of which 7 MW qualified for the provision of system services, the remaining 9.2 MW being in facilities (batteries) connected mainly to wind power plants, not qualified for participation in the Balancing Market.

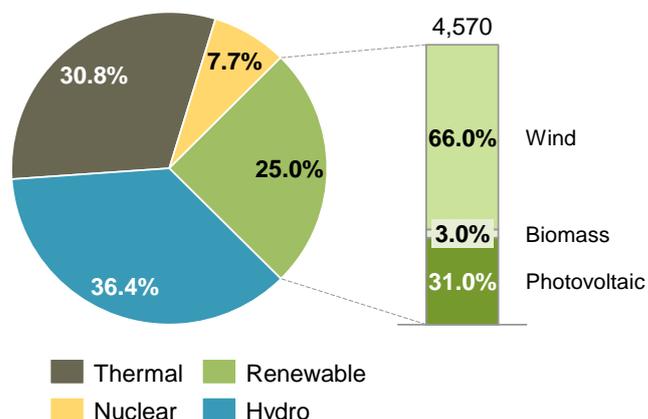
As regards the situation regarding the installed capacity of electricity capacity from renewable sources belonging to prosumers on 30.04.2024, it totalled 1,707.29 MW.

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

Installed capacity H1 2024 (18.319 MW. gross value)



Installed capacity H1 2023 (18,255 MW gross)



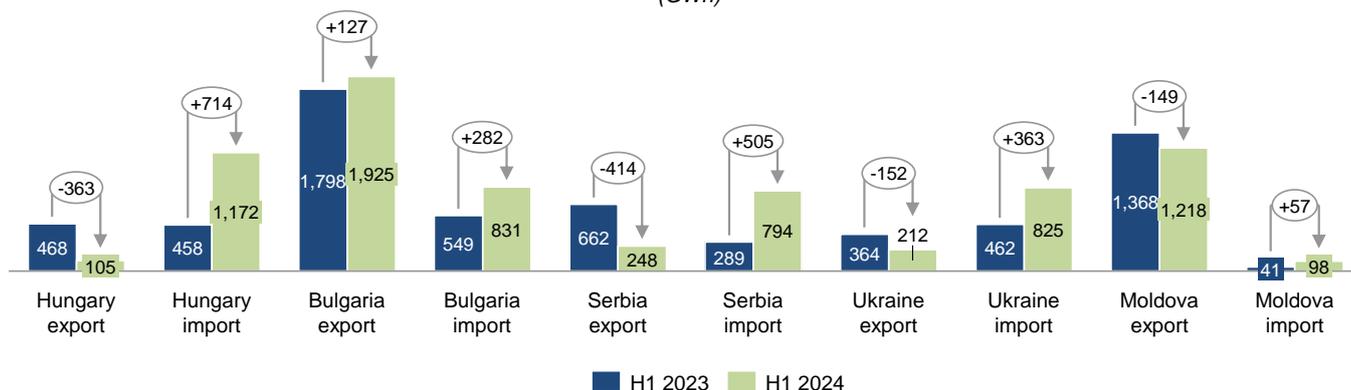
CROSS-BORDER FLOWS

The distribution of the physical import/export flows on the interconnection lines in the period January - June 2024 compared to January - June 2023 is as follows:

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

Specifically, compared to January - June 2023, physical export flows increased on the border with Bulgaria (+7% +127GWh), and decreased on the border with Serbia (-63% -414GWh), Hungary (-78% -363GWh) Ukraine (-42% -152GWh) and Moldova (-11% -149GWh). Physical import flows have increased on all borders. The physical flows of both imports and exports at each border are presented below:

Physical flows (GWh)



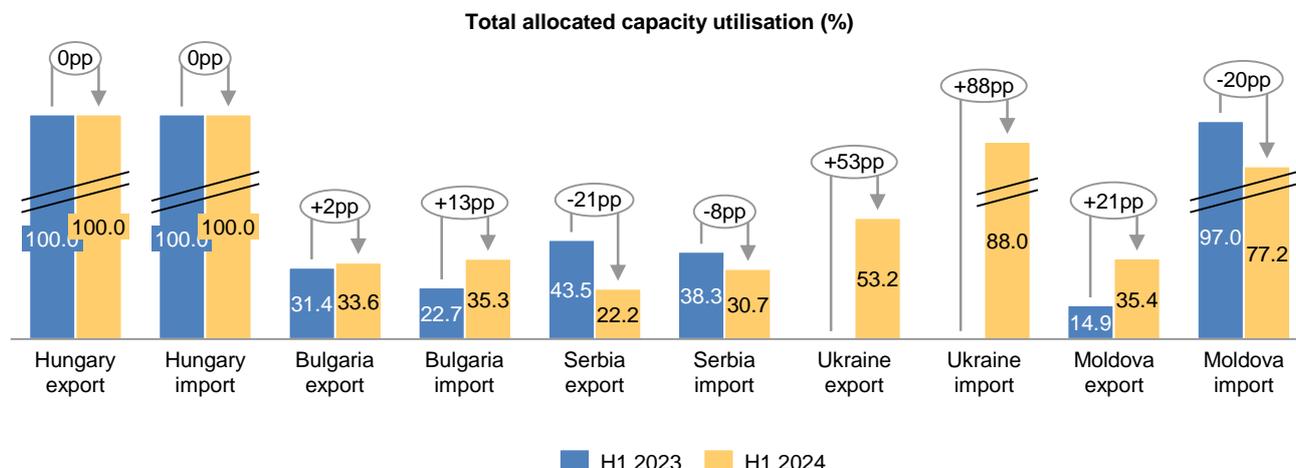
Compared to the first half of 2023, there was an increase of about 64% in import trade and a decrease of 13% in energy transited, against the background of lower hydroelectricity compared to last year at this time of year and domestic electricity consumption which, with the exception of April and May, increased compared to the same period in 2023. On the border with Hungary, the utilisation rate is 100%, both import

and import, as short-term auctions are implicit (capacity and energy are allocated simultaneously), and since January 2023, there has been a complete switch in long-term auctions from the Physical Capacity Rights allocation mechanism to the Financial Capacity Rights allocation mechanism (the capacity allocated in the annual and monthly auctions is no longer a physical

right that can be used by the participant, but only a financial right of the participant).

Trade includes the amount of electricity imported and exported as a result of Transelectrica S.A.'s

participation as an operational member in the European Imbalance Netting (IGCC) platform, starting December 17, 2021.



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

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

OWN TECHNOLOGICAL CONSUMPTION

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

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

OTC EVOLUTION FACTORS

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

The energy entered into the account increased by 4.6% in January 2024 (180.7 GWh) compared to the same period in 2023, as a result of a 3.35% (107.7 GWh) increase in energy received from producers connected to the RET and a 76.6% (226 GWh) increase in energy

received from imports, while energy received from the DER decreased by 39.5% (153 GWh).

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

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

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

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

The percentage of losses relative to energy entering the RET decreased from 2.57% in 2023 to 2.50% in 2024.

The energy entered into the electricity meter increased by 11.2% (367.1 GWh) in March 2024 compared to the

same period in 2023, as a result of a 9% (235.4 GWh) increase in energy received from RET connected generators and a 43.6% (161.2 GWh) increase in energy received from imports, as energy received from DERs decreased by 10.1% (29.5 GWh).

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

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

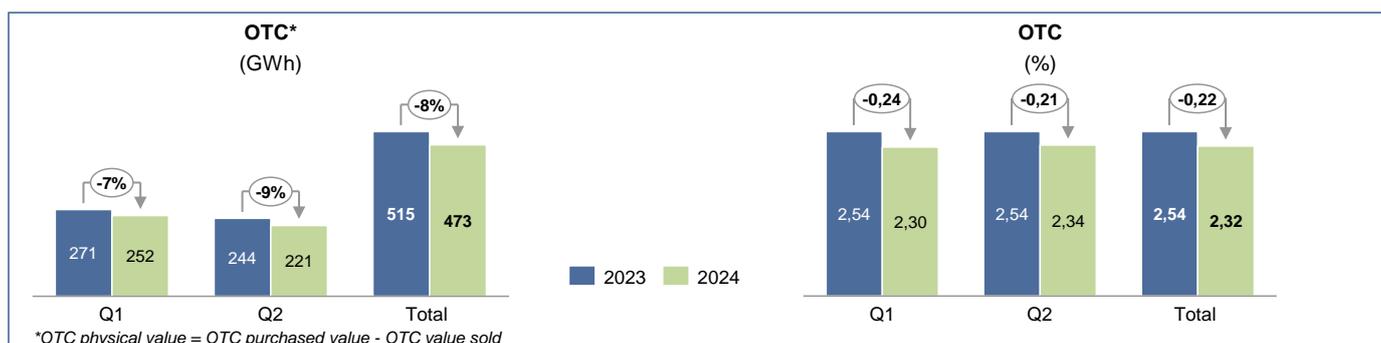
In May 2024 OTC decreased compared to May 2023 by 0.2% as a result of more favourable physical import/export flows on the interconnection lines on the borders with Ukraine, Hungary and Moldova leading to reduced transmission of distant energy to sources, and slightly more favourable weather conditions in areas with high density of transmission lines characterised by

lower precipitation amounts, which led to lower corona losses.

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

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

The percentage of losses relative to energy entering the RET decreased from 2.69% in 2023 to 2.21% in 2024. Energy coming into the electricity meter increased by 2% (64.4 GWh) in June 2024 compared to the same period in 2023, as a result of a 95.2% (377.6 GWh) increase in energy received from imports, while energy received from RET connected generators decreased by 4.4% (108 GWh) and energy received from DERs decreased by 48.5% (205.2 GWh).



Conclusions

For Q1 2024 as a whole, OTC in the RET decreased by 7% compared to the same period in 2023, mainly as a result of more favourable physical flows on the interconnection lines on the borders with Ukraine, Hungary and Bulgaria and favourable weather conditions in the first two months, characterised by lower amounts of precipitation, which led to reduced corona losses. Relative to the energy entering the RET contour the losses decreased from 2.54% to 2.30%.

For Q2 2024 as a whole, OTC in RET decreased by 9% compared to the same period in 2023, mainly as a result of more favourable physical flows on the interconnection lines on the borders with Ukraine and Hungary, which led to reduced transmission of energy away from sources, and more favourable weather conditions characterised by lower amounts of precipitation, which led to reduced corona losses. Relative to the energy entering the contour the losses decreased from 2.54% to 2.34%.



ETG Development

FIXED ASSETS RECORDED IN THE ACCOUNTS

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

The value of tangible fixed assets recorded in the accounts in January-June 2024 is 359.6 million RON (532.4 million RON in the same period of 2023), a decrease by 173 million RON.

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

- Transition to 400 kV of the Porțile de Fier - Reșița - Timișoara - Săcălaz - Arad - Phase I - 400 kV substation s.c. Porțile de Fier - (Anina) - Resita - 158 million RON;
- Baru Mare 220/110/20kV 220/110/20kV substation upgrade - 73.8 million RON;
- Arefu 220/110/20 kV substation upgrade - 31 million RON;
- Relocation of the 220 kV and 400 kV networks - Urechești - Domnești, Țânțăreni - Bradu, Bradu -

Brașov, Bradu - Stupărei and Bradu - Târgoviște for the Craiova - Pitesti Express Road, section 4 - 16.9 million RON;

- Relocation of the 220 kV and 400kV networks for the construction of the Brăila- Galați express road - 10.1 million RON;
- Deviation of the 220 kV LEA in the Ampoi- Alba Iulia area - 7.7 million RON;
- Procurement and installation of 21 monitoring systems for transformer units in NPG Transelectrica SA substations - 7.5 million RON;
- Installation of AT2 400 MVA, 400/231/22 kV and related cubicles in Iernut substation and upgrade of the control command system of 400/220/110/6 kV Iernut substation - 6.1 million RON;
- Relocation/protection of high voltage networks Overhead Power Line 400 kV s.c. Mintia - Arad for the rehabilitation of the railway line CF Frontiera - Curtici - Simeria, part of the Pan European Corridor IV for the circulation of trains with maximum speed of 160 km/h – 5.7 million RON;
- Installation of an embedded fibre optic protection conductor on the 400kV Roșiori - Mukacevo - 5.2 million RON.

TANGIBLE AND INTANGIBLE FIXED ASSETS

Purchases of tangible and intangible fixed assets in the first half of 2024 totalled 256.2 million RON, an increase compared to the same period of 2023 when purchases totalled 186.4 million RON.

At the same time, the balance of property, plant and equipment in progress according to the financial position as at June 30, 2024, in the amount of RON 846 million, is represented by the projects in progress, the most significant of which are listed below:

- Overhead Power Line 400 kV d.c. Gutinaș - Smârdan - 236.4 million RON;
- Transition to 400 kV of the Porțile de Fier - Reșița - Timișoara - Săcălaz - Arad - Phase I - 400 kV substation s.c. Porțile de Fier - (Anina) - Resita - 117.6 million RON;

- Connection of Overhead Power Line 400 kV Isaccea - Varna and Overhead Power Line 400 kV Isaccea - Dobrudja to the 400 kV Medgidia Sud substation Stage II - Overhead Power Line 400 kV d.c. Connections to Medgidia South substation - 96.7 million RON;
- Refurbishment of 220/110 kV Filești substation - 49.7 million RON;
- Connection to the RET 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 – 46.9 million RON;
- Increasing the transmission capacity of the 220kV Stejaru - Gheorgheni - Fântânele - 42.7 million RON;
- Upgrading of the 400/110/20 kV Smârdan substation - 32.1 million RON;

- Isaccea 400 kV Isaccea substation - Phase II - 21.3 million RON;
- Metering and data management system for electricity metering on the wholesale market - 20.1 million RON;
- 110 kV Medgidia Sud 110 kV substation modernisation - 13.8 million RON;
- Extension of the 400 kV Gura Ialomiței substation with two cells: 400 kV Cernavodă 2 and 3 - 12.6 million RON;
- Upgrading of the 110 kV Timișoara 110 kV substation and upgrading to 400 kV of the Porțile de Fier - Anina - Reșița - Timișoara - Săcălaz - Arad axis, phase II: 400 kV substation Timisoara - 8.9 million RON;
- 400 kV overhead power line Gădălin - Suceava, including interconnection to SEN (H.CA no. 7 / 08.07.2010) - 8.5 million RON.

ANNUAL INVESTMENT PROGRAMME

The breakdown of investment expenditure at June 30, 2024 by the main chapters of the annual investment programme is as follows:

It. no.	Categories of expenditure	Scheduled * (mil RON)	Realised (mil RON)	
			H1 2024	H1 2023
	Grand total (A+B)	544.87	236.98	203.44
A	Company's own expenses	513.02	220.7	184.86
B	Investments financed from the connection fee	31.86	16.28	18.58

*PAI 2024 revision A5

Thus, the degree of realisation of the annual investment programme as at June 30, 2024 is 43.5% against Programme and 83.6% against budgeted H1+II at Grand Total.

Compared to the Annual Investment Programme, the degree of realisation of own expenditure is 43% and compared to the budgeted H1+2 is 84%.

The realised value of further investments is RON 213.86 million and represents 96.9% of the Company's own investment expenditure realised in 2024.

The realised value of the investments financed from the connection tariff is 16.28 million RON, corresponding to requests for the execution of network relocation works or connection to the network of some producers.

The investment programme for 2024 has been revised five times due to requests to introduce/remove investment objectives, increase/decrease some

expenditure amounts due to the pace of implementation of investment projects.

The Company's development plan for the next 10 years includes a comprehensive investment programme aimed at strengthening energy security, digitisation and the implementation of the SMART GRID concept, which will increase the capacity to integrate renewable energy into the system and increase interconnection capacity.

As regards the RET's capacity to integrate new renewable generation units, the wind and solar potential of the Dobrogea (south-east of the country) and Banat (south-west of the country) regions should be mentioned.

These already congested regions no longer allow for the integration of new capacity, but taking into account the investments under realisation as well as those planned for these two regions alone, by 2027, there will be around 5,000 MW of additional capacity available.

CONTRACTUAL ISSUES

The most important investment contracts signed in H1 2024 are:

- Power Quality Monitoring System - 37.82 million RON,
- 400 kV Stâlpu electric substation and upgrade of 110 kV and medium voltage cells in Stâlpu electric substation - equipment - 32.1 mil RON
- Replacement of TRANSFORMER 4-250 MVA, 400/110 kV in 400/110 kV substation Drăgănești Olt - 25.06 mil RON.

EUROPEAN FUNDS

The collaboration between Transelectrica and the Polytechnic University of Bucharest

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

Transelectrica participates in the selection process initiated by the Polytechnic University of Bucharest for

the establishment and operationalisation of a Consortium for the creation of a complete professional route for technical education, where, together with UPB, it has submitted the application for funding for the implementation of the project "**Campus Dual Politehnica Politehnica Bucharest**".

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

On 07.07.2023 the final list with the results of the qualitative evaluation was published and the project remained on the first position. It should be noted that at the beginning of October 2023 the financing contract was signed and, therefore, the implementation of the project started.

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

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



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

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

Upgrade Fund

As regards the implementation of the 9 projects related to the Upgrade Fund, in accordance with the provisions of the financing contracts, progress reports for the year 2023, as well as other categories of information requested by the Ministry (Notifications, communication plans, additional data sheets, etc.) were prepared and submitted to the Ministry of Energy.

In May 2024, a reimbursement request with a total reimbursed amount of 8,602,106.45 RON was submitted according to the schedule for the submission of reimbursement requests for the following project:

- *Digitisation of the RET by installing two online systems for metering and management of electricity metering data on the wholesale market, and for electricity quality monitoring.*

Project "LEA 400 kV d.c. Gutinaş Smârdan"

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

Financing for this project was valid until December 31, 2023.

Given that the conditions applicable to operations subject to phased implementation have been met, the Project has been included in the List of projects that can be phased and continued for financing in the Sustainable Development Programme (SDP) 2021-2027,

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

The project is currently in the technical and financial evaluation phase

REPowerEU plan

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

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

After signing the Financing Contract between the General Secretariat of the Government (Reform and/or Investment Coordinator) and C.N.T.E.E. Transelectrica S.A. (Beneficiary) as of 09.04.2024 the related activities

for the implementation of Investment 5 have been realised. Digitisation, streamlining and modernisation of the national electricity transmission grid (allocation € 56,237,200), financed by the National Recovery and Resilience Plan, under Component 16. REPowerEU, which comprises the following Subinvestments:

- Sub-investment 5a. - Installation of photovoltaic power plants (PPP) and electricity storage facilities to supply internal services installed in C.N.T.E.E. stations. Transelectrica S.A. (allocation 29,557,000 euro);
- Sub-investment 5b. - Refurbishment of SMART SA - C.N.T.E.E. branch Transelectrica S.A (allocation 18,240,000 euro);
- Sub-investment 5c. - Optimisation of the communication network and creation of a data centre -Teletrans SA, C.N.T.E.E. subsidiary. Transelectrica S.A. (allocation 8,440,200 euro).



Horizon Programme

Representatives of the Company participate in the Consortia formed to develop projects **development of TwinEU and SmartTwin projects** funded by the European Union Horizon Research - Innovation Programme.

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

- The Company is part of the consortium formed to develop this project, - which brings together 71 partners from across Europe, including transport and system operators, technology companies, universities and research institutes, European associations, solution developers.
- The objective of the project is to increase the efficiency and penetration of smart technologies in electricity grids leading to a truly smart grid. The results of the project are expected to contribute to the development of new smart grid architectures and

their integration into the European digital infrastructure.

- In the first quarter of 2024, the Company received pre-financing in the amount of €65,625, representing 75% of the estimated budget amount at reimbursement.

The **ELECTRON** (rEsilient and seLf-healed EleCTRical pOwer Nanogrid) **project**, funded by the European Union's Horizon 2020 programme, continued its work during the first half of 2024.

- The budget allocated to the Company is €245,000, and the amount collected so far for its involvement in the project is €145,775. The ELECTRON project will end on 30.09.2024.

The **CyberSEAS** (Cyber Securing Energy data Services) **project**, funded by the European Union's Horizon 2020 programme, continued its work during the first quarter of 2024.

- The project is realised within a consortium of 26 partners, the budget allocated to Transelectrica is 217.235 euro.
- The amount collected so far by the Company for its involvement in the project is €129,254. The CyberSEAS project will end on 30.09.2024.

CARMEN project of common interest

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

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

- "Optimisation of voltage regulation and power quality parameters by installing FACTS equipment in Gutinaş and Roşiori substations;
- "Upgrading and increasing the transmission capacity of the 220 kV overhead power line: Fântânele - Ungheni, Dumbrava - Stejaru and Gutinaş - Dumbrava";
- "National Synchrophasor Platform, connected to the International Platform for Synchrophasor Data Exchange (IPDE);
- "Installations for the regulation of active power flows for the purpose of limiting congestion in the RET"; EMS SCADA Module - Automatic Voltage and Reactive Power Control System.

Project Fiches for financing under the Upgrade Fund

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

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

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

On 14.12.2023 was published the decision approving the grant from the Upgrade Fund - C(2023) 9054 - for the "DigiTEL Green Pilot Project - Upgrading of the 220/110/20 kV Mostiștea substation to a digital and low environmental impact substation" (**allocation 48,340,733.89 euro**). The financing contract between the Ministry of Energy and NPG Transelectrica SA was signed on 20.02.2024 (C101/20.02.2024).

Confirmation of the DigiTEL Power Lines of the Future Pilot Project - LEA Optimisation (allocation 64.068.257,62 euro) priority investment from the European Investment Bank:

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

Events

As regards the **elements, events or factors of uncertainty that have influenced the activity during H1 2024**, the following can be mentioned:

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

Outlook 2024

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

- The approach to grant opportunities is two-pronged
 - *the monitoring process of grant funding opportunities launched by national and European funding authorities, which is ongoing,*
 - *identification of funding opportunities which is carried out in correlation with the company's development priorities, as well as with the identified needs to support their implementation.*
- To continue a good inter-institutional cooperation with the Ministry of Investments and European Projects, the Ministry of Energy, the Ministry of Economy, the General Secretariat of the Government and other governmental entities, in order to ensure the necessary legal framework for the implementation of projects of common interest and national importance that the company implements...
- Development of collaborative partnerships with EU TSOs by initiating innovative transnational projects in the company's fields of activity, aimed at strengthening human resources through exchange of experience and best practices.

THE COMPANY'S FINANCIAL INVESTMENTS

At the European level, the energy sector is in a process of transformation, emphasising 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, which ensures a unified development at continental level but also allows for adaptation to national specificities 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 by carrying out a share purchase transaction in the company.

By Decision No. 9 of the AGEA of June 5, 2018, the affiliation of the Company to the CORE Regional Security Coordination Centre, TSCNET, was approved through participation in the share capital with a contribution of 470,500 EUR (1 share - 2,500 EUR).

JAO (Joint Allocation Office)

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

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

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



Significant events

JANUARY - JUNE 2024

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

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

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

- **Transelectrica General Meeting January 29, 2024**

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

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

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

Company representatives attending the forum sessions, attended by over 120 Italian companies, explored opportunities for collaboration and exchange of experience with the Italian business environment. Investments, maintenance and system operation were the main areas of interest pursued in the topics discussed with the Italian economic environment by the Company's management and technical experts responsible for the three areas.

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

- **Financing contract from the Upgrade Fund**

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

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

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

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

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

- PĂUN Costin-Mihai,
- ATANASIU Teodor,
- VASILESCU Alexandru-Cristian,

- ZEZEANU Luminița,
- DASCĂL Cătălin-Andrei, .
- ORLANDEA Dumitru Virgil,
- RUSU Rareș Stelian,

for a term of office of 4 (four) years from March 1, 2024 until 29.02.2028. It also approved the remuneration of the members of the Supervisory Board of the Company and the form of the mandate contract.

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

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

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

- **400 kV overhead power line - Porțile de Fier - (Anina) - Resita**

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

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

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

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

The 400 kV Porțile de Fier - (Anina) - Resita 400 kV overhead power line will be put into operational service with the completion of the construction works of the Resita 400 kV substation, expected in the second half of this year.

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

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

- **Acceptance of mandates from CS members**

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

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

In accordance with its statutory and legal attributions, the Supervisory Board decided at its meeting of March 4, 2024, to elect Mr Cătălin-Andrei DASCĂL as Chairman of the Supervisory Board and to appoint the members of the advisory committees of the Supervisory Board as follows:

Nomination and Remuneration Committee:

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

Audit Committee:

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

Investment and Energy Security Committee:

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

Risk Management Committee:

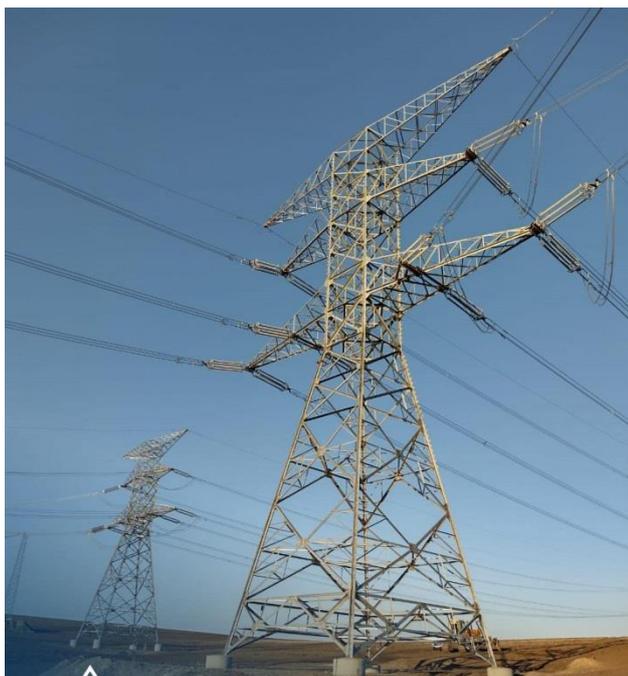
- ATANASIU Teodor ATANASIU - Chairman
- VASILESCU Alexandru-Cristian
- DASCĂL Cătălin-Andrei
- RUSU Rareș Stelian Rareș
- ORLANDEA Dumitru Virgil.

- **Extension of the terms of office of provisional members of the Management Board**

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

Pursuant to art. III of Law no.187/2023 on the amendment and completion of Government Emergency Ordinance no.109/2011 on corporate governance, the extension (for a period of 2 months starting from March 25, 2024 and until May 24, 2024, but not later than the completion of the selection procedure in accordance with the provisions of Government Emergency Ordinance no.109/2011 if the procedure is completed within this period), of the terms of office of the provisional members of the Management Board for Messrs: Ștefăniță MUNTEANU, Cătălin Constantin NADOLU, Florin Cristian TĂTARU and Bogdan TONCESCU. On the same date, in accordance with the provisions of Article 23 para. (1) of the Company's Articles of Association, Mr Ștefăniță MUNTEANU was elected as Chairman of the Board, alternatively referred to as Executive General Manager or Chief Executive Officer - "CEO" of the Compañia Nationala de Transport al Energiei Electrice "Transelectrica" SA.

- **Completion of key investment for the consolidation and security of the national energy infrastructure in Dobrogea region**



The 5th of April 2024 marked the successful completion of an investment of approximately 92 million RON to strengthen energy security in the Dobrogea region, the

development of the transmission grid and the national energy system, through the construction of two new 400 kV double circuit connections, with a total length of 55 kilometres, in the 400 kV Medgidia South Medgidia Electricity Transformer substation, which becomes the third important energy node for the evacuation of energy from Dobrogea.

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

- 400 kV Medgidia South - Varna (Bulgaria) interconnection,
- 400 kV Medgidia South - Dobrudja (Bulgaria) interconnection,
- 400 kV Medgidia Sud - Stupina and
- 400 kV Medgidia Sud - Rahman, thus transforming the Medgidia Sud substation into an interconnection substation with the Bulgarian power system.

These four lines result from the severing of former interconnecting lines with Bulgaria: 400 kV Stupina - Varna and 400 kV Rahman - Dobrudja respectively.

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

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

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

Thus, a significant benefit of this work is the reduction of active power losses on 400 kV overhead power lines by about 10 MW, under conditions of high power generation in wind power plants. At the same time, cross-border capacity on the Bulgarian border will be increased by between 200 MW and 300 MW for exports and around 100 MW for imports.

- **€56.2 million contract funded by NRRP**

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

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

The investment covers the installation of photovoltaic power plants and storage facilities in 29 electrical substations, the upgrading of the SMART SA subsidiary, the optimisation of the communications network managed by the Teletrans subsidiary and the creation of a data centre.

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



The implementation of these projects will significantly contribute to the consolidation of Romania's transmission grid.

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

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

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

In conjunction with the realisation of the new 400 kV Reșița substation, the 400 kV Porțile de Fier - (Anina) - Reșița power line will contribute to the consolidation of the energy sector in the Banat region and will facilitate the increase of interconnection capacity with the ENTSO-E network by 600 MW, to the benefit of the grid connected users.

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

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

- Separate financial statements of NPG "Transelectrica"-S.A. for the financial year 2023;
- Consolidated financial statements of NPG "Transelectrica"-S.A. for the financial year 2023;
- Allocation of net accounting profit as at December 31, 2023;
- The distribution of the gross dividend per share from the retained earnings in the balance on December 31, 2023, in the amount of RON 0.28;
- Creation of reserves related to the revenues realised from the allocation of transmission capacity on interconnection lines by distribution from the retained result representing the surplus realised from revaluation reserves not taxable upon change of use;
- Discharge of the members of the Management Board and members of the Supervisory Board for the financial year 2023;
- Remuneration report for the financial year 2023;
- Remuneration policy for members of the Company's executive and non-executive management revised to March 2024;
- Ratification by the General Meeting of Shareholders of the Supervisory Board's Decisions for the appointment of provisional members of the Management Board No 26/25.06.2021, No 49/22.12.2021, No 50/22.12.2021, No 51/22.12.2021, 52/22.12.2021, 53/22.12.2021, 13/23.03.2022, 18/21.06.2022, 43/14.10.2022, 53/19.12.2022, 15/19.04.2023, 24/20.06.2023, 39/24.10.2023 and 11/21.03.2024;

- Establishment of the general limits of the remuneration and other benefits to be granted by Transelectrica S.A. to the provisional members of the Management Board, including the fixed indemnity and other benefits granted;
- Setting the date of June 6, 2024 as the "ex date", the calendar date from which the Company's shares subject of the resolution of the Ordinary General Meeting of Shareholders shall be traded without the rights deriving from that resolution;
- Setting the date of June 7, 2024 as the record date of the shareholders on whom the effects of the Ordinary General Meeting of Shareholders' Resolution will be reflected;
- Set June 27, 2024 as the "payment date" of the dividends distributed from the retained earnings existing in the balance on 31.12.2023.

- **Notice on the procedure for paying distributed dividends**

On May 17, 2024, pursuant to Decision no. 3 of the Ordinary General Meeting of Shareholders of April 29, 2024, NPG "Transelectrica" S.A. (TEL) submitted the procedure for the payment of dividends from the retained earnings in the balance as at 31.12.2023.

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

Dividend payments were made as from June 27, 2024 (payment date) to shareholders registered on June 7, 2024 in the TEL Shareholders Register (ex-date 06 June 2024), through the Central Depository SA (DC) and the paying agent BRD - Group Soci t  G n rale (BRD).

- **Appointment of members of the Executive Board, appointment of President**

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

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

At the same meeting, in accordance with the provisions of Article 23 para. (1) of the Company's Articles of Association, the Supervisory Board elected Ștefăniță MUNTEANU as Chairman of the Management Board, alternatively referred to as Chief Executive Officer - "CEO" of Compania Nationala de Transport al Energiei Electrice "Transelectrica" SA.

The term of office of the members of the Management Board shall have a duration of 5 months as from May 25, 2024, but the term of office shall not exceed the date of completion of the selection procedure of the members of the Management Board of Compania Nationala de Transport al Energiei Electrice "Transelectrica"-SA under the conditions of the Government Ordinance no.109/2011 on the corporate governance of public enterprises, approved with amendments and additions, if the procedure is completed within this period.

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

On May 27, 2024, in application of the Agreement between the Governments of the Republic of Azerbaijan, Georgia, Romania and Hungary on the Strategic Partnership in the field of Green Energy Development and Transmission - "Green Energy Corridor" Project, NPG "Transelectrica" SA and the other relevant parties designated at the level of each state, namely AzerEnerji JSC, Georgian State Electrosystem and MVM Zrt, signed in Bucharest, a Memorandum of Understanding whereby they agree to endeavour to take the necessary steps to set up a Joint Venture company based in Romania.

- **Regulated tariff applicable from June 1, 2024**

The Company, on June 4, 2024, informed the investing public on the publication in the Official Gazette no. 503/30.05.2024 of ANRE Order no. 15/2024 regarding the approval of the tariff for the system service, applied by the Company.

Therefore, the regulated tariff (excluding VAT) for the system service, applicable from June 1, 2024 is:

Service	Tariff applicable from January 1, 2024	Tariff* applicable from June 1, 2024
	RON/MWh	RON/MWh
Tariff for the system service:	9.17	12.84

* The change in the value of the tariff was determined by the application of the mechanism for correcting significant deviations from the forecast that was the basis for the approval of the tariff in force as of 01

January 2024, in accordance with the provisions of the regulatory framework issued by the National Energy Regulatory Authority

- **Announcement concerning the selection of candidates for the position of member of the Management Board of C.N.T.E.E. "Transelectrica" S.A.**

The Company's Supervisory Board has announced the launch of the selection procedure for the selection of candidates for five positions on the Management Board of C.N.T.E.E. "Transelectrica" S.A.

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

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

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

The subject of the contract is represented by strategic services / works in the facilities managed by NPG Transelectrica SA in connection with the maintenance activity carried out in the Company in accordance with the provisions of the Maintenance Assurance Programme (MAP) and the Regulation of preventive maintenance of facilities and equipment within the RET, documents prepared on the basis of ANRE Order no. 96/2017 for the approval of the Regulation of the organisation of maintenance activity, as well as with the provisions of other specific regulations in force (prescriptions, internal technical standards, technology sheets, etc).

- **Upgrade Fund project approved by the European Commission**

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

The grant amount of the project is 64,068,257.62 euro and the approval decision was published on the Upgrade Fund website on 25.06.2024.

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

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

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

SUBSEQUENT EVENTS

- **Convening of the Extraordinary General Meeting of Shareholders**

In accordance with 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, of the A.S.F. Regulation no. 5/2018 on issuers of financial instruments and market operations, with subsequent amendments and additions, as well as of the Company's Articles of Association in force, the Company's Management Board convened the Extraordinary General Meeting of Shareholders on August 12, 2024, with the following items on the agenda

- Approval of the participation of Compania Nationala de Transport al Energiei Electrice "Transelectrica" - S.A. in the share capital of a new Joint Venture company based in Romania in application of the Agreement between the Governments of the Republic of Azerbaijan, Georgia, Romania and Hungary on the Strategic Partnership in the field of Green Energy Development and Transport - "Green Energy Corridor" Project
- Approval of the procurement of legal services for the implementation of projects and transactions with a foreign element in which the National Electricity Transmission Company "Transelectrica" -S.A. is involved in the application of governmental decisions or, where appropriate, in the application of European

regulations arising from its status as a transmission and system operator in the electricity sector.

- **Request to complete the agenda of the General Meeting August 12/13 2024**

The Company has informed investors that the majority shareholder, the Romanian State, through the General Secretariat of the Government, pursuant to Article 105 paragraph (3) of Law no. 24/2017 on issuers of financial instruments and market operations, republished, in conjunction with the provisions of Art. 1171 of the Companies Law no. 31/1990, republished, with subsequent amendments and supplements, has requested to supplement the agenda of the Extraordinary General Meeting of Shareholders convened for 12/13.08.2024 with the **Approval of the RET Development Plan for the period 2024 - 2033**.



Other Aspects

SHAREHOLDER STRUCTURE

The shareholding structure of the Company as at 30.06.2024 is as follows:

Shareholder name	No. Of shares	Weight in total
The Romanian State through the SGG	43,020,309	58.7%
PAVĂL Holding	4,753,567	6.5%
NN Private Managed Pension Fund	4,007,688	5.5%
Other shareholders - legal entities	16,533,437	22.6%
Other shareholders - individuals	4,988,141	6.8%
Total	73,303,142	100%

COMPOSITION OF THE BOARD

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

Stefan MUNTEANU	Chairman of the Board
Cătălin-Constantin NADOLU	Board Member
Bogdan TONCESCU	Board Member
Florin-Cristian TĂTARU	Board Member

TARIFFS

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

Transport tariff applied in the first half of 2024

By ANRE President Order no.109/2023, the average transmission service tariff, the components of the transmission tariff for the introduction of electricity into the grid (T_Gp) and for the extraction of electricity from

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

the grid (T_L), the system service tariff and the regulated price for reactive electricity, applied by NPG Transelectrica S.A., valid from January 1, 2024, were approved, as shown in the table below:

Electricity transmission	MU	Tariff in force from January 1, 2024	Main component - in force from January 1, 2024	Additional OTC costs component - effective from January 1, 2024	Tariff applied from April 1, to December 31, 2023	Main Component - from April 1 to December 31, 2023	Additional OTC costs component - from April 1 to December 31, 2023	Difference (%)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)=(3)/(6)
Average tariff	RON/MWh	31.67	30.41	1.26	31.20	28.61	2.59	1.51%
TGp (main network injection subcomponent)	RON/MWh	3.82	3.35	0.47	4.04	3.35	0.69	-5.45%
TL (net extraction component)	RON/MWh	27.72	26.94	0.78	27.44	25.50	1.94	1.02%

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

- Declining consumption trend and Inflation effect.

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

By ANRE President Order no.109/2023, the sub-component of the TSO regarding the OTC related to the additional transits of electricity from the 110 kV electricity grids, corresponding to the quota assigned to electricity producers that own power

plants with installed capacity of more than 5 MW and that introduce electricity into the grid area of the concessionary distribution operator, valid from January 1, 2024, as per the table below:

Economic operator	Activity ¹⁾	Tariff from January 1, 2024 (RON/MWh), of which:
NPG "Transelectrica" – S.A	TGT sub-component for the OTC related to additional transits of electricity from the 110 kV electricity grids, corresponding to the quota assigned to electricity producers which own power plants with an installed capacity of more than 5MW and which introduce electricity into the grid area of the concessionary distribution operator Distribuție Energie Oltenia S.A	2.53
	Sub-component of the TSO for 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

i) In accordance with the applicable regulatory framework, the costs of OTC caused by additional transits of energy in the networks of distribution system operators at the 110 kV voltage level shall be recovered by the distribution system operators from the transmission system operator and from the electricity generators through the transmission system operator, 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 distribution networks concerned.

The transmission system operator pays to 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 producers and distribution system operators). The transmission and system operator shall recover 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.

II) Tariff for the purchase of system services applied in the first half of 2024

By ANRE Order no.15/2024, the tariff for the purchase of system services charged by NPG Transelectrica SA

was approved, valid from June 1, 2024, as shown in the table below:

System Service	MU	Tariff in force from June 1, 2024	Tariff applied from January 1, to May 31, 2024 ANRE Ordin 116/2023	Difference (%)
(1)	(2)	(3)	(4)	(5)=(3)/(4)
Average tariff	RON/MWh	12.84	9.17	40.02%

The positive adjustment of the tariff as of June 1, 2024 was made on the basis of compliance with 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 above-mentioned Articles provide the following:

- *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 half of a tariff period t-1, respectively, the difference

between the realised and forecast revenues and costs, plus the amount of the unpaid corrections related to the previous period/periods, and shall submit the calculation to ANRE on May1 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 verification at the end of the first quarter of 2024 of the situation of costs and

revenues related to the system services activity, ANRE has adjusted the tariff amount accordingly, starting June 1, 2024.

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

Also based on the provisions of the above-mentioned articles, on August 1, 2024, NPG Transelectrica SA is obliged to submit to ANRE, the interim verification for the first half of 2024 of significant deviations from the forecast values of the situation of costs and revenues.

Following this analysis, if it is found that in the first half of 2024 the provisions of Art. 22 and Art.23 have been met again, ANRE will adjust the tariff accordingly, starting September 1, 2024.

LITIGATIONS

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

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

- **RAAN**

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

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

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

NPG Transelectrica SA filed an appeal against the additional table of claims, which was the subject of file no. 9089/101/2013/a152 against the debtor RAAN, as the judicial liquidator did not register a claim in the amount of 78,096,209 lei on the grounds that "this does not appear as owed in the accounting records of RAAN." Moreover, the judicial liquidator considered that the request to enter the amount of 78,096,209 lei in the table is formulated late, being related to the period 2011 - 2013, which is why the debt statement had to be formulated at the time of the opening of the insolvency procedure, respectively in dated 18.09.2013. An appeal was submitted within the legal term to the additional table of claims, the Mehedinți Court approving the evidence with the accounting expertise. By Decision 163/20.06.2019, the solution of the Mehedinți Court: the exception of forfeiture was admitted. The main action as well as the related appeal were admitted in part. Obliges the defendant to pay to the plaintiff the amount of 16,950,117.14 lei, a claim arising during the

procedure, ordering its entry in the list of creditors set up against the debtor RAAN with this amount. The rest of the related requests were dismissed. Pursuant to art. 453 para. 2 C. Fr. civil obliges the defendant to pay the plaintiff 1,000 lei in court costs. With call. Pronounced in public session. Document Decision 163/20.06.2019. Transelectrica filed an appeal within the legal term. At the deadline of 06.11.2019, the Craiova Court of Appeal ordered the rejection of Transelectrica's appeal, as unfounded. Final decision. Decision 846/06.11.2019.

In the bankruptcy file of RAAN registered under no. 9089/101/2013, CNTEE Transelectrica SA was registered with the credit table with the following claims: 2,162,138.86 lei + 16,951,117.14 lei.

Deadline for continuation of the procedure for collection of claims, capitalization of assets and the fulfillment of other liquidation operations: **03.10.2024**.

Also, between RAAN and Transelectrica, there are other cases in different stages of trial. Actions by RAAN against NPG Transelectrica SA deriving from contract no. C137/08.04.2011.

File no. 28460/3/2017 - Subject of the file: obliging the underwriter to pay the total amount of 12,346,063 lei. CAB decision 09/27/2021: Suspends the judgment of the appeal until the final settlement of files no. 28458/3/2017, no. 26024/3/2015. The decision of 23.05.2022: Rejects as unfounded the request to reinstate the pending case. Keeps the judgment of the appeal suspended. At the deadline of 20.05.2024, the appeal was admitted, the appealed sentence was changed in the sense that: the summons request was admitted. It obliges the defendant to pay the plaintiff the

sum of 12,346,063.10 lei, representing the principal debt and penalties, with the right of appeal. Decision 806/20.05.2024.

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.

• RESITA MUNICIPALITY

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

Subject matter: By means of the application, the applicant Municipality of Reșița seeks an order that the defendant Transelectrica SA pay the following amounts: 2,129,765.86 RON, representing the rent for the area of land temporarily occupied from the forest fund for 2015; 2,129,765.86 RON, representing the rent for 2016; 2,129,765.86 RON, representing the rent for 2018; legal penalty interest from the due date until the actual payment.

Solution of the CS Tribunal: Suspends the judgement on the application brought by the plaintiff Municipality of Reșița, through the Mayor, against the defendant Transelectrica, concerning claims, pursuant to Article 413 paragraph (1), item 1 of the Civil Procedure Code. With appeal to the higher court for as long as the trial is suspended. Document: Resolution - Suspended 22.03.2021.

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

At the term of 02.03.2023 was suspended the judgement of the application brought by the plaintiff Municipality of Reșița, against the defendant Transelectrica, concerning claims. With right to appeal throughout the stay of the trial.

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

request made by the expert. The hearing of the case was adjourned to **19.09.2024**, in the absence of the expert's report.

• ANAF

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

Solution in brief: The appellant's application for a stay of the proceedings is granted. Based on Article 413 para. (1) item 1 of the Civil Procedure Code suspends the judgement until the final resolution of **case no. 1802/2/2018**, pending before the Bucharest Court of Appeal, 8th Department Administrative and Tax Litigation. With appeal for the entire duration of the suspension, the appeal application to be lodged with the District Court of Bucharest. Delivered in open court. Document: Adjournment - Suspension 17.04.2018.

Case no. 1802/2/2018 - At the deadline of 20.10.2020 - short solution: the applications pending were partially admitted.

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

- ✓ the obligation to pay corporate income tax in the amount of RON 18,522,280, VAT in the amount of RON 5,694,636 and the tax accessories related to these main tax debts, in the amount of RON 48,436,653, tax obligations established for the 349 tax invoices with special regime found missing from the applicant's management.
- ✓ removes the non-deductible character for the calculation of taxable profit of the amount of 27,001,727 RON, representing system technological services invoiced by energy suppliers, considered non-deductible following the tax inspection and the obligation to pay the main and accessory tax claims in relation to this amount.
- ✓ removes the non-deductible character for the calculation of the taxable profit of the amount of 343,629.91 RON. representing "weed removal

services" and the obligation to pay the main and accessory tax claims in relation to this amount.

- ✓ removes the non-deductible character for the calculation of the taxable profit of the amount of 230,685.491 RON, representing the expenses for promotional products and protocol and the obligation to pay the main and accessory tax claims in relation to this amount.
- ✓ removes the non-deductibility of VAT in the amount of 46,417.1 RON, amounting to 343,629.91 RON, representing "weed removal services" and the obligation to pay the main and accessory tax claims in relation to this amount.
- ✓ removes the non-deductibility of VAT in the amount of 37,693.88 RON related to the amount of 230,685.49 RON, representing expenses for promotional and protocol products and the obligation to pay the main and accessory tax claims in relation to this amount.
- ✓ remove the mention regarding the obligation of the Sibiu Transmission Branch of NPG Transelectrica S.A. to record the amount of 576,846.80 RON as taxable income, no later than 30.06.2010, the date on which the audited entity was accepted for registration in the creditors' estate with this amount, the mention regarding the character of taxable income for the calculation of the profit of the amount of 576,846.80 RON in accordance with the provisions of art. 1 of Law no. 571/2003 on the Tax Code with subsequent amendments and additions, in conjunction with item 23 lit. d of GD 44/2004 containing the Methodological Norms for the application of Law no. 571/2003, the chapter on corporate income tax, respectively chapter VII on the function of the accounts of Order no. 3055 of October 29, 2009 for the approval of the Accounting Regulations in compliance with the European Directives and the obligation to pay the main and accessory tax claims in relation to this amount.
- ✓ removes from the Minutes the finding made with regard to the "determination of the deductible value added tax lower than that registered by the plaintiff, thus resulting in a difference in the amount of 13,141 RON" (Annex no.15) and the obligation to pay the main and accessory tax claims in relation to this amount.
- ✓ removes the obligation to pay the penalties for late payment that have a sanctioning legal regime, calculated for a period of more than 6 months from the date of the start of the tax inspection, in respect of the principal tax liabilities that have been upheld by the court in the present judgement, as established by Tax Assessment Decision no.F-MC 439/30.06.2017, issued on 12.07.2017, by ANAF- DGAMC, by the Tax

Assessment Decision no/13.03.2018, regarding the settlement of the appeal lodged against the Tax Assessment Decision No. F-MC 439/30.06.2017, issued by ANAF - General Directorate for the Settlement of Appeals.

The other provisions of the Decision no.122/13.03.2018, regarding the settlement of the appeal lodged against the tax assessment decision no. Dismisses the remainder of the applications dismissed as unfounded.

The application for an award of costs in the form of stamp duty is dismissed as unfounded. Orders the defendants, jointly and severally, to pay to the plaintiff the costs in the amount of 4,000 RON, representing the fee for the expert's report in the speciality of accounting-tax expertise, in proportion to the admission of the claim.

Transelectrica and ANAF filed an appeal in March 2022. Solution on May 24, 2022: Dismisses as unfounded the request for clarification and amplification of the operative part of the judgment. Grant the application for rectification of the substantive error to the effect that the amounts of the principal and ancillary tax liabilities in respect of the 349 tax invoices, as set out in the contested tax assessment decision, are to be recognised as correct. Orders that the clerical error be rectified so as to remove the erroneous name of the applicant from the contested judgment.

The parties have appealed. ICCJ term: 13.12.2023.

On 13.12.2023, the ICCJ remained in judgment; 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 October 20, 2020, delivered by the Bucharest Court of Appeal - 8th Department - Administrative and Tax Litigation. Partially quashed the judgment under appeal and, re: dismissed the application for annulment of the decision on the settlement of the appeal No 122/13.03.2018 and of the tax assessment decision No F-MC 439/30.06.2017 concerning: - withholding the non-deductibility of expenses in the amount of 343,629.91 RON, representing "weed removal services" and the related VAT; - withholding the non-deductibility of expenses in the amount of 230,685, representing the value of promotional and protocol goods and the related VAT; - the obligation to pay late payment penalties which have a sanctioning legal regime, calculated for a period exceeding 6 months from the date of the start of the tax inspection. Fixed the amount of the costs to which the defendants were ordered, jointly and severally, at the sum of 6000 RON,

representing the fee for the expert's report in the speciality of accounting and taxation. It maintained the other provisions of civil judgment No 382 of October 20, 2020. Admitted the appeals lodged by the plaintiff Transelectrica and the defendant General Directorate for the Administration of Large Taxpayers against the civil judgment no.134 of May 24, 2022, pronounced by the Bucharest Court of Appeal - 8th department - Administrative and Tax Litigation. It quashed in part civil judgment no. 134 of May 24, 2022 and, on appeal: granted in part the request for clarification and supplement of the operative part of civil judgment no. 382 of October 20, 2020, filed by the plaintiff Transelectrica. It ordered the following to be added to the operative part of civil judgment No 382 of October 20, 2020: - also cancelled the Tax Inspection Report No. F-MC 222/30.06.2017 in so far as the tax assessment decision No. F-MC 439/30.06.2017 was annulled; - annulled the main tax liabilities established for 2005 and the related accessory tax liabilities, as the right of the tax authority to establish such liabilities was time-barred; - annulled the tax administrative acts in respect of the non-deductibility of the expenses with the SMART benefit share. Removed the entries relating to the amounts of corporate tax and cancelled ancillary tax in respect of the 349 tax invoices in both the judgments for rectification of the substantive error and the main judgment. It maintained the other provisions of civil judgment No 134 of May 24, 2022. Ordered the defendant-appellants to pay to the applicant-appellant Transelectrica the sum of 200 RON, representing costs of the appeal. Definitive. Judgement 6169/20.12.2023.

Civil judgment no. 6169/2023, pronounced on December 20, 2023, by the ICCJ - Administrative and Fiscal Litigation Section, was communicated to the Company on May 15, 2024.

- **CONAID COMPANY SRL**

The subject of file no. **36755/3/2018** is the finding of unjustified refusal to conclude an additional act to the RET C154/2012 connection contract and claims in the amount of 17,216,093.43 RON, the loss suffered and 100,000 euro, the value of the estimated unrealised benefit.

At the trial date of **03.01.2024**, the TMB admits the plea of time barring of the substantive right to bring an action, raised in the defence. The application is dismissed as time-barred. With an appeal within 30 days of notification. Decision 4/2024

- **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.

OPCOM filed an appeal with a date of **12.09.2024**.

• GRAND VOLTAGE

Case **no.17976/3/2021**, registered with the Bucharest District Court, concerning the application for a writ of summons, by which the plaintiff Grand Voltage seeks an order that the defendant NPG Transelectrica SA be ordered to pay compensation for the damage caused to the undersigned in the amount of 8,331,444.60 RON as a result of the culpable non-execution of the obligations related to the Works Contract No C 111/23.05.2018 on "Connection of the 100kV Isaccea -Varna and 400 kV Isaccea-Dobrujda substations in the 400 kV Medgidia Sud substation Stage II-LEA 400kV d.c. Medgidia Sud substation connections".

Solution on 25.07.2022 according to Judgement 1812: dismiss the action as unfounded. Subject to appeal within 10 days of notification. The appeal shall be submitted to the Bucharest Tribunal - 6th Department, under penalty of nullity. The judgement is not redacted.

Grand Voltage has appealed. At the term of 17.07.2024, the plea of lack of legal capacity of the appellant - plaintiff JV Voltage Operation (Former Grand Voltage SRL) - Doko Shpk through the leader of the joint venture Voltage Operation was dismissed as unfounded, plea raised by the respondent - defendant Transelectrica SA with regard to the appeal. Fixes **13.08.2024** as the date for the continuation of the trial.

• 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 nr.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 has been versioned 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 May 26, 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 has lodged an appeal with a date of **January 23, 2025**.

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

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

- OTHERS

The company is involved in significant litigation, notably for debt recovery (e.g.: Total Electric Oltenia SA, Regia Autonomă de Activități Nucleare, Romenergy Industry SRL, Energy Holding SRL, UGM Energy Trading SRL, CET Iași, CET Bacău, CET Brașov, Elsaco Energy SRL, Arelco Power SRL, Opcom, Menarom PEC SA Galați, Romelectro SA, Transenergo Com SA, ENNET GRUP SRL and others).

The company recognised 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 Management and Supervisory Boards in relation to the contracts of mandate concluded between the Company and them. For these litigations, the Company has made a provision.



Annexes

ANNEX 1: Separate statement of financial position

[mil RON]	H1 2024	2023	Δ	Δ (%)
	1	2	3=1-2	4=1/2
ASSETS				
Non-current assets				
Tangible assets	5,490	5,416	75	1%
Assets of the usage rights for leased assets - buildings	10	14	(4)	(29%)
Intangible assets	288	282	6	2%
Financial assets	86	86	-	n/a
Total non-current assets	5,874	5,798	76	1%
Current assets				
Inventories	54	51	3	6%
Trade and other receivables	3,390	2,116	1,274	60%
Cash and cash equivalents	527	519	8	1%
Income tax to be recovered	4	-	4	n/a
Total current assets	3,975	2,686	1,289	48%
Total assets	9,849	8,484	1,366	16%
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' Equity				
Share capital, of which:	733	733	-	n/a
<i>Subscribed share capital</i>	733	733	-	n/a
Share premium	50	50	-	n/a
Legal reserves	147	147	-	n/a
Revaluation reserves	1,573	1,635	(62)	(4%)
Other reserves	239	196	43	22%
Retained earnings	2,735	2,430	305	13%
Total shareholders' equity	5,476	5,190	286	6%
Non-current liabilities				
Long term deferred revenues	525	519	6	1%
Long term borrowings	20	32	(12)	n/a
Other loans and assimilated debts - Non-current building lease liabilities	2	6	(4)	(66%)
Deferred tax liability	288	285	3	1%
Employee benefits liabilities	75	75	-	n/a
Total non-current liabilities	910	918	(7)	(1%)
Current liabilities				
Trade and other liabilities	3,331	2,242	1,089	49%
Other loans and assimilated debts - Current building lease liabilities	9	9	0.1	1%
Other tax and social security liabilities	16	19	(2)	(12%)
Short-term borrowings	24	25	(0)	n/a
Provisions	61	65	(4)	(6%)
Short-term deferred revenues	21	16	4	28%
Tax on profit to be paid	-	0.4	(0.4)	n/a
Total current liabilities	3,463	2,376	1,087	46%
Total liabilities	4,373	3,294	1,079	33%
Total shareholders' equity and liabilities	9,849	8,484	1,366	16%

ANNEX 2: Separate profit and loss account

[mil RON]										
Indicator	2022	H1 2023	2023	H1 2024	Budgeted H1 2024	Realised H1 2024 vs H1 2023	Realised H1 2024 vs H1 2023 (%)	Realised vs Budgeted H1 2024	Realised vs Budgeted H1 2024 (%)	
0	1	2	3	4	5	6=4-2	7=4/2	8=4-5	9=4/5	
<i>Operating revenues</i>										
Transmission revenues	1,885	959	1,956	985	994	26	3%	(9)	(1%)	
System services revenues	534	193	391	312	231	119	62%	81	35%	
Balancing market revenues	3,479	1,018	2,269	3,229	1,416	2,211	217%	1,814	n/a	
Other revenues	389	30	102	159	35	129	425%	124	n/a	
Total operating revenues	6,286	2,200	4,718	4,685	2,676	2,485	113%	2,010	75%	
<i>Operating expenses</i>										
System operating expenses	(902)	(307)	(640)	(355)	(346)	(48)	(16%)	(10)	(3%)	
Balancing market expenses	(3,480)	(1,017)	(2,269)	(3,229)	(1,379)	(2,212)	(217%)	(1,850)	n/a	
System services expenses	(467)	(231)	(499)	(301)	(288)	(70)	(30%)	(13)	(4%)	
Depreciation and Amortisation	(272)	(167)	(334)	(172)	(173)	(5)	(3%)	1	1%	
Personnel expenses	(306)	(158)	(348)	(187)	(189)	(29)	(19%)	1	1%	
Repairs and maintenance expenses	(108)	(44)	(115)	(52)	(75)	(8)	(18%)	23	30%	
Materials and consumables	(13)	(4)	(8)	(3)	(7)	-	12%	4	54%	
Other operating expenses	(145)	(95)	(270)	(118)	(129)	(24)	(25%)	11	9%	
Total operating expenses	(5,692)	(2,023)	(4,484)	(4,418)	(2,585)	(2,395)	(118%)	(1,833)	(71%)	
Operating profit	594	177	234	267	90	90	51%	177	n/a	
Financial revenues	65	26	36	20	21	(7)	(25%)	(1)	(6%)	
Financial expenses	(72)	(24)	(36)	(4)	(17)	21	86%	14	79%	
Net finance result	(7)	2	0.3	16.2	4	14	702%	12	n/a	
Profit before income tax	587	179	234	283	94	104	58%	189	n/a	
Income tax	(73)	(18)	(21)	(20)	(5)	(2)	(12%)	(15)	n/a	
Net profit	515	162	214	264	89	102	63%	174	n/a	

ANNEX 3: Separate cash flow statement

[mil RON]	H1 2024	H1 2023	Δ
Cash flows from operating activities			
Profit/loss for the period	263.66	161.59	102.1
Income tax expense	19.73	17.67	2.1
Amortisement expense (including additional OTC)	171.64	167.08	4.6
Income from the production of intangible assets (including additional OTC)	(23.87)	-	(23.9)
Expenses with adjustments for trade receivables impairment	0.02	0.95	(0.9)
Revenues from reversal of adjustments for trade receivables impairment	(2.06)	(0.94)	(1.1)
Losses from various debtors	2.92	-	2.91
Net expenses/income with adjustments for various debtors impairment	1.61	(0.09)	1.7
Net expenditures with adjustments for inventories impairment	0.78	(0.83)	1.6
Net profit/ loss on sale of tangible assets	4.38	(0.96)	5.3
Net expenditures on adjustments of value regarding tangible assets	-	(1.63)	1.6
Net Expenses/Income regarding provisions for risks and expenses	(4.26)	(4.17)	(0.1)
Interest expense, interest revenue and unrealised exchange rate gains	(16.71)	(1.28)	(15.4)
Cash flows before working capital changes	417.85	337.39	80.5
Changes in:			
Customers and similar accounts - energy and other activities	(473.83)	1,494.49	(1,968.3)
Customers - balancing	(786.61)	239.86	(1,026.5)
Customers - cogeneration	(16.32)	28.47	(44.8)
Inventories	(4.01)	(9.43)	5.4
Trade and other liabilities - energy and other activities	249.10	(1,439.65)	1,688.7
Liabilities - balancing	979.60	(281.96)	1,261.6
Liabilities - cogeneration	(111.54)	(8.47)	(103.1)
Other taxes and social insurance liabilities	(2.24)	(0.51)	(1.7)
Deferred revenues	51.09	41.59	9.5
Cash flows from operational activities	303.09	401.80	(98.7)
Interest paid	(1.23)	(1.85)	0.6
Income tax paid	(20.97)	(20.96)	(0.0)
Net cash generated from operational activities	280.89	378.99	(98.1)
Cash flows from investing activities			
Acquisition of tangible and intangible assets	(256.21)	(186.35)	(69.9)
Participation titles held in SELENE CC Societe Anonyme	-	0.24	(0.2)
Proceeds from EC non-reimbursable financing	2.71	55.75	(53.0)
Proceeds from sale of tangible assets	-	1.77	(1.8)
Received Interests	3.43	2.41	1.0
Dividends cashed	14.65	1.20	13.4
Net cash used in the investment activity	(235.42)	(124.97)	(110.4)
Cash flows used in financing activities			
Repayments of non-current borrowings	(11.98)	(11.90)	(0.08)
Building lease payments	(5.33)	(5.28)	(0.1)
Repayments of short-term borrowings	-	(67.62)	67.6
Dividends paid	(20.41)	(0.01)	(20.4)
Net cash used in financing activities	(37.72)	(84.80)	47.1
Net increase/(decrease) in cash and cash equivalents	7.75	169.21	(161.5)
Cash and cash equivalents at January 1	519.36	315.15	204.2
Cash and cash equivalents at the end of the period	527.10	484.36	42.7

ANNEX 4: Economic and financial indicators for the reporting period

Indicators	Formula	H1 2024	2023
Current liquidity ratio (x)	$\frac{\text{Current assets}}{\text{Current liabilities}}$	1.15	1,13
Indebtness indicators* (x):			
(1) Indebtness degree indicator	$\frac{\text{Debt capital} \times 100}{\text{Shareholder's equity}}$	1.01%	1,38%
(2) Indebtness degree indicator	$\frac{\text{Debt capital} \times 100}{\text{Committed capital}}$	1.00%	1,36%
Customer turnover speed (days)	$\frac{\text{Average client balance}^{**} \times \text{no.days}}{\text{Turnover}}$	58.3	79.37
Non-current assets turnover (x)	$\frac{\text{Turnover}}{\text{Non-current assets}}$	0.77	0,80

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

**The calculation of the average balance has taken into account customers that contribute to the turnover (energy, balancing, other customers, customers with invoices to be written). The corresponding values for customers: doubtful, from the market coupling mechanism, the cogeneration scheme and overcompensation have not been included in the average balance.

ANNEX 5: Articles of association amended between January-June 2024

At the time of writing there are no amended articles of association in 2024.

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

Supervisory Board

According to the Decision of the Ordinary General Meeting of Shareholders 1/28.02.2024 approved the appointment of the following members of the Supervisory Board of the Company for a term of office of four years, starting on March 1, 2024 and until February 29, 2028: PĂUN Costin-Mihai, ATANASIU Teodor, VASILESCU Alexandru-Cristian, ZEZEANU Luminița, DASCĂL Cătălin-Andrei, ORLANDEA Dumitru Virgil, RUSU Rareș Stelian.

ANNEX 7 REPORT (according to Decision of the Extraordinary General Meeting of Shareholders no. 4/29.04.2015) on contracts signed in H1 2024 for the procurement of goods, services and works, the value of which exceeds € 500,000/purchase (for the procurement of goods and works) and € 100,000/purchase (for services) respectively

It. no.	Contract Number	Subject of the Agreement	Duration (months)	Value		Contract type	Legal Basis	Procurement procedure
				Thousand RON	Thousand Euro			
0	1	2	3	4	5	6	7	8
1	C 562/2024	Strategic services/works managed by NPG Transelectrica SA	36	338,107.83	0.00	Services	Law 99/2016+ HG 394/2016	Competitive negotiation
2	C 360/2024	Power Quality Monitoring System	132	37,820.29	0.00	Supply	Law 99/2016+ HG 394/2016	Open tender
3	PT 4/4083/2024	Replacement of TRANSFORMER 4-250 MVA, 400/110 kV in 400/110 kV substation Dragănești Olt	34	25,057.53	0.00	Works	Law 99/2016+ HG 394/2016	Open tender
4	C 351/2024	Voluntary health insurance services for staff of NPG Transelectrica SA (framework agreement)	36	12,493.09	0.00	Services	Law 99/2016+ HG 394/2016	Open tender
5	C 325/2024	Digitel green pilot project - refurbishment of the 220/110/20 kV Mostiștea substation into a digital substation with reduced environmental impact (design)	14	1,925.00	0.00	Services	Law 99/2016+ HG 394/2016	Open tender
6	BA 13/2024	Cleaning services at the objectives of STT Bacău and DET	36	1,673.14	0.00	Services	Law 99/2016+ HG 394/2016	Open tender
7	PT 5/4188/2024	Cleaning services at STT Pitesti objectives	36	1,286.43	0.00	Services	Law 99/2016+ HG 394/2016	Open tender
8	C 345/2024	Cleaning services for buildings within NPG "Transelectrica" SA - Executive	24	1,026.04	0.00	Services	Law 99/2016+ HG 394/2016	Open tender
9	SB 9/2024	Mowing and vegetation removal services in order to prevent fires in electrical substations managed by STT Sibiu	36	791,748.00	0.00	Services	Law 99/2016+ HG 394/2016	Open tender
10	TM 52/2024	Cleaning services in stations and STT Timișoara lot 1 - Timis county	24	708,799.00	0.00	Services	Law 99/2016+ HG 394/2016	Open tender
11	TM 35/2024	Mowing and vegetation removal services in order to prevent fires in electrical substations managed by STT Timișoara	24	588,349.00	0.00	Services	Law 99/2016+ HG 394/2016	Open tender

Annex 6 - Glossary of terms

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



Transelectrica®
Societate Administrată în Sistem Dualist

CNTEE Transelectrica SA
A dual-tier company



Simplified Interim Separate Financial Statements
on the date and for the six-month period ending on
30 June 2024

Drafted in accordance with
International Accounting Standard 34 - Interim Financial Reporting

CNTEE Transelectrica SA

Simplified separate statement of financial position as at 30 June 2024

(All amounts are in RON unless otherwise indicated)

	Note	30 June 2024	31 December 2023
Assets			
Fixed assets			
Tangible fixed assets		5,490,406,344	5,415,750,112
Fixed assets related to rights of use of leased assets - buildings		9,940,299	13,916,419
Intangible fixed assets		288,013,272	282,231,988
Financial fixed assets		85,767,355	85,767,355
Total fixed assets	4	5,874,127,270	5,797,665,874
Current assets			
Stocks		54,315,442	51,084,833
Trade and other receivables	5	3,389,844,079	2,115,557,772
Recoverable corporate tax		3,917,906	-
Other financial assets		-	-
Cash and cash equivalents	6	527,104,454	519,358,908
Total current assets		3,975,181,881	2,686,001,513
Total assets		9,849,309,151	8,483,667,387
Equity and debt			
Equity			
Share capital, of which:		733,031,420	733,031,420
- <i>Subscribed share capital</i>		733,031,420	733,031,420
Share premium		49,842,552	49,842,552
Legal reserves		146,606,284	146,606,284
Revaluation reserves		1,572,768,291	1,634,711,533
Other reserves		238,770,667	195,710,506
Retained earnings		2,735,323,309	2,430,243,814
Total equity	7	5,476,342,523	5,190,146,109
Long-term debts			
Long-term deferred income	8	525,369,305	519,083,803
Loans	9	19,922,580	31,906,178
Other loans and similar liabilities - Leasing of buildings - long-term	10	2,182,520	6,481,491
Deferred tax liabilities		287,670,685	285,138,157
Employee benefit obligations		75,277,117	75,277,117
Total long-term liabilities		910,422,207	917,886,746
Current liabilities			
Trade and other payables	10	3,331,287,343	2,242,193,328
Other loans and similar liabilities - Leasing of buildings - short-term	10	8,730,079	8,641,987
Other taxes and social security contributions	11	16,272,481	18,507,735
Loans	9	24,416,778	24,528,217
Provisions	10	61,246,104	65,205,991
Short-term deferred income	8	20,591,636	16,137,336
Corporate tax payable		-	419,938
Total current liabilities		3,462,544,421	2,375,634,532
Total payables		4,372,966,628	3,293,521,278
Total equity and debt		9,849,309,151	8,483,667,387

The accompanying notes 1 to 22 form an integral part of these simplified separate interim financial statements.

CNTEE Traselectrica SA

Separate profit and loss account for the six-month period ended 30 June 2024

(All amounts are in RON unless otherwise indicated)

	Note	01 April - 30 June 2024	01 April - 30 June 2023	01 January - 30 June 2024	01 January - 30 June 2023
Revenue					
Transport service revenue		482,677,913	472,107,034	985,278,041	959,056,770
Income from system services		184,895,944	92,105,925	311,694,891	192,750,785
Balancing market income		1,896,721,756	509,697,264	3,229,089,384	1,017,616,030
Other revenue		132,679,828	18,033,948	159,126,942	30,316,419
Total revenue	13	2,696,975,441	1,091,944,171	4,685,189,258	2,199,740,004
Operating expenses					
Expenses for operating the system	14	(186,451,651)	(135,571,015)	(355,200,809)	(307,070,318)
Balancing market expenses	14	(1,896,938,639)	(509,286,041)	(3,229,285,561)	(1,017,157,046)
Expenses for system services	14	(195,586,467)	(121,088,490)	(300,957,046)	(230,734,632)
Amortisation	15	(86,616,097)	(84,895,430)	(171,642,879)	(167,075,991)
Staff expenditure	16	(99,996,785)	(83,481,084)	(187,493,102)	(158,011,004)
Repairs and maintenance		(28,127,632)	(25,326,524)	(51,876,416)	(44,008,953)
Materials and consumables		(1,658,080)	(1,814,493)	(3,191,807)	(3,615,051)
Other operating expenses	17	(61,657,685)	(48,890,062)	(118,343,254)	(94,829,457)
Total operating expenses		(2,557,033,036)	(1,010,353,139)	(4,417,990,874)	(2,022,502,452)
Operating profit		139,942,405	81,591,032	267,198,384	177,237,552
Financial income		17,552,775	9,561,801	19,734,482	26,453,907
Financial expenses		(1,277,023)	(8,928,015)	(3,540,000)	(24,434,114)
Net financial result	18	16,275,752	633,786	16,194,482	2,019,793
Profit before corporate tax		156,218,157	82,224,818	283,392,866	179,257,345
Corporate income tax	12	4,064,760	(894,967)	(19,731,722)	(17,667,166)
Profit for the year		160,282,917	81,329,851	263,661,144	161,590,179

The accompanying notes 1 to 22 form an integral part of these simplified separate interim financial statements.

CNTEE Transelectrica SA

Separate profit and loss account for the six-month period ended 30 June 2024

(All amounts are in RON unless otherwise indicated)

	<u>Note</u>	<u>01 April - 30 June 2024</u>	<u>01 April - 30 June 2023</u>	<u>01 January - 30 June 2024</u>	<u>01 January - 30 June 2023</u>
Profit for the year		160,282,917	81,329,851	263,661,144	161,590,179
Other comprehensive income		-	-	-	-
Total comprehensive income		160,282,917	81,329,851	263,661,144	161,590,179

The condensed interim condensed separate financial statements presented were signed by the Company's management on **05 August 2024**.

MANAGING BOARD,

Chairman
Stefan MUNTEANU

Member
Florin-Cristian TĂTARU

Member
Cătălin-Constantin NADOLU

Member
Bogdan TONCESCU

Economic and Financial Director
Ana-Iuliana DINU

Accounting Department Manager
Georgiana-Beatrice ȘTEFAN

The accompanying notes 1 to 22 form an integral part of these simplified separate interim financial statements.

CNTEE Transelectrica SA

Separate statement of changes in equity as at 30 June 2024

(All amounts are in RON, unless otherwise indicated)

	Share capital	Share premiums	Legal reserves	Revaluation reserve	Other reserves	Retained earnings	Total
Balance at 1 January 2023	733,031,420	49,842,552	146,606,284	703,232,784	39,310,392	2,196,479,419	3,868,502,851
Comprehensive income for the year							
Profit for the year	-	-	-	-	-	213,611,306	213,611,306
Other comprehensive income, of which:							
Recognition of actuarial gains on defined benefit plans	-	-	-	-	-	5,234,457	5,234,457
Surplus on revaluation of tangible fixed assets.	-	-	-	1,192,510,070	-	-	1,192,510,070
Debt on deferred tax on related to revaluation reserves	-	-	-	(193,974,505)	-	-	(193,974,505)
Transfer of revaluation reserves to retained earnings	-	-	-	(67,056,816)	-	67,056,816	-
Total other comprehensive income for the period	-	-	-	931,478,749	-	72,291,273	1,003,770,022
Total comprehensive income for the period	-	-	-	931,478,749	-	285,902,579	1,217,381,328
Other items							
Increasing the legal reserve	-	-	-	-	-	-	-
Other items	-	-	-	-	-	(92,953)	(92,953)
Total other items	-	-	-	-	-	(92,953)	(92,953)
Contributions from and distributions to shareholders							
Derecognition of fixed assets in the nature of public assets	-	-	-	-	-	-	-
Grants related to fixed assets belonging to the public domain	-	-	-	-	156,400,114	-	156,400,114
Dividend distribution	-	-	-	-	-	(52,045,231)	(52,045,231)
Total contributions from and distributions to shareholders	-	-	-	-	156,400,114	(52,045,231)	104,354,883
Balance at 31 December 2023	733,031,420	49,842,552	146,606,284	1,634,711,533	195,710,506	2,430,243,814	5,190,146,109
Balance at 1 January 2024	733,031,420	49,842,552	146,606,284	1,634,711,533	195,710,506	2,430,243,814	5,190,146,109
Comprehensive income for the period							
Profit for the year	-	-	-	-	-	263,661,144	263,661,144
Other comprehensive income, of which							
Recognition of actuarial gain/loss on defined benefit plan	-	-	-	-	-	-	-
Surplus on revaluation of tangible fixed assets.	-	-	-	-	-	-	-
Debt on deferred tax on related to revaluation reserves	-	-	-	-	-	-	-
Transfer of revaluation reserves to retained earnings	-	-	-	(61,943,242)	-	61,943,242	-
Total other comprehensive income	-	-	-	(61,943,242)	-	61,943,242	-
Total comprehensive income for the period	-	-	-	(61,943,242)	-	325,604,386	263,661,144
Other items							
Increasing the legal reserve	-	-	-	-	-	-	-
Other items	-	-	-	-	-	(11)	(11)
Total other items	-	-	-	-	-	(11)	(11)
Contributions from and distributions to shareholders							
Derecognition of fixed assets in the nature of public assets	-	-	-	-	-	-	-
Grants related to fixed assets belonging to the public domain	-	-	-	-	43,060,161	-	43,060,161
Dividend distribution	-	-	-	-	-	(20,524,880)	(20,524,880)
Total contributions from and distributions to shareholders	-	-	-	-	43,060,161	(20,524,880)	22,535,281
Balance at 30 June 2024	733,031,420	49,842,552	146,606,284	1,572,768,291	238,770,667	2,735,323,309	5,476,342,523

The accompanying notes 1 to 22 form an integral part of these simplified separate interim financial statements.

CNTEE Transelectrica SA

Separate cash flow statement as at 30 June 2024

(All amounts are in RON unless otherwise indicated)

	6-month period ended at 30 June 2024	6-month period ended at 30 June 2023
Cash flows from operating activities		
Profit for the period	263,661,144	161,590,179
Adjustments for:		
Income tax expense	19,731,722	17,667,166
Amortisation expenses (including additional CPT)	171,642,879	167,075,991
Income from the production of intangible fixed assets (including additional CPT)	(23,866,156)	-
Expenses related to adjustments for impairment of trade receivables	15,079	948,275
Reversal of adjustments for impairment of trade receivables	(2,056,083)	(938,341)
Losses on sundry receivables and debtors	2,917,956	3,187
Net income/expenses with impairment adjustments on sundry debtors	1,610,114	(89,032)
Net income/expense on inventory impairment adjustments	779,843	(826,110)
Net profit/loss on sale of tangible fixed assets	4,382,543	(964,832)
Net expenditure on value adjustments in respect of tangible fixed assets	-	(1,627,393)
Net income on provisions for risks and charges	(4,256,249)	(4,168,559)
Interest expense, interest income and unrealised exchange rate gains from exchange rate differences	(16,714,205)	(1,282,398)
Cash flows before changes in working capital	417,848,587	337,388,133
Changes in:		
Customers and similar accounts - energy and other activities	(473,832,813)	1,494,492,886
Customers - balancing	(786,614,532)	239,864,921
Customers - cogeneration	(16,319,431)	28,470,987
Stocks	(4,010,452)	(9,425,308)
Trade and other accounts payable - energy and other activities	249,097,914	(1,439,645,291)
Debts - balancing	979,603,309	(281,957,294)
Debts - cogeneration	(111,539,978)	(8,470,859)
Other taxes and social security contributions	(2,235,254)	(510,040)
Deferred income	51,088,442	41,589,321
Cash flows from operating activities	303,085,792	401,797,456
Interest paid	(1,227,454)	(1,849,328)
Income tax paid	(20,970,475)	(20,962,733)
Net cash generated from operating activities	280,887,863	378,985,395
Cash flows from investing activities		
Purchases of tangible and intangible fixed assets	(256,214,304)	(186,350,778)
Exit from shareholding SELENE CC Societe Anonyme	-	242,140
Proceeds from EC grant funding	2,711,521	55,750,304
Interest received	3,431,751	2,411,463
Dividends received	14,649,757	1,203,983
Proceeds from the sale of tangible fixed assets	-	1,771,600
Net cash used in investment activity	(235,421,275)	(124,971,288)
Cash flows used in financing activities		
Repayments of long-term loans	(11,980,707)	(11,897,097)
Repayments of short-term loans	-	(67,617,751)
Building lease payments	(5,327,832)	(5,275,014)
Dividends paid	(20,412,502)	(12,962)
Net cash used in financing activities	(37,721,041)	(84,802,824)
Net increase/(decrease) in cash and cash equivalents	7,745,546	169,211,283
Cash and cash equivalents at 1 January	519,358,908	315,146,396
Cash and cash equivalents at the end of the period	527,104,454	484,357,679

The accompanying notes 1 to 22 form an integral part of these simplified separate interim financial statements.

CNTEE Transelectrica SA

Notes to the separate interim financial statements as at 30 June 2024

(All amounts are in RON unless otherwise indicated)

1. General Information

The main activity of CNTEE Transelectrica SA ("the Company") consists in: 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 licence no. 161/2000 issued by ANRE, updated by ANRE Decision no. 1413/10.07.2024, the General Conditions associated with the licence approved by ANRE Order no. 104/2014, with subsequent amendments and additions, and the final certification of the Company as transmission and system operator of the National Electricity System according to the ownership unbundling model by ANRE Order no. 164/07.12.2015.

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

The separate interim financial statements as at 30 June 2024 are unaudited.

2. Fundamentals

a) Declaration of compliance

These simplified separate interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*. They do not include all the information required for a complete set of financial statements in accordance with International Financial Reporting Standards ("IFRS"). However, certain explanatory notes are included to explain events and transactions that are material to an understanding of the changes in the Company's financial position and performance since the last separate annual financial statements as at and for the year ended 31 December 2023.

b) Professional judgements and estimates

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

3. Significant accounting policies

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

4. Tangible, intangible and financial fixed assets

a) Tangible fixed assets

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

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

- Connecting Overhead Power Line 400 kV Isaccea - Varna and Overhead Power Line 400 kV Isaccea - Dobrudja to 400 kV Medgidia Sud substation, Stage I - Expansion of 400 kV Medgidia Sud substation – 92,724,996;
- Transition to 400 kV of the Porțile de Fier - Reșița - Timișoara - Săcălaz - Arad - Phase I - 400 kV substation s.c. Porțile de Fier - (Anina) – Reșița – 42,592,201;
- Connection of Overhead Power Line 400 kV Isaccea - Varna and Overhead Power Line 400 kV Isaccea - Dobrudja to the 400 kV Medgidia Sud substation, Stage II - Overhead Power Line 400 kV d.c. Connections to Medgidia South substation – 28,732,055;
- Overhead Power Line 400 kV d.c. Gutinaș - Smârdan – 19,664,287;
- Isaccea 400 kV Substation Upgrading - Stage II – 14,768,775;
- Baru Mare 220/110/20 kV substation upgrading – 13,821,228;
- Increasing the operational reliability of the Argeș - Vâlcea network area, realisation of the 400 kV Arefu substation and installation of a 400 MVA, 400/220 kV HV 400/220 kV – 12,434,026;

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- Substation 400 kV Stâlpu – 10,468,206;
- Increasing the transmission capacity of the 220 kV Stejaru - Gheorgheni - Fântânele – 10,064,803;
- Upgrading of the 400/110 kV Pelicanu transformer substation – 9,844,806;
- Metering and data management system for electricity metering on the wholesale market - 8.878.538;
- 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 – 7,693,736;
- Transition to 400 kV of the Porțile de Fier - Reșița - Timișoara - Săcălaz - Arad - Phase I - 400 kV substation s.c. Porțile de Fier - (Anina) - Resita – 6,978,534;
- Refurbishment of 220/110 kV Filești substation – 6,095,443;
- Relocation/protection of high voltage networks Overhead Power Line 400 kV s.c. Mintia - Arad for the rehabilitation of the railway line CF Frontieră - Curtici - Simeria, part of the Pan European Corridor IV for the circulation of trains with maximum speed of 160 km/h – 4,073,926;
- Implementation of new functions and software modifications in the EMS - SCADA computer system to implement European and national legislative requirements – 3,260,901;
- Upgrade to 400 kV of the 220 kV Brazi Vest - Teleajen - Stâlpu 220 kV substation, 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 400/220/110kV Brazi Vest substation – 2,194,169;
- Relocation/protection of high voltage networks 220 - Overhead Power Line 220 kV d.c. Reșița - Timișoara, the 220 kV Timișoara - Arad/Timișoara - Săcălaz and the 220 kV d.c. Mintia - Timișoara at the intersection with the Timișoara South Bypass – 1,822,000;
- Installation of two modern means of reactive power compensation at 400/220/110/20kV Sibiu Sud and 400/220/110/20kV Bradu stations – 1,534,666.

In the first half of 2024, the largest **transfers from property, plant and equipment in progress to property, plant and equipment**, totalling **359,593,067 RON**, are mainly represented by the commissioning of investment objectives, of which we list the most significant:

- Transition to 400 kV of the Porțile de Fier - Reșița - Timișoara - Săcălaz - Arad - Phase I - 400 kV substation s.c. Porțile de Fier - (Anina) - Resita - 158.093.445;
- Baru Mare 220/110/20 kV substation upgrading - 73.813.126;
- Arefu 220/110/20 kV substation modernisation - 31.006.732;
- Upgrading of the 400/110 kV Pelicanu substation - 17.209.963;
- 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 - 16.938.698;
- Relocation of the 220 kV and 400kV networks for the construction of the Brăila- Galați express road - 10.148.828;
- Deviation of the 220 kV Overhead Power Line Ampoi- Alba Iulia area - 7.742.292;
- Purchase and installation of 21 monitoring systems for transformer units in CNTEE Transelectrica SA substations - 7.473.238;
- 110 kV, 220 kV and 400 kV mobile cells - 6,273,469;
- Installation of AT2 400 MVA, 400/231/22 kV and related cubicles in Iernut substation and modernisation of the control command system of 400/220/110/6 kV Iernut substation - 6.142.044;
- Relocation/protection of high voltage networks Overhead Power Line 400 kV s.c. Mintia - Arad for the rehabilitation of the railway line CF Frontiera - Curtici - Simeria, part of the Pan European Corridor IV for the circulation of trains with maximum speed of 160 km/h - 5.717.710;
- Installation of an embedded fibre optic protective conductor on the 400kV Roșiori - Mukacevo - 5.208.270;
- Metering and data management system for electricity metering on the wholesale market - 4.010.849;
- Upgrade of the 400 kV Bucharest South - Gura Ialomiței in light of reducing galloping effects - 2.635.566;
- Relocation/protection of high voltage networks 220 - Overhead Power Line 220 kV d.c. Reșița - Timișoara, the 220 kV Timișoara - Arad/Timișoara - Săcălaz and the 220 kV d.c. Mintia - Timișoara at the intersection with the Timișoara South Bypass - 2.486.367;
- AT and Transformer replacement in electrical substations - Stage 2, phase 2 - LOT 1 - LOT 2 - 2.053.357;
- CEF Izvoru Bărzii - Galic Sud, Halânga - 789.760;

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- Video wall for CTSI control room - 294.099;
- Soundproofing system in UNO-DEN - 286.284;
- Air conditioners - 174.446;
- Execution of works in Tulcea Vest substation caused by the modification of Overhead Power Line 110 Tulcea Vest - Marmura by replacing the connection in the derivation of the production site CEE Sălbatica1 - 137.497;
- Batteries for power supply system at ST Bacău headquarters - 106.085.

The balance of **property, plant and equipment in progress** at 30 June 2024, in the amount of **RON 846,341,787**, is represented by projects in progress, the most significant of which are listed below:

- Overhead Power Line 400 kV d.c. Gutinaș - Smârdan - 236.373.874;
- Transition to 400 kV of the Porțile de Fier - Reșița - Timișoara - Săcălaz - Arad - Phase I - 400 kV substation s.c. Porțile de Fier - (Anina) – Reșița – 117.641.009;
- Connection of Overhead Power Line 400 kV Isaccea - Varna and Overhead Power Line 400 kV Isaccea - Dobrudja to the 400 kV Medgidia Sud substation Stage II - Overhead Power Line 400 kV d.c. Connections to Medgidia South substation - 96.746.219;
- Refurbishment of 220/110 kV Filești substation - 49.657.436;
- Connection to the RET 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 - 46.884.983;
- Increasing the transmission capacity of the 220 kV Stejaru - Gheorgheni - Fântănele - 42.657.593;
- Upgrading of the 400/110/20 kV Smârdan substation - 32.145.671;
- Isaccea 400 kV Substation Upgrading - Stage II - 21.344.261;
- Metering and data management system for electricity metering on the wholesale market - 20.136.237;
- Refurbishment of 110 kV Medgidia Sud substation - 13.763.833;
- Extension of the 400 kV Gura Ialomiței substation with two cells: 400 kV Cernavodă 2 and 3 - 12.570.636;
- Refurbishment of 110 kV Timișoara 110 kV substation and 400 kV voltage upgrade of the Porțile de Fier - Anina - Reșița - Timișoara - Săcălaz - Arad axis, phase II: 400 kV substation Timisoara - 8.904.600;
- 400 kV overhead power line Gădălin - Suceava, including interconnection to SEN (H.CA no. 7 / 08.07.2010) - 8.524.388;
- 220 kV overhead power line double circuit Ostrovu Mare - RET Stage I + Stage II (H.CA nr.17/2007) - 4.993.117;
- Site clearance and realisation of coexistence conditions between the objective "Suspension bridge over the Danube in the Brăila area" belonging to CNAIR SA and the electrical networks managed by CNTEE Transelectrica SA - 4.911.246;
- Integrated security system at substations, stage IV - 4.816.604;
- Upgrade of the 110 kV and 400 (220 kV) installations in Focșani Vest substation - 4.512.921;
- 400 kV Suceava - Balti power line, for the project portion on Romanian territory - 4.439.120;
- Transition to 400 kV of the Porțile de Fier - Reșița - Timișoara - Săcălaz - Arad axis, phase II, 400 kV d.c. Reșița - Timișoara - Săcălaz - 3.489.984;
- Purchase and installation of 21 monitoring systems for transformer units in CNTEE Transelectrica SA substations - 3.317.543;
- Implementation of new functions and software modifications in the EMS - SCADA computer system to implement European and national legislative requirements - 3.291.777;
- Expansion with new functionalities of the computerised access control and recording system in CNTEE Transelectrica SA objectives - 3.200.918;
- 110 kV, 220 kV and 400 kV mobile cells - 3,016,230;
- Upgrade to 400 kV of the 220 kV Brazi Vest - Teleajen - Stâlpu 220 kV substation, including purchase of 400MVA 400/220/20 kV HV 400/220/20 kV, extension works of the 400kV and 220kV substations, in the 400/220/110kV Brazi Vest substation - 2.914.424;
- Connection to the RET of CEE 136 MW Platonești, county of Ialomița, through the realisation of a 110 kV cell in the 400/110 kV Gura Ialomița 400/110 kV Gura Ialomița substation - 2.889.337;
- Integrated security system at substations, stage III (H.CA no. 2/2008) - 2.798.024;
- Pilot Project - Refurbishment of the 220/110/20 kV Alba Iulia 220/110/20 kV substation into a digital substation - 2.624.978;
- Transition to 400 kV of the Porțile de Fier - Reșița - Timișoara - Săcălaz - Arad - Phase I - 400 kV substation s.c. Porțile de Fier - (Anina) - Resita - 2.624.889;
- 110 kV Cetate 1 and 2 in the neighbourhood of 110/20/6 kV Ostrovul Mare substation - 2.578.438;

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- Connection to the RET of CEE Dumești 99 MW and CEE Românești 30 MW, Iasi County, by realising a 110 kV line cell in the 220/110 kV FAI - 2.545.853 substation;
- Installation of two modern means of reactive power compensation in 400/220/110/20kV Sibiu Sud and 400/220/110/20 kV Bradu stations - 2.309.757;
- Connection of the production site CEF Satu Mare 1 (65,018 MW), located in Satu Mare, Satu Mare municipality, Satu Mare County, to the public electricity installations managed by CNTEE Transelectrica SA, in the 220/110/20 kV Vetiș substation - 2.001.574.

b) Intangible fixed assets

Intangible assets in course of construction

The balance of **intangible assets in progress** as at 30 June 2024, in the amount of **27,537,867 RON**, is represented by projects in progress, the most significant of which are listed below:

- Metering and data management system for electricity metering on the wholesale market – 16,258,023;
- Replacement of hardware components, upgrading and development of specific applications of the Balancing Market Platform - II DAMAS, Component Purchase of migration services and upgrade of specific applications of the Balancing Market – 7,607,441;
- MARI platform development – 1,997,722;
- Off-line programme for individual network modelling, steady state calculation, cross-border capacity calculation, CGMES format conversion module (cf. ENTSO-E requirements), in order to programme and operate the SEN on various time horizons – 1,117,500.

There were no transfers from intangible assets in progress to intangible assets in H1 2024.

Intangible fixed assets - additional CPT

As from 30 September 2022, the Company shall apply the provisions of GEO no. 119/2022 amending and supplementing GEO no. 27/2022 and approved by Law no. 357/13.12.2022, whereby the additional costs of electricity purchase made in the period 1 January 2022 - 31 March 2025, in order to cover own technological consumption and technological consumption, respectively, compared to the costs included in the regulated rates, are capitalised on a quarterly basis. Thus, capitalised costs are amortised over a period of 5 years from the date of capitalisation and are remunerated at 50% of the regulated rate of return approved by the National Energy Regulatory Authority, applicable over the amortisation period of those costs and are recognised as a separate component.

The Company recognised additional CPT revenue calculated as the difference between the net CPT acquisition cost and the CPT cost recognised in the regulatory tariff in the amount of:

- 338,526,677 - for the year 2022,
- 13,735,364 - for the year 2023,
- 23,866,156 - for the first half of 2024.

At 30 June 2024, depreciation amounting to 117,621,721 is calculated on these capitalisations. Thus, the carrying amount of the intangible asset resulting from the capitalisation of the additional CPT is 258,506,476.

It should be noted that this income is non-monetary in nature, its collection to be carried out by the Company in instalments through the transport rates over the next five years from the date of capitalisation (2024-2028) in accordance with the relevant legislative provisions.

c) Financial fixed assets

The balance of financial fixed assets as at 30 June 2024 and 31 December 2023, amounting to 85,767,355, mainly consists of:

- the net value of shares held by the Company (81,503,833);
- of 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 realisation of the investment objective Overhead Power Line 400 kV Reșița - Pancevo (Serbia) in the amount of 4.199.505.

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d) Fixed assets related to the right of use of leased assets - buildings

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

Contract No. C232 entered into force on 01.10.2020, valid for a period of 5 years, has a value of 9.000.000 euro (excluding VAT).

As at 30 June 2024, the carrying amount of the right to use the premises leased by the Company in the Platinum office building amounts to RON 9,940,299.

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.

5. Trade and other receivables

As at 30 June 2024 and 31 December 2023, trade and other receivables are as follows:

	30 June 2024	31 December 2023
Trade receivables	2,682,154,436	1,745,653,583
Other receivables	389,106,884	213,174,870
Advances to suppliers	324,958,369	151,620,057
VAT recoverable	202,901,276	215,086,522
Impairment adjustments for doubtful trade receivables	(123,480,126)	(125,521,130)
Impairment adjustments for other doubtful receivables	(85,796,760)	(84,456,130)
Total trade and other receivables	3,389,844,079	2,115,557,772

The structure of trade receivables is as follows:

	30 June 2024	31 December 2023
Customers on the electricity market, of which:	2,679,085,278	1,742,443,716
- customers - operational activity	1,138,242,183	1,004,534,583
- customers - balancing market	1,380,683,833	594,069,301
- customers - bonus support scheme to promote high efficiency cogeneration	160,159,262	143,839,832
Customers from other activities	3,069,158	3,209,867
Total trade receivables	2,682,154,436	1,745,653,583

- CNTEE 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 at 30 June 2024, the customers outstanding from operating activities show an increase compared to 31 December 2023 mainly due to the increase in energy consumption in the first half of 2024 compared to the second half of 2023.

The increase in the volume of balancing market transactions in H1 2024 compared to H2 2024 also led to an increase in the balance of customers in contracts concluded for this type of activity.

The main customers in total trade receivables are represented by: Ciga Energy SA, Cinta Energy SA, Electrica Furnizare SA, IBEX, OPCOM, Hidroelectrica, MAVIR, RAAN, Engie Romania SA, Complexul Energetic Oltenia SA. Their share is 74.16% of total trade receivables.

- CNTEE 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 at 30 June 2024, the Company has receivables receivable from the bonus support scheme for the promotion of high efficiency cogeneration of approximately 6% (8% as at 31 December 2023) of total trade receivables.

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The customers in the bonus support scheme for the promotion of high-efficiency cogeneration are showing an increase in receivables at 30 June 2024 mainly due to the increase in the invoiced amount for the collection of the monthly contribution.

As at 30 June 2024, the Company has receivables receivable amounting to 160,159,262, 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 76,702,140, respectively from RAAN - 63,467,054 and CET Govora SA - 13,235,086;
- undue bonus for 2014 in the amount of 3,914,960, respectively from RAAN - 1,981,235, CET Govora - 1,933,725;
- undue bonus for 2015 in the amount of 563,899, respectively from CET Govora - 534,377, Interagro - 29,523;
- undue bonus for 2020 in the amount of 522,181 from Donau Chem;
- uncollected contribution for cogeneration from the suppliers of electricity consumers, in the amount of 20,574,482, respectively from: Transenergo Com - 5,882,073, Petprod - 4,391,193, Romenergy Industry - 2,680,620, RAAN - 2,385,922, UGM Energy - 1,504,046, CET Govora - 900,864, KDF Energy - 577,337 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 5,482,571) from Bepco (2,864,212) and Termoficare Oradea (2,618,359), as well as the amount of 14,155,099 of the undue bonus established by ANRE Decisions for the year 2023, from the following producers: Bepco SRL, CET 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 86,513,431", in which the Company is the plaintiff, the defendant being **Regia Autonomă pentru Activități Nucleare - 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 11,264,777 RON, in the category of claims resulting from the continuation of the debtor's activity. Of the amount requested by the Company, 89,360,986 RON, the amount of 78,096,208.76 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 78,096,209 RON in the table was submitted late, as it

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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 89,360,986.06 RON and the address no. 4162/03.10.2016, by which the judicial liquidator informs us that only the amount of 11,264,777.30 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 78,096,208.76 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 16,950,117.14 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 Civil procedure code Orders the defendant to pay the applicant 1,000 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: 2,162,138.86 RON + 16,951,117.14 RON.

Date for continuing bankruptcy proceedings: **03.10.2024**.

RAAN and Transelectrica are also involved in 2 other cases at different stages of the court proceedings. More details on this file are set out in Note 19 - Litigation and Contingencies.

- CNTEE 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 Additional Deed No 1/04.08.2015). The duration of the Agreement was 1 year (period July 2015-August 2016) and provided for the Company's right to calculate and charge penalties during the 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 40,507,669.

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 28,200,440.31, of which 25,557,189.98 relates to the support scheme. We note that this claim in the amount of 21,962,243.71 RON, representing the principal debt and penalties related to invoice no. 8116/08.04.2016 is

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

On 25.03.2022, by Government Decision no. 409/2022, it was adopted the amendment and completion of Government Decision no. 1215/2009 on establishing the criteria and conditions necessary for the implementation of the support scheme for the promotion of high efficiency cogeneration based on the useful heat energy demand. Thus, the period of application of the support scheme is extended until 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 at 30 June 2024, other receivables amounting to 389,106,884 include mainly:

- sundry debtors (**198,779,248**), of which:
 - late payment penalties calculated for bad debtors, totalling 95,560,326 (of which 35,145,561 are penalties related to the support scheme). The highest late payment penalties were recorded by customers: Romelectro (39,780,939), RAAN (16,901,449), CET Govora (9,606,504), Electrocentrale București (9,409,174), OPCOM (3,632,976), Total Electric Oltenia (3,288,967), Pet Communications SRL (3,093,206), Multiservice G&G SRL (2,162,468), Petprod (1,894,232), ISPE Proiectare și Consultanță (1,068,302). Impairment adjustments have been recognised for penalties calculated for late payment of receivables from operating activities;
 - compensation due by suppliers for non-delivery of electricity: Arelco Power (987,555), Enol Grup (2,541,312) and Next Energy Partners (8,395,132). Impairment adjustments have been recognised for compensation due from suppliers from operating activities;
 - the receivable to be recovered from OPCOM representing the VAT related to the contribution in kind to the capital of the subsidiary in the amount of 4,517,460.
- deferred expenses in the amount of **8,477,957** mainly represented by: domestic and international contributions (3,807,447), annual ANRE contribution for 2024 (1,181,012), taxes and duties for 2024 (1,834,625), insurance policies (595,064), rent and maintenance of office building (746,550) and others;
- other social debts in the amount of **1,398,256** representing sick leave paid by the employer to the employees and to be recovered from the National Health Insurance House, in accordance with the legislation in force.

Advances to suppliers

As at 30 June 2024, the advances paid to suppliers are represented by debtor suppliers for services rendered in the amount of **324,958,369** 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*) (277,618,136 - for ICP and SDAC and 45,598,903 - for SIDC).

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

Under the day-ahead price coupling mechanism, the power exchanges shall, on the basis of auctions, match day-ahead electricity

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transactions taking into account the interconnection capacity made available by the TSOs through which the implicit allocation of interconnection capacity is realised. CNTEE Transelectrica SA, as an OTS, transfers electricity, both physically and commercially, to the neighbouring OTS (MAVIR-Hungary) and manages the congestion revenues on the respective interconnection (art. 139 of ANRE Order no. 82/2014), and in relation to OPCOM SA it has the quality of an Implicit Participant in the Day-Ahead Market.

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

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

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

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

28 October 2021 marks 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, respectively IBEX EAD, OPCOM SA, ESO EAD and CNTEE Transelectrica SA. The aim of the SDAC is to create a single pan-European cross-border energy market for the day ahead. An integrated day-ahead market increases the overall efficiency of trading by promoting effective competition, increasing liquidity and allowing more efficient use of generation resources across Europe.

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

The launch of the Flow Based Market Coupling in the Core region on 08 June 2022 represented the transition from the ICP - Interim Coupling Project to FBMC - Flow Based Market Coupling, optimising 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, Romania, Slovakia and Slovenia.

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

VAT recoverable

VAT to be recovered (202,901,276) - amount related to the amounts for the period March - June 2024. Up to the date of this report, the Company has collected from the State the amount of 59,468,607, representing value added tax claimed for refund for the month of March 2024.

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

Transelectrica's policy is to recognise 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 in a period of more than 180 days, except for outstanding receivables generated by the support scheme. The Company also carries out an individual analysis of trade and other outstanding trade and other receivables.

The largest impairment adjustments at 30 June 2024, calculated for trade receivables and related penalties, were recorded for: Romelectro (39,784,774), JAO (30,020,057), CET Govora (24,645,019), Arelco Power (14,788,022), Total Electric Oltenia SA (14,185,577), Romenergy Industry (13,512,997), Elsaco Energy (9,276,118), RAAN (8,516,707), OPCOM (8,487,394), Next Energy Partners (8,395,132).

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

6. Cash and cash equivalents

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

As at 30 June 2024 and 31 December 2023, cash and cash equivalents are as follows:

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	30 June 2024	31 December 2023
1. Current accounts with banks and deposits with original maturities up to 90 days, of which:	526,961,183	519,277,552
<i>a) current accounts with banks and deposits with original maturities of up to 90 days from current activity</i>	<i>196,405,986</i>	<i>82,610,379</i>
<i>b) current accounts with banks and deposits with original maturities of up to 90 days, of which:</i>	<i>330,555,197</i>	<i>436,667,173</i>
- cash and deposits from high efficiency cogeneration	201,745,422	295,063,039
- cash and deposits from revenues from the allocation of interconnection capacities used for network investments	14,264,966	47,392,976
- cash from the connection fee	56,888,538	57,387,012
- European funds	54,417	87,065
- other restricted accounts (energy market guarantees and dividends)	57,601,854	36,737,081
2. Cash at hand	72,941	81,356
3. Other cash equivalents	70,330	-
Total	527,104,454	519,358,908

7. Equity

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

Based on the provisions of Article 2 of GEO no. 55/19 November 2015 on the establishment of some reorganisation 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 reorganising and taking over the activities of the Ministry of Economy, Trade and Tourism, which was dissolved, 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.

In accordance with the provisions of GD no. 27/12 January 2017 on the organisation 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 certain measures at the level of central public administration and for amending and supplementing certain normative acts, published in the Official Gazette no. 898/06.11.2019, as of 6 November 2019, the exercise of rights and fulfilment of obligations arising from the status of shareholder of the State in the National Electricity Transmission Company "Transelectrica" - S.A. is carried out by the General Secretariat of the Government.

On 14.11.2019, the Central Depository S.A. registered the transfer of 43,020,309 shares (representing 58.69% of the share capital) issued by CNTEE 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 some measures at the level of central public administration and amending and supplementing some normative acts.

On 30 June 2024, the shareholders of CNTEE Transelectrica SA are: The Romanian State represented by the General Secretariat of the Government holding 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 16,533,437 shares (22.55%) and other shareholders Individuals with 4,988,141 shares (6.80%).

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 RON/share and corresponds to that registered with the Trade Register Office.

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

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Shareholder	30 June 2024		31 December 2023	
	Number of shares	% of capital	Number of shares	% of capital
The Romanian State through GSG	43,020,309	58.69%	43,020,309	58.69%
Other legal entity shareholders	16,533,437	22.55%	16,231,423	22.14%
PAVAL HOLDING	4,753,567	6.49%	4,753,567	6.49%
Privately managed pension fund NN	4,007,688	5.47%	4,007,688	5.47%
Other individual shareholders	4,988,141	6.80%	5,290,155	7.21%
Total	73,303,142	100.00%	73,303,142	100.00%

The increase in equity as at 30 June 2024 compared to 31 December 2023 was mainly due to the recognition in retained earnings of the net profit amounting to 263,661,144 realised as at 30 June 2024.

8. Deferred income

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

At 30 June 2024, the statement of **deferred income** is as follows:

	30 June 2024	Of which: short-term portion at 30.06.2024	31 December 2023	Of which: short-term portion at 31 December 2023
Deferred revenue - interconnection capacity allocation	7,940,476	7,940,476	1,054,141	1,054,141
Deferred revenue - European funds	1,165,102	1,165,102	839,038	839,038
Funds from the connection fee	293,537,187	7,060,377	317,656,961	9,061,809
European Funds	222,282,610	3,434,577	194,199,509	4,198,190
Other subsidies	21,035,566	991,104	21,471,490	984,159
Total	545,960,941	20,591,636	535,221,139	16,137,336

Developments in **short-term income advances** from January to June 2024 are as follows:

	30 June 2024	31 December 2023
Balance at beginning of period	16,137,336	39,362,438
Interconnection capacity upfront payments	44,660,819	214,513,794
European funding	326,064	421,852
Transfer from long-term income advances	(2,758,100)	(7,414,453)
Revenues from the use of interconnection capacity	(37,774,483)	(229,686,295)
Income from EU funds	-	(1,060,000)
Total	20,591,636	16,137,336

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*(All amounts are in RON unless otherwise indicated)*Developments in **long-term income advances** from January to June 2024 are as follows:

	30 June 2024	31 December 2023
Balance at beginning of period	519,083,803	439,025,206
Subsidised connection	22,615,917	231,303,420
Non-reimbursable funds	29,958,736	(18,409,505)
Non-reimbursable funds to be repaid	-	-
Transfer to short-term income advances	(52,276,241)	(153,503,985)
Subsidies back to revenue	5,987,090	20,668,667
Total	525,369,305	519,083,803

9. Loans

- *Long-term loans*

At 30 June 2024, the amount of long-term borrowings has decreased compared to 31 December 2023 mainly due to repayments under existing loan agreements.

Movements in borrowings during the six months ended 30 June 2024 are as follows:

	Currency	Interest rate	Book value	Maturity
Balance at 1 January 2024			55,893,387	
New drawdowns			-	
Reimbursements, of which:			(11,980,707)	
BEI 25709	EUR	3.596%	(5,981,204)	10-Sep-2025
BEI 25710	EUR	3.856%+2.847%	(5,999,503)	11-Apr-2028
Exchange rate differences at the date of reimbursement			9,164	
Balance at 30 June 2024			43,921,844	

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

Description	30 June 2024	31 December 2023
BEI 25709	17,972,861	23,951,778
BEI 25710	25,948,983	31,941,609
Total long-term loans from credit institutions, of which:	43,921,844	55,893,387
Current portion of long-term loans	(23,999,264)	(23,987,209)
Total long-term loans net of current instalments	19,922,580	31,906,178

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

	30 June 2024	31 December 2023
Between 1 and 2 years	18,965,446	12,011,321
Between 2 and 5 years	957,134	19,894,857
Over 5 years	-	-
Total	19,922,580	31,906,178

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

All long-term borrowings outstanding at 30.06.2024 bear fixed interest rates.

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- *Short-term loans*

Short-term loans are itemised as follows:

	<u>30 June 2024</u>	<u>31 December 2023</u>
Current portion of long-term loans	23,999,264	23,987,209
Short-term bank credit	-	-
Interest on long-term and short-term loans	417,514	541,008
Total short-term loans	<u>24,416,778</u>	<u>24,528,217</u>

- *Borrowing 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 RON 175,000,000, with an interest rate calculated based on the ROBOR 1M reference rate, plus a margin of 0% and a commission of 0.088%.

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

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

The credit line is secured by:

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

At 30 June 2024 the credit line is not drawn down.

On 10 March 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 RON 200,000,000 with an interest rate calculated on the basis of the ROBOR 1M reference rate, plus a margin of 0.05%.

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

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

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

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

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

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

The credit line is secured by:

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

At 30 June 2024 the credit line is not drawn down.

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As at 30 June 2024 and 31 December 2023, trade and other payables are as follows:

	30 June 2024	31 December 2023
Suppliers energy market	2,378,888,772	1,340,921,907
Suppliers of fixed assets	139,537,882	177,733,800
Suppliers other activities	55,209,280	90,164,126
Amounts owed to employees	12,386,627	11,787,078
Other debts	756,177,381	636,709,895
Total	3,342,199,942	2,257,316,806

As at 30 June 2024 and 31 December 2023, the outstanding energy market liabilities amounting to 2,378,888,772 and 1,340,921,907, respectively, are structured as follows:

	30 June 2024	31 December 2023
Suppliers electricity market, of which:		
- suppliers - operational activity	761,359,277	591,455,744
- suppliers - balancing market	1,596,982,532	617,379,222
- suppliers - bonus support scheme for promoting high-efficiency cogeneration	20,546,963	132,086,941
Total	2,378,888,772	1,340,921,907

Suppliers on the electricity market are mainly represented by: Hidroelectrica SA, OPCOM, MAVIR, IBEX, CIGA Energy SA, S Complexul energetic Oltenia SA, Joint Allocation Office, Electrocentrale București SA, CINTA Energy SA, Electrica Furnizare SA. At 30 June 2024, their share of total energy suppliers is 87.18%.

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

The increase in the "balancing market liabilities" balance was driven by an increase in the volume of transactions recorded on the balancing market in the first half of 2024 compared to the second half of 2023.

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

As at 30 June 2024, there are payment obligations to suppliers (producers) in the amount of 3,368,966 (CET Govora SA), representing the monthly cogeneration bonus and the ante overcompensation for 2015. The amounts representing the Company's debts related to the support scheme to CET Govora have been withheld for payment on the basis of Art. 17 para. 5 of ANRE President's Order no. 116/2013, as 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 in a unitary manner, based on the provisions of G.D. 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 Article 17 para. 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: *"where the producer has not paid in full to the support scheme administrator 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 the amounts concerned on the payment document"* and withheld from payment the amounts of the support scheme due.

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CNTEE 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 2011-2013 and the undue bonus for 2014 (Agreement No C 135/30.06.2015 and Additional Deed No 1/04.08.2015). The duration of the Agreement was 1 year (period July 2015-August 2016) and provided for the Company's right to calculate and charge penalties during the 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 40,507,669.

Following 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. Taking into account the provisions of Law no. 85/2014 - the Insolvency Law, the Company has suspended, as of 9 May 2016, the application of the provisions of Article 17.5 of the Order of the President of ANRE no. 116/2013 for the approval of the Regulation on the establishment of the procedure for the collection of the contribution for high efficiency cogeneration and the payment of the bonus for electricity produced in high efficiency cogeneration and pays the cogeneration bonus due to CET Govora on a monthly basis. By Civil Decision No 2430/05.10.2016, the High Court of Cassation and Justice admitted the appeal lodged by ANRE against Civil Judgement No 3185/27.11.2015, partially quashed the contested judgement 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, 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.

The decrease in the "**fixed assets suppliers**" balance at 30 June 2024 compared to 31 December 2023 was due to payments falling due.

Amounts owed to "**suppliers other activities**" are mainly represented by amounts owed for services rendered by third parties not yet due, which have decreased since 31 December 2023.

At 30 June 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:

	<u>30 June 2024</u>	<u>31 December 2023</u>
Sundry creditors	339,835,569	312,041,482
Customers - Creditors	329,946,250	246,451,202
Dividends payable	305,355	192,977
Payables - Short-term building leases	8,730,079	8,641,987
Liabilities - Long-term building leases	2,182,520	6,481,491
Other debts	75,177,608	62,900,756
Total	<u>756,177,381</u>	<u>636,709,895</u>

- "Sundry creditors", amounting to **339,835,569** as at 30 June 2024, represent mainly:
 - the net position of the support scheme for high efficiency cogeneration, debt position, totalling 326,724,931.
The net position of the support scheme is the difference between:
 - the amount of the contribution to be collected from the suppliers of electricity consumers, the amount of overcompensation for high-efficiency cogeneration of electricity and heat production, the undue bonus to be collected from producers, in accordance with ANRE decisions, and
 - 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
 - 13,150,682 solution study contracts for connection to the RET and others.
- "Customer creditors" as at 30 June 2024 amount to **329,946,250**, of which 328,675,448 represent amounts received in advance under transactions related to the price coupling mechanisms, ICP (Interim Coupling Project), SIDC (Single

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Intraday Coupling), SDAC (Single Day-ahead Coupling) and FBMC (Flow Based Market Coupling), from OPCOM (174,231,137), IBEX (144,978,188), MAVIR (8,785,945), Bursa Română de Mărfuri (647,195) and JAO (32,983).

- At 30 June 2024, dividends due to shareholders of the Company and unpaid amount to **305,355**. These amounts are available to shareholders via the paying agent.
- At 30 June 2024, the **liability for property, plant and equipment related to rights of use of leased assets - buildings**, in accordance with IFRS 16 - Leases, amounts to 10,912,599, of which:
 - short-term debt: 8,730,079
 - long-term debt: 2,182,520.
- "Other payables" totalling **75,177,608** are mainly represented by guarantees of good payment of the electricity market contracts concluded by CNTEE Transelectrica SA in the amount of 47,875,409, VAT not recoverable during the reporting period in the amount of 27,017,423 and other.

Provisions

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

	30 June 2024	31 December 2023
Provisions for litigation	24,601,016	24,601,016
Provisions for mandate contracts	36,554,420	40,490,875
Other provisions	90,668	114,100
TOTAL	61,246,104	65,205,991

The provisions for litigation outstanding at 30 June 2024, amounting to 24,601,016, are mainly represented by the provisions set aside for the following litigations:

- *Case no. 36755/3/2018 - plaintiff Conaid Company SRL (17.216.093)* - more details on this case are set out in Note 19 - Litigation and Contingencies.
- *File no. 15561/3/2022 - claimant SMART SA (4.467.108)* - more details on this file are set out in Note 19 - Litigation and Contingencies.
- *File no. 3083/3/202020 - complainant NUCLEARELECTRICA SA (1.472.785)*

On 26.06.2020, Nuclearelectrica sued the Company for the payment of 1,290,533,156 RON representing the negative imbalance and 182,251.94 RON, legal 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 1,290,533,156 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 182,251.94 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 23,441.66 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).

CNTEE 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.

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.

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"Provisions for agency contracts" amounting to 36,554,420, as at 30 June 2024, represent:

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

"Other provisions" amounting to 90,668 represent untaken holidays.

11. Other taxes and social insurance contributions

At 30 June 2024 and 31 December 2023, other taxes and social security liabilities comprise:

	30 June 2024	31 December 2023
Contribution to social security funds	11,377,646	14,531,541
Payroll tax	2,114,297	2,615,461
Other taxes payable	2,780,538	1,360,733
Total	16,272,481	18,507,735

As at 30 June 2024, the Company has accrued liabilities for social security contributions, payroll and other taxes, which were due and payable in July 2024.

12. Corporate income tax

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

The income tax expense for the second quarter of 2024 and the second quarter of 2023, as well as the income tax expense as of 30 June 2024 and 30 June 2023, is presented as follows:

	Q II 2024	Q II 2023	30 June 2024	30 June 2023
Current corporate tax	(3,771,540)	3,100,367	17,199,205	24,047,727
Corporate tax deferred	(293,220)	(2,205,400)	2,532,517	(6,380,561)
Total	(4,064,760)	894,967	19,731,722	17,667,166

13. Operating revenue

Q2 2024 compared with Q2 2023

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

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

	Average fare for transport service	Tariff for system service
Order No 15/29.05.2024 for the period from 01 June to 30 June 2024	-	12.84 [*])
Order No 116/20.12.2023 for the period 01 April - 31 May 2024	-	9.17
Order No 109/20.12.2023 for the period 01 April - 30 June 2024	31.67 ^{***)}	-
Order No 67/25.05.2023 for the period 01 June - 30 June 2023	-	6.64
Order No 144/21.12.2022 for the period from 01 April to 31 May 2023	-	7.73
Order No 28/29.03.2023 for the period 01 April - 30 June 2023	31.20	-

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

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

The average transmission tariff for electricity has two components: the tariff for feeding electricity into the grid (τ_G) and the tariff for withdrawing electricity from the grid (τ_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:

	Q II 2024	Q II 2023
Quantity of electricity delivered to consumers (MWh)	12,175,471	11,965,813

Operating income realised in Q2 2024 and Q2 2023 is presented as follows:

	Q II 2024	Q II 2023
Transport service revenue	376,469,572	379,527,305
Revenues from the allocation of interconnection capacity	56,855,140	78,660,169
Revenue from reactive energy	351,592	3,818,998
Income from Inter TSO Compensation (ITC)	7,469,808	1,560,370
CPT transaction income	41,531,801	8,540,192
Transport revenue - total	482,677,913	472,107,034
Income from system services	127,629,718	88,552,443
Income from disaster aid	57,266,226	3,553,482
Income from system services - total	184,895,944	92,105,925
Balancing market income	1,896,721,756	509,697,264
Income from other benefits and other operating income	116,182,811	18,033,948
Income from capitalisation of CPT	16,497,017	-
Other revenue	132,679,828	18,033,948
Total revenue	2,969,975,441	1,091,944,171

Transport service revenue

Revenues from transmission service decreased in Q2 2024 compared to Q2 2023 by 3,057,733, due to the decrease in the average transmission service tariff realised during the period under review, as the amount of electricity delivered to consumers increased by 1.75%, i.e. by 209,658 MWh.

Revenues from the allocation of interconnection capacity

Interconnection capacity allocation revenue decreased in Q2 2024 compared to Q2 2023 by 21,805,029 in Q2 2024, corresponding to the level of utilisation of available interconnection capacity by electricity market traders.

The market for the allocation of interconnection capacity is volatile, with prices fluctuating according to demand and the need of electricity market participants to purchase interconnection capacity. Thus, the fall over the period analysed 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 European exchanges.

Income from Inter TSO Compensation (ITC)

Revenues from the application of the ITC mechanism come mostly from scheduled exchanges of electricity with the countries considered as perimeter countries of the mechanism, namely Ukraine and the Republic of Moldova. In general, Romania is a paying country under the mechanism, but exceptionally, monthly settlements can also be recognised as income.

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Thus, in the second quarter of 2024, the income recorded following the application of the ITC mechanism showed an increase of 5,909,438 compared to the second quarter of 2023, due to:

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

CPT transaction income

Revenues from energy trading for CPT were mainly derived from the sale of surplus energy, resulting from the difference between the long and medium term forecast and the short term forecast on the Intra-Day market managed by OPCOM and, respectively, from the difference between the forecast CPT and the CPT actually realised on the Balancing Market. These revenues were higher in Q2 2024 compared to Q2 2023 by 32,991,609.

In the structure of these revenues, transactions on the Intra-Domestic Market were lower than in the previous year, as a large part of the required CPT was purchased on the long-term markets through the mechanism of MACEE (Mechanism for Centralised Electricity Procurement), and prices on the short-term markets decreased compared to the previous year, with some negative price intervals. The revenues from transactions on the Balancing Market were significantly higher than those realised in the same period of the previous year, given that the energy system was predominantly in surplus during the period analysed, which led to significant negative prices on the Balancing Market.

Starting with 01.04.2024, the mechanism of centralised purchase of electricity MACEE was amended by GEO no. 32/2024, in the following sense:

- reducing the regulated purchase price to 400 RON/MWh;
- removing the obligation for producers to participate in the mechanism;
- changing the period of application of the mechanism from 31 March 2025 to 31 December 2024;
- allowing other producers with production capacities below 10MW to participate in the scheme.

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

Income from system services

Revenues from system services recorded an increase in Q2 2024 compared to Q2 2023 of 39,077,275, 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 analysed, presented above) and by the increase in the quantity of electricity delivered to consumers by 1.75%, i.e. by 209,658 MWh.

Income from disaster aid

In the second quarter of 2024, a total of 57,266,226 in disaster aid was granted. Breakdown aid has been granted to Ukraine, following damage to the energy infrastructure in that country as a result of armed conflicts and to Serbia, due to the accidental shutdown of groups in that country.

Balancing market revenues

The revenue realised on the balancing market showed a significant increase in Q2 2024 compared to Q2 2023, amounting to 1,387,024,492, mainly due to the following:

- the accelerated increase in installed capacity at prosumers, from around 420 MW at the beginning of 2023 to around 1,500 MW at the beginning of 2024, which, in terms of impact on the system, corresponds to a reduction in consumption;
- lack of control/monitoring at the level of the funder for the production of the prosumers they have in their portfolio and little concern for estimating/adjusting the prosumers' production forecasts in relation to the contractual position;
- the low degree of adjustment of the production of renewable energy producers with the net contractual position (we mention here also producers who are 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 regulation, and for energy activated on the tertiary market, which falls rapidly in situations of strong excess production;
- in a predominantly surplus system, the balancing market is characterised by a high volume of selections at derating, i.e. significant negative prices in the Balancing Market, which determines, on the one hand, significant revenues for producers that have offered negative prices at derating, and on the other hand, considerable costs for PREs that have recorded positive imbalances;
- the evolution of contractual imbalances recorded at the level of electricity suppliers on the balancing market;
- hydraulic evolution;

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- the evolution of electricity production and consumption;
- the evolution of the output of power stations on trial.

Income from capitalisation of own technological consumption (CPT)

According to Art. III of *GEO no. 119/2022 amending and supplementing GEO no. 27/2022 on the measures applicable to end customers in the electricity and natural gas market in the period 1 April 2022 - 31 March 2023, and amending and supplementing some normative acts in the energy sector, and approved by Law no. 357/13.12 . 2022*, for the licensed economic operators, providers of electricity transmission services, the additional costs for the purchase of electricity incurred in the period 1 January 2022 - 31 March 2025, in order to cover their own technological consumption, compared to the costs included in the regulated tariffs, shall be capitalised on a quarterly basis, and the assets resulting from the capitalisation shall be depreciated over a period of 5 years from the date of capitalisation.

Accordingly, in Q2 2024, the Company has recorded CPT capitalisation income of 16,497,017 representing additional CPT calculated as the difference between the net CPT acquisition cost and the CPT cost included in the regulatory tariff for the period 01 April to 30 June 2024.

Income from other benefits and other operating income

Income from other benefits and other operating income increased in Q2 2024 compared to Q2 2023 by 98,148,863, mainly due to the recording of income from indemnities, fines and penalties as a result of the legal recovery, in accordance with Civil Judgement no. 6169/2023, pronounced on 20 December 2023 by the ICCJ - Administrative and Tax Litigation Section and communicated to the Company on 15 May 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.

H1 2024 compared to H1 2023

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

	Average fare for transport service	Tariff for system service
Order No 15/29.05.2024 for the period from 01 June to 30 June 2024	-	12.84 ^{*)}
Order No 116/20.12.2023 for the period 01 January - 31 May 2024	-	9.17
Order No 109/20.12.2023 for the period 01 January - 30 June 2024	31.67 ^{**)}	-
Order No 67/25.05.2023 for the period 01 June - 30 June 2023	-	6.64
Order No 144/21.12.2022 for the period from 01 January to 31 May 2023	-	7.73
Order No 28/29.03.2023 for the period 01 April - 30 June 2023	31.20	-
Order No 33/23.03.2022 for the period 01 January - 31 March 2023	28.10	

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

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

The quantity of electricity delivered to consumers in the first half of 2024 and the first half of 2023 is as follows:

	Semester I 2024	Semester I 2023
Quantity of electricity delivered to consumers (MWh)	25,402,341	24,971,219

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The operating revenues realised in the first half of 2024 and the first half of 2023 are as follows:

	Semester I 2024	Semester I 2023
Transport service revenue	800,888,516	747,507,356
Revenues from the allocation of interconnection capacity	101,900,336	180,918,834
Revenue from reactive energy	758,012	7,241,679
Income from Inter TSO Compensation (ITC)	11,631,554	1,982,823
CPT transaction income	70,099,623	21,406,078
Transport revenue - total	985,278,041	959,056,770
Income from system services	251,393,138	189,197,303
Income from disaster aid	60,301,753	3,553,482
Income from system services - total	311,694,891	192,750,785
Balancing market revenues	3,229,089,384	1,017,616,030
Income from other benefits and other operating income	135,260,786	30,316,419
Income from capitalisation of CPT	23,866,156	-
Other revenue	159,126,942	30,316,419
Total revenue	4,685,189,258	2,199,740,004

Transport service revenue

Revenues from the transmission service recorded an increase in H1 2024 compared to H1 2023 of 53,381,160, 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 analysed, presented above), and by the increase in the quantity of electricity delivered to consumers by 1.73%, i.e. by 431,122 MWh.

Revenues from the allocation of interconnection capacity

Revenues from interconnection capacity allocation showed a decrease in H1 2024 compared to H1 2023, amounting to 79,018,498, corresponding to the level of utilisation of available interconnection capacity by electricity market traders.

The market for the allocation of interconnection capacity is volatile, with prices fluctuating according to demand and the need of electricity market participants to purchase interconnection capacity. Thus, the fall over the period analysed 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 European exchanges.

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

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

As of 27 October 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.

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

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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 modernisation and development of interconnection capacity with neighbouring 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".

Income from Inter TSO Compensation (ITC)

Revenues from the application of the ITC mechanism come mostly from scheduled exchanges of electricity with the countries considered as perimeter countries of the mechanism, namely Ukraine and the Republic of Moldova. In general, Romania is a paying country under the mechanism, but exceptionally, monthly settlements can also be recognised as income.

Thus, in the first half of 2024, the income recorded following the application of the ITC mechanism showed an increase of 9,648,731 compared to the first half of 2023, due to:

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

CPT transaction income

Revenues from energy trading for CPT were mainly derived from the sale of surplus energy, resulting from the difference between the long and medium term forecast and the short term forecast on the Intra-Dil market managed by OPCOM and, respectively, from the difference between the forecast CPT and the CPT actually realised on the Balancing Market. These revenues were significantly higher in H1 2024 compared to H1 2023 by 48,693,545.

In the structure of these revenues, transactions on the Intra-Domestic Market were lower than in the previous year, as a large part of the required CPT was purchased on the long-term markets through the mechanism of MACÉE (Mechanism for Centralised Electricity Procurement), and prices on the short-term markets decreased compared to the previous year, with some negative price intervals. The revenues from transactions on the Balancing Market were significantly higher than those realised in the same period of the previous year, given that the energy system was predominantly in surplus during the period analysed, which led to significant negative prices on the Balancing Market.

Starting with 01.04.2024, the mechanism of centralised purchase of electricity MACÉE MACÉE was amended by GEO no. 32/2024, in the following sense:

- reducing the regulated purchase price to 400 RON/MWh;
- removing the obligation for producers to participate in the mechanism;
- changing the period of application of the mechanism from 31 March 2025 to 31 December 2024;
- allowing other producers with production capacities below 10MW to participate in the scheme.

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

Income from system services

Revenues from system services recorded an increase in H1 2024 compared to H1 2023 of 62,195,835, 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 analysed, presented above), and by the increase in the quantity of electricity delivered to consumers by 1.73%, i.e. by 431,122 MWh.

In H1 2024, system services revenue was lower by 49,563,908 compared to the system services procurement expenditure realised.

For the activity of system services, the specific regulatory framework contains regularisation mechanisms to ensure that any excess or shortfall of revenues over or in relation to the level of expenditure necessary to carry out that activity is offset. Thus, according to ANRE's regulations, the surplus/deficit of income compared to the recognised costs resulting from this activity is to be compensated by ex-post tariff correction (negative/positive correction) applied by ANRE in the tariff in the years following the one in which the respective surplus/deficit was recorded. The surplus/deficit of income over the costs of carrying out this activity shall be calculated by tariff programme periods.

Income from disaster aid

In the first half of 2024, disaster aid totalling 60,301,753 was granted to Ukraine, as a result of the damage to its energy infrastructure caused by armed conflicts and to Serbia, due to the accidental shutdown of groups in that country.

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Balancing market revenues

The revenues realised on the balancing market recorded a significant increase in H1 2024 compared to H1 2023, amounting to 2,211,473,354, mainly due to the following:

- the accelerated increase in installed capacity at prosumers, from around 420 MW at the beginning of 2023 to around 1,500 MW at the beginning of 2024, which, in terms of impact on the system, corresponds to a reduction in consumption;
- lack of control/monitoring at the level of the funder for the production of the prosumers they have in their portfolio and little concern for estimating/adjusting the prosumers' production forecasts in relation to the contractual position;
- the low degree of adjustment of the production of renewable energy producers with the net contractual position (we mention here also producers who are 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 regulation, and for energy activated on the tertiary market, which falls rapidly in situations of strong excess production;
- in a predominantly surplus system, the balancing market is characterised by a high volume of selections at derating, i.e. significant negative prices in the Balancing Market, which determines, on the one hand, significant revenues for producers that have offered negative prices at derating, and on the other hand, considerable costs for PREs that have recorded positive imbalances;
- the evolution of contractual imbalances recorded at the level of electricity suppliers on the balancing market;
- hydraulic evolution;
- the evolution of electricity production and consumption;
- the evolution of the output of power stations on trial.

Income from capitalisation of own technological consumption (CPT)

According to Art. III of GEO no. 119/2022 amending and supplementing GEO no. 27/2022 on the measures applicable to end customers in the electricity and natural gas market in the period 1 April 2022 - 31 March 2023, and amending and supplementing some normative acts in the energy sector, and approved by Law no. 357/13.12.2022, for the licensed economic operators, providers of electricity transmission services, the additional costs for the purchase of electricity incurred in the period 1 January 2022 - 31 March 2025, in order to cover their own technological consumption, compared to the costs included in the regulated tariffs, shall be capitalised on a quarterly basis, and the assets resulting from the capitalisation shall be depreciated over a period of 5 years from the date of capitalisation.

Accordingly, as at 30 June 2024, the Company has recognised CPT capitalisation income of 23,866,156, representing additional CPT calculated as the difference between the net CPT acquisition cost and the CPT cost included in the regulatory tariff, for the period 01 January to 30 June 2024.

Income from other benefits and other operating income

Income from other services and other operating income increased in the first half of 2024 compared to the first half of 2023 by 104,944,367, mainly due to the recording of income from indemnities, fines and penalties as a result of the legal recovery, in accordance with Civil Judgement no. 6169/2023, handed down on 20 December 2023 by the ICCJ - Administrative and Tax Litigation Section and communicated to the Company on 15 May 2024, of amounts (additional payment obligations established by Tax Assessment Decision no. F-MC 439/30.06.2017) enforced in 2017 by ANAF, based on enforceable title no. 13540/22.08.2017.

14. System operation and balancing market expenses

Q2 2024 compared with Q2 2023

The expenditure realised in Q2 2024 compared to Q2 2023 is presented as follows:

	Q2 2024	Q2 2023
Expenditure on own technological consumption	153,186,443	113,954,686
Congestion charges	107,222	88,286
Expenditure on electricity consumption in RET stations	11,327,703	14,379,986
CPT expenses transit RED (as per ANRE decision)	12,840,055	-
Inter TSO Compensation (ITC) expenses	8,990,228	7,148,057
Total operational expenditure	186,451,651	135,571,015

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	Q2 2024	Q2 2023
Expenditure on system services	195,586,467	121,088,490
Balancing market expenses	1,896,938,639	509,286,041
Total	2,278,976,757	765,945,546

Expenditure on own technological consumption

These represent expenses for the purchase of electricity from the free energy market to cover own technological consumption in the transmission grid and were higher in Q2 2024 than in Q2 2023 by 39,231,757, taking into account a number of aspects, as follows:

- due to its characteristics, the Technological Own Consumption (TOC) in the Electricity Transmission Grid (ETG) is strongly dependent on weather conditions, the structure of electricity production and consumption at national level, the distribution of electricity flows in the internal transmission grid and on the interconnection lines with neighbouring power systems, and its value is 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, CNTEE Transelectrica SA purchased electricity to cover 75% of the quantity related to the CPT forecast validated by the Centralised Electricity Purchase Mechanism (MACEE), at a regulated purchase price of 400 RON/MWh for energy contracted starting 1 April 2024 (according to GEO no. 32/2024);
- 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 energy, have led to a decrease in energy prices on the short-term markets. Thus, the average price of energy purchased from the PZU in the period from April to June 2024 was significantly lower than the price in the similar period of 2023;
- the average imbalance price set on the PE was higher, which led to a significant increase in spending in this market compared to the same period in 2023.

Congestion expenses

Congestions (network restrictions) are requests for transmission of electricity beyond the technical capacity limits of the network, requiring corrective actions by the transmission system operator, and occur when, in scheduled or real-time operation, the flow of power between two nodes or system zones leads to non-compliance with the safety parameters in the operation of an electricity system.

In the second quarter of 2024, there were 107,222 congestions. With 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 SEN, and a very high transit of electricity through Romania from the south - east of Europe to the centre - north 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 power line has been taken out of service to remove a tree fallen on the line, cut by unknown persons. The 400 kV Țânțăreni - Sibiu South power line has been put back into operation, after the completion of the line inspection.

Expenditure on electricity consumption in RET stations

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

These expenses decreased by 3,052,283 in Q2 2024 compared to Q2 2023.

CPT expenses transit RED (as per ANRE decision)

In June 2024, CPT expenses related to additional transits of electricity from the networks of concessionary distribution operators at the 110kV voltage level (for the quota assigned to the OTS) were recorded in the amount of 12,840,055.

By ANRE Decisions no. 2642/14.11.2023 and no. 2643/14.11.2023, the forecast CPT 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.

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Inter TSO Compensation (ITC) expenses

ITC expenditure represents the monthly payment obligations/collection rights for each TSO. They are established under the mechanism of compensation/dispensation of the effects of the use of the transmission electricity network (RET) for electricity transits between TSOs of the countries that have joined this mechanism under ENTSO-E. In Q2 2024, these expenses were higher by 1,842,171 compared to the same period of the previous year.

Expenditure on system services

System service expenses increased significantly in Q2 2024 compared to Q2 2023 in the amount of 74,497,977.

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

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

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

We point out that in line with the trend observed on the balancing market, there has been a steep increase in the purchase price of the Fast Tertiary Reserve - power curtailment from April 2024. Thus, there were increases in the purchase price of the reserve from 9.82 RON/hMW to values of up to 250 RON/hMW (purchase price for the Tertiary Fast Reserve - power reduction registered on 20.04.2024). We note that the same trend was observed at the Secondary Reserve, where on 20.04.2024 prices of 100 RON/hMW were recorded.

Starting with 01.06.2024, with the applicability of the provisions of ANRE President's Order no. 18/30.05.2024 (for a period of 3 months), the price trend has been contracting, with prices below the maximum limit imposed by the authority.

Balancing market expenses

The balancing market expenses realised in Q2 2024, amounting to 1,896,938,639, were significantly higher by 1,387,652,598 compared to Q2 2023. These expenses result from notifications/realisations of market participants.

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

H1 2024 compared to H1 2023

The expenses realised in H1 2024 compared to H1 2023 are as follows:

	Semester I 2024	Semester I 2023
Expenditure on own technological consumption	296,081,042	261,204,570
Congestion charges	107,222	88,286
Expenditure on electricity consumption in RET stations	25,567,731	25,456,482
CPT expenses transit RED (as per ANRE decision)	12,840,055	-
Inter TSO Compensation (ITC) expenses	20,604,759	20,320,980
Total operational expenditure	355,200,809	307,070,318
Expenditure on system services	300,957,046	230,734,632
Balancing market expenses	3,229,285,561	1,017,157,046
Total	3,885,443,416	1,554,961,996

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Expenditure on own technological consumption

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

Technological own consumption expenditure was higher by 34,876,472 in H1 2024 compared to H1 2023, taking into account a number of aspects as follows:

- due to its characteristics, the Technological Own Consumption (TOC) in the Electricity Transmission Grid (ETG) is strongly dependent on weather conditions, the structure of electricity production and consumption at national level, the distribution of electricity flows in the internal transmission grid and on the interconnection lines with neighbouring power systems, and its value is 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, CNTEE Transelectrica SA purchased electricity to cover 75% of the quantity related to the CPT forecast validated by the Centralised Electricity Purchase Mechanism (MACEE), at a regulated purchase price of 450 RON/MWh for the first three months of the year, then the value will be reduced to 400 RON/MWh for energy contracted from 1 April 2024 (in accordance with GEO no. 32/2024);
- 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 energy, have led to a decrease in energy prices on the short-term markets. Thus, the average price of energy purchased from the PZU in the period from January to June 2024 was significantly lower than the price in the similar period of 2023;
- the average imbalance price set on the PE was much higher, which led to a significant increase in spending in this market compared to the same period in 2023.

Congestion expenses

In the first half of 2024, there were 107,222 congestions. With the simultaneous unavailability of the 400 kV Bradu - Braşov and 400 kV Tâmpăreşti - Sibiu Sud power lines, which are located in the south - north direction of the SEN, and a very high transit of electricity through Romania from the south - east of Europe to the centre - north 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 power line has been taken out of service to remove a tree fallen on the line, cut by unknown persons. The 400 kV Tâmpăreşti - Sibiu South power line has been put back into operation, after the completion of the line inspection.

Expenditure on electricity consumption in RET stations

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

These expenses increased by 111,249 in H1 2024 compared to H1 2023.

CPT expenses transit RED (as per ANRE decision)

In the first half of 2024, CPT expenses related to additional transits of electricity from the networks of concessionary distribution operators at the 110kV voltage level (for the quota allocated to the OTS) were recorded in the amount of 12,840,055.

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

Inter TSO Compensation (ITC) expenses

ITC expenditure represents the monthly payment obligations/collection rights for each TSO. They are established under the mechanism of compensation/dispensation of the effects of the use of the transmission electricity network (RET) for electricity transits between TSOs of the countries that have joined this mechanism of ENTSO-E. In H1 2024, these expenses were 283,779 higher than in the same period of the previous year.

The factors influencing the cost/revenue values of the ITC mechanism are the electricity exchanges - import, export, transit on the interconnection lines of the SEN, correlated with the electricity flows transited at the level of all countries participating in the mechanism.

Expenditure on system services

System services are purchased by the Company from producers in order to ensure the maintenance of the level of operational safety of the SEN and the quality of the electricity transported at the parameters required by the technical standards in force, based

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on the needs established by the National Energy Dispatching (organisational unit within the Company) responsible for ensuring the stability and safety of the SEN operation.

Expenditure on system services increased by 30.43% in H1 2024 compared to H1 2023, i.e. by 70,222,414.

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

In the first half of 2024, the contracting of system services under the regulated regime was carried out only for reactive energy, in accordance with ANRE Decision no. 1078/2020, being provided by Societatea de Producere a Energia Electrica în Hidrocentrale "Hidroelectrica" SA.

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

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

We point out that, in line with the trend observed in the balancing market, there has been a steep increase in the purchase price of the Fast Tertiary Reserve - power curtailment from April 2024. Thus, there were increases in the purchase price of the reserve from 9.82 RON/hMW to values of up to 250 RON/hMW (purchase price for the Tertiary Fast Reserve - power reduction registered on 20.04.2024). We note that the same trend was observed at the Secondary Reserve, where on 20.04.2024 prices of 100 RON/hMW were recorded.

Starting with 01.06.2024, with the applicability of the provisions of the ANRE President's Order no. 18/30.05.2024, the price trend has been contracting, with prices below the maximum limit imposed by the authority.

For the next period of 2024, it is estimated that a significant impact on the evolution of the costs for the purchase of system services through daily and directional auctions, at the level of CNTEE Transelectrica SA, will be the evolution of the ANRE's regulatory framework for the electricity market, as well as the regional and European context of the evolution of the electricity market.

Balancing market expenses

The balancing market expenses realised in H1 2024 showed an increase of 217.48% as compared to the similar period of 2023, i.e. by an amount of 2,212,128,515. These expenses result from the notifications/realisations 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 electricity market evolution and the way contracting is realised on the markets prior to the balancing market.

15. Amortisation

	Q II 2024	Q II 2023
Depreciation and amortisation of tangible and intangible fixed assets	66,646,479	65,981,035
Amortisation of intangible assets - additional CPT	17,981,559	16,926,334
Depreciation of assets related to rights of use of leased assets	1,988,059	1,988,061
Total	86,616,097	84,895,430

	Semester I 2024	Semester I 2023
Depreciation and amortisation of tangible and intangible fixed assets	132,072,099	129,247,203
Amortisation of intangible assets - additional CPT	35,594,661	33,852,668
Depreciation of assets related to rights of use of leased assets	3,976,119	3,976,120
Total	171,642,879	167,075,991

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Depreciation of tangible and intangible fixed assets in the amount of 132,072,099 represents the depreciation recorded in the first half of 2024, calculated at the revalued amount of the assets at 31 December 2023, correlated with the commissioning of the investment works and the acceptance of the assets.

Expenses with the amortisation of intangible assets - additional CPT in the amount of 35,594,661 were recorded in accordance with the provisions of OMF no. 3900/2022 on the approval of accounting specifications in application of the provisions of Article III of GEO no. 119/2022 for the amendment and completion of *GEO no. 27/2022 on the measures applicable to end customers in the electricity and natural gas market in the period from 1 April 2022 to 31 March 2023, as well as for the amendment and completion of some normative acts in the energy sector.*

According to Article III of GEO no. 119/2022 approved by Law no. 357/13.12.2022 with subsequent amendments and additions, for licensed economic operators, providers of electricity transmission services, the additional costs of electricity purchase incurred in the period from 1 January 2022 to 31 March 2025, in order to cover their own technological consumption, compared to the costs included in the regulated tariffs, are capitalised on a quarterly basis, and the assets resulting from the capitalisation are depreciated over a period of 5 years from the date of capitalisation.

Intangible asset amortisation expense recognised under IFRS 16 in the amount of 3,976,119 (the Company partly 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 in Platinum str. Olteni nr. 2-4, as an asset valued at the level of the rent to be paid until the end of the lease. The asset recognised in accordance with IFRS 16 is depreciated at the level of the monthly rent and is recorded under the indicator 'depreciation and amortisation expense on tangible and intangible assets'.

16. Staff expenditure

	Q II 2024	Q II 2023
Expenditure on staff salaries	85,243,115	69,767,059
Social expenditure	4,477,407	3,266,380
Expenditure on vouchers granted to employees	4,033,240	7,269,630
Expenses related to the mandate contract and other committees, commissions	1,253,283	1,076,804
Social security and social protection expenditure	6,858,018	5,421,518
Provisions set aside for salaries and similar charges	(1,868,278)	(3,324,837)
Other expenditure	-	4,530
Total	99,996,785	83,481,084

	Semester I 2024	Semester I 2023
Expenditure on staff salaries	162,833,818	134,676,502
Social expenditure	4,912,948	4,210,070
Expenditure on vouchers granted to employees	8,446,880	10,657,680
Expenses related to the mandate contract and other committees, commissions	2,362,408	2,279,000
Social security and social protection expenditure	12,896,846	10,327,013
Provisions set aside for salaries and similar charges	(3,959,886)	(4,151,033)
Other expenditure	88	11,772
Total	187,493,102	158,011,004

The total staff expenses realised in Q2 and H1 2024 show an increase compared to the same period of the previous year, mainly due to the increase in some expense items such as: staff salary expenses, social expenses, expenses related to the directors' contract and other committees and commissions, insurance and social protection expenses, as well as the reversal to income of part of the provisions made for dismissed executive and non-executive directors, representing the variable component relating to the packages of OAVTs allocated and not utilised during the terms of office executed in the period 2013-2017 and compensation provided for in the mandate contracts concluded in 2020 for the period 2020-2024, together with the payments made on the basis of enforceable court judgments received by the Company.

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*(All amounts are in RON unless otherwise indicated)***17. Other operating expenses**

	Q II 2024	Q II 2023
Other expenditure on services performed by third parties	32,310,516	26,895,725
Postage and telecoms charges	217,949	227,470
Royalties and rents	1,662,306	1,618,074
(Net) operating expenses related to impairment adjustments on current assets	558,397	(877,555)
Other expenses, of which:	26,908,517	21,026,348
- losses on sundry receivables and debtors	258,093	3,187
- (net) expenditure on provisions for other operating charges	(287,473)	(5,693)
- compensation expenses on the basis of mandate contracts/ OAVTs as per court decision	1,750,862	3,260,713
- expenditure on taxes, duties and similar charges (ANRE tax, natural monopoly tax, other local taxes)	4,159,819	7,545,901
- expenditure on goods	4,865,257	2,167,209
- expenditure on international subscriptions	1,913,102	1,751,347
- travelling expenses	1,795,976	1,738,955
- expenditure on energy purchased for administrative consumption	1,874,441	838,399
- sponsorship expenses	2,446,700	1,488,226
- expenditure on fines and penalties	4,240,856	308,051
- other operating expenditure	3,890,884	1,930,053
Total	61,657,685	48,890,062

In the second quarter of 2024, these expenses increased in the amount of 12,767,623 compared to the second quarter of 2023, mainly due to the variation in certain expense items, such as:

- the increase of some expenditure items, namely: civil protection and security costs, costs related to the implementation of pan-European codes, Teletrans maintenance costs, staff training costs, costs related to goods, costs related to energy purchased for administrative consumption, etc.;
- decrease in certain items of expenditure, such as: expenditure on taxes, duties and similar charges, expenditure on natural gas consumption, etc.;
- the recording of expenses related to the OAVTs paid on the basis of enforceable court judgements (performance bonus related to the OAVT Certificates granted to former executive and non-executive and non-valorised members, remuneration under the mandate contracts concluded in the period 2013-2017) and expenses paid on the basis of enforceable court judgements granted to former executive and non-executive members who were dismissed, representing compensation provided for in the mandate contracts concluded in 2020, for the period 2020-2024;
- the recording of expenses with fines and penalties representing, mainly, late payment penalties to Regia Autonomă pentru Activități Nucleare, according to the civil decision no. 806/20.05.2024 rendered by the Bucharest Court of Appeal - Section VI Civil in case no. 28460/3/2017 and civil decision no. 898/03.06.2024 rendered by the Bucharest Court of Appeal - Section VI Civil in case no. 3694/3/2016;
- the recording of adjustments for impairment of receivables (ROMELECTRO SA, OPCOM SA, etc.), adjustments for inventory depreciation, as well as the reversal to income of adjustments for impairment of current assets (ROMELECTRO SA etc.), respectively adjustments for inventory depreciation etc.

	Semester I 2024	Semester I 2023
Other expenditure on services performed by third parties	62,572,152	51,474,076
Postage and telecoms charges	458,624	419,828
Royalties and rents	3,441,929	3,184,558
(Net) operating expenses related to impairment adjustments on current assets	348,953	(905,207)
Other expenses, of which:	51,521,596	40,656,202
- losses on sundry receivables and debtors	2,917,956	3,187
- (net) expenditure on provisions for other operating charges	(296,363)	(17,527)
- compensation expenses on the basis of mandate contracts/ OAVTs		

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	Semester I 2024	Semester I 2023
<i>as per court decision</i>	3,236,348	4,060,142
<i>-expenditure on taxes, duties and similar charges (ANRE tax, natural monopoly tax, other local taxes)</i>	8,545,404	14,658,699
<i>- expenditure on goods</i>	8,278,318	2,835,968
<i>- expenditure on international subscriptions</i>	3,796,943	3,498,171
<i>- travelling expenses</i>	3,528,017	2,870,901
<i>- expenditure on energy purchased for administrative consumption</i>	3,324,344	1,175,583
<i>- sponsorship expenses</i>	3,902,800	1,665,800
<i>- expenditure on fines and penalties</i>	4,271,007	308,682
<i>- other operating expenditure</i>	10,016,822	9,596,596
Total	118,343,254	94,829,457

In H1 2024, these expenses increased by 23,513,797 compared to H1 2023, mainly due to the variation in certain expense items such as:

- the increase of some expenditure items, namely: civil protection and security costs, costs related to the implementation of pan-European codes, Teletrans maintenance costs, staff training costs, costs related to goods, costs related to energy purchased for administrative consumption, etc.;
- the reduction of certain items of expenditure, such as: expenditure on taxes, duties and similar charges, other non-deductible operating expenses for tax purposes, etc.;
- the recording of expenses related to the OAVTs paid on the basis of enforceable court judgements (performance bonus related to the OAVT Certificates granted to former executive and non-executive and non-valorised members, remuneration under the mandate contracts concluded in the period 2013-2017) and expenses paid on the basis of enforceable court judgements granted to former executive and non-executive members who were dismissed, representing compensation provided for in the mandate contracts concluded in 2020, for the period 2020-2024;
- the recording of expenses with fines and penalties representing, mainly, late payment penalties to Regia Autonomă pentru Activități Nucleare, according to the civil decision no. 806/20.05.2024 rendered by the Bucharest Court of Appeal - Section VI Civil in case no. 28460/3/2017 and civil decision no. 898/03.06.2024 rendered by the Bucharest Court of Appeal - Section VI Civil in case no. 3694/3/2016;
- the 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, etc.), respectively adjustments for the impairment of inventories, etc.

18. Net financial result

	Q II 2024	Q II 2023
Interest income	2,295,405	1,562,214
Foreign exchange gains	605,843	6,794,032
Other financial income	14,651,527	1,205,555
Total financial income	17,552,775	9,561,801
Interest-related expenses	(534,506)	(824,454)
Expenses from exchange rate differences	(742,517)	(8,103,561)
Total financial expenditure	(1,277,023)	(8,928,015)
Net financial result	16,275,752	633,786
	Semester I 2024	Semester I 2023
Interest income	3,438,349	2,408,870
Foreign exchange gains	1,603,660	22,551,214
Other financial income	14,692,473	1,493,823
Total financial income	19,734,482	26,453,907
Interest-related expenses	(1,364,737)	(2,143,037)
Expenses from exchange rate differences	(2,175,263)	(22,048,937)
Other financial charges	-	(242,140)
Total financial expenditure	(3,540,000)	(24,434,114)
Net financial result	16,194,482	2,019,793

CNTEE Transelectrica SA

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As at 30 June 2024, the Company recorded a net financial result (profit) in the amount of 16,194,482, higher by 14,174,689 compared to the same period of the previous year. This was mainly influenced by the dividends received from the subsidiary OPCOM SA in the total amount of 14,649,757, the increase in interest income received during the period under review, as well as the evolution of the exchange rate of the national currency against the foreign currencies in which the Company has bank loans to finance investment programmes (Euro).

The level of exchange rate income and expenses was mainly influenced by the volume of transactions related to the market coupling business segment in conjunction with the evolution of the exchange rates of the national currency against the euro.

At 30 June 2024, totalling 1,364,737 (interest expense), the amount of 260,776 represents the interest calculated on fixed assets related to the rights of use of leased assets - buildings, in accordance with IFRS 16 - Leases.

The national currency exchange rates on 30 June 2024 compared to 30 June 2023 are as follows:

Currency	30 June 2024	30 June 2023
RON / Euro	4.9771	4.9634

19. Disputes and contingencies

i) Ongoing litigation

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

- **REGIA AUTONOMĂ PENTRU ACTIVITĂȚI NUCLEARE (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.

CNTEE 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**.

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

a) Case no. **28460/3/2017** - Bucharest Tribunal - 6th Department - Civil. Re: order the undersigned to pay the total amount of 12,346,063.10 RON.

The TMB solution in brief: Dismisses the application brought by the applicant Regia Autonomă pentru Activități Nucleare against the defendant Compania Națională de Transport al Energiei Electrice Transelectrica SA, as unfounded. Dismisses the parties'

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application for costs as unfounded. Subject to appeal within 30 days of notification. The appeal is filed at the Bucharest Tribunal - 6th Civil Department. Document: Decision No 777/24.06.2020. RAAN filed an appeal, which was heard on 27 September 2021. The CAB solution: Allow the appeal. Amends the judgment under appeal to the effect that: The application is granted. Orders the defendant to pay the plaintiff the amount of 12,346,063.10 RON, representing the principal debt and penalties. With the right to appeal within 30 days from the date of communication, to be lodged with the Bucharest Court of Appeal, 6th Department. Delivered by placing the solution at the disposal of the parties through the court registry, today, 20.05.2024. Document: civil decision no. 806/20.05.2024.

b) Case no. 3694/3/2016 - Bucharest Tribunal - Civil Section VI.

By its application, the applicant R.A.A.A.N. seeks an order that the undersigned be ordered to pay the total amount of RON 15,698,721.80. By the statement of defence, CNTEE Transelectrica SA requested the court to reject the claim regarding the late payment penalties and to declare that the mutual debts are set off by operation of law and that they are extinguished up to the amount of the lower of the two, namely, the total amount of 12,727,101.99 RON, representing the counter value of the bonus for electricity produced in high-efficiency cogeneration and delivered to SEN for the period from March to September 2015 and the pre-settlement of the overcompensation for the period from 01.01.2014 to 31.12.2014, as requested by the claimant in the application.

At the hearing on 11.06.2020, The TMB's summary judgment: dismissed the application as unfounded. With an appeal within 30 days of notification. Document: Decision No 630/11.06.2020.

RAAN appealed, which was allowed by the CAB.

CAB solution: Allow the appeal. Amends the judgment under appeal in its entirety to the effect that: The application is granted. Orders the defendant to pay to the applicant the amount of 12,727,101.99 RON, representing the value of the bonus and regularisation of the pre-award for which invoices SRTF series no. 1500031 of 24.04.2015, SRTF series no. 1500033 of 22.05.2015, SRTF series no. 1500036 of 22.06.2015, SRTF series no. 1521311 of 23.07.2015, SRTF series no. 1500041 dated 17.08.2015, SRTF series no. 1500045 dated 23.09.2015, SRTF series no. 1521339 dated 26.10.2015 and SRTF series no. 1521282 dated 8.04.2015, as well as the amount of RON 2,917,619.81, representing late payment penalties related to the principal debit, for which invoices SRTF series no. 1500059 dated 31.12.2015 and SRTF series no. 1500060 dated 31.12.2015 were issued. Subject to appeal within 30 days of notification. The appeal is to be submitted to the Bucharest Court of Appeal - 6th Civil Department. Delivered, today, 03.06.2024, and made available to the parties through the court registry. Document: Decision 898/03.06.2024

• COURT OF AUDITORS OF ROMANIA

Following an audit carried out in 2017, the Court of Auditors ordered certain measures to be implemented by the Company as a result of certain deficiencies found during this audit. The Company lodged several appeals against the measures ordered by the Court of Auditors of Romania (CoA) by Decision no. 8/27.06.2017, requesting their cancellation, as well as against the Decision no. 77/03.08.2017, registered at the Company's registry under no. 29117/08.08.2017, respectively the Audit Report no. 19211/26.05.2017. The appeals were filed before the Bucharest Court of Appeal, among which 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 920/2023 26.05.2023.

Judgment fixed for **23.01.2025**.

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

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

The company objected and filed Appeal No 50090/26.11.2020, registered at the Court of Accounts under No 139775/26.11.2020, requesting the cancellation of the measures. Following the CCR auditors' examination and analysis of the Appeal lodged by the

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Company, by Decision no. 2 of 10.03.2021, one of the 10 measures ordered was annulled.

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

At the term of 10.12.2021, CAB dismisses the application brought by the applicant COMPANIA NAȚIONALĂ DE TRANSPORT AL ENERGIEI ELECTRICE "Transelectrica" SA against the defendant CURTEA DE CONTURI A ROMÂNIEI, as unfounded. Dismisses the application for suspension as unfounded. With the right to appeal within 15 days from the date of communication and with the right to appeal within 5 days from the date of communication with regard to the claim regarding the suspension; the appeal shall be filed with the Bucharest Court of Appeal.

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

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

• OPCOM

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

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

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

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

- order the defendant OPCOM SA to pay the costs.

At the term of 03.07.2020, the court put to the parties the OPCOM's request for suspension of the judgement of the case no. 22567/3/2019, and the case remained pending.

At the hearing on 17.07.2020, the court delivered the following summary judgment: Suspends the judgement of the case until the final resolution of case no. 31001/3/2017, concerning 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 filed were dismissed, the decision being final). With appeal throughout the suspension. Delivered by placing the judgment at the disposal of the parties through the court registry, today, 17.07.2020. Document: Termination - Suspension 17.07.2020.

After the final decision in **case no. 31001/3/2017**, CNTEE Transelectrica SA filed a request for the reopening of case no. 22567/3/2019, as the reason for the suspension of the case no longer existed. The Bucharest Tribunal put the case back on the docket and set the trial date for 05.11.2021.

At that term, after the appeal in the case, the court gave the parties the floor on the "plea of limitation of the substantive right of action". After the parties' oral submissions on this objection, the court reserved judgement on this objection and adjourned the judgment to 03.12.2021.

On 03.12.2021, the Bucharest Tribunal pronounced the following short solution: "Admit the plea of limitation of the substantive right of action. Dismisses the action as time-barred. With the right to appeal within 30 days from the date of communication, to be lodged with the Bucharest Tribunal, 6th Civil Section. Delivered by placing the judgment at the disposal of the parties through the court registry, today, 03.12.2021. Document: Decision 3021/2021 03.12.2021".

The company has appealed. The Court dismisses the appeal as unfounded. Orders the appellant to pay the respondent the sum of 11,325.21 RON by way of costs. Subject to appeal within 30 days of the judgement. Delivered today, 12 October 2022, by making the judgment available to the parties through the court registry. Document: Judgement 1532/12.10.2022.

Transelectrica filed an appeal against the civil decision no. 1532/12.10.2022 rendered by the CAB, the case being submitted to the ICCJ where it was resolved by judgement no. 1640/19.09.2023: "*Admit the main appeal lodged by the appellant-claimant Compañia Națională de Transport al Energiei Electrice "TRANSELECTRICA" S.A. and the cross-appeal lodged by the appellant-defendant Operatorul Pietei de Energie Electrică si Gaze Naturale "OPCOM" S.A. against the civil decision no. 1532 of 12 October 2022, rendered by the Bucharest Court of Appeal - Fifth Civil Section, which it reverses and sends the case for a new trial to the same court. Definitive*".

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On the Bucharest Tribunal's docket, the case no. **24242/3/2021**, in which OPCOM SA is the plaintiff and CNTEE Transelectrica SA is the defendant, is pending before the Bucharest Tribunal.

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

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

At the court hearing on 07.11.2023, the court's solution is: It qualifies the plea of inadmissibility as a substantive defence. The action is dismissed as unfounded. With the right to appeal within 30 days from the date of communication for the parties, the appeal to be filed at the Bucharest Tribunal, Section VI Civil. Delivered today, 07.11.2023, on the basis of art. 396 paragraph 2 C.C.P.Civ. by making the solution available to the parties at the court registry.

OPCOM lodged an appeal and a hearing was set for **12 September 2024**.

- **CONAID COMPANY SRL**

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

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

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

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

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At the hearing on 15 October 2019, dismisses as unfounded the objections of lack of standing and lack of interest. Joins the exception of prescription to the merits. With appeal on the merits. Delivered by delivery of the judgment to the parties through the court registry.

The parties are summoned to appear on 26.11.2019 for further investigation of the case. With appeal on the merits. Delivered by delivery of the judgment to the parties through the court registry.

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

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

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

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

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

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

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

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

• 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 Reșița requests that the defendant Transelectrica SA be ordered to pay the amount of 17,038,126.88 RON representing land rents for the years 2015, 2016, 2018, 2019, 2020, 2021, 2022 and 2023, plus legal penalty interest from the due date until actual payment.

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

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

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

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

At the deadline of 22.03.2021, the short solution is: Suspends the judgement on the application brought by the plaintiff Municipality of Reșița, through the Mayor, against the defendant National Company for the Transport of Electricity "Transelectrica" SA, having as its object claims, pursuant to Article 413 paragraph (1), item 1 of the Civil Procedure Code. With appeal to the higher court for as long as the trial is suspended.

The stay of proceedings was ordered until the final judgement in case no 3154/115/2018* of the Caras Severin Court.

At the deadline of 19.01.2023, the short solution is: Dismisses the plea that the application is not time-barred as the defendant does not have standing to rely on the method of assessment of the stamp duty. Dismisses the plea that the application to amend the application initiating the proceedings is out of time. Postpones the discussion on the exception of the positive effect of res judicata until the deadline for the submission in full of the decision of the High Court of Cassation and Justice in case no. 3154/115/2018**. The Court adjourns the ruling on the requests for the taking of evidence consisting of the defendant's cross-examination and the accountant's report. The case shall be adjourned and a judgment shall be delivered on 02.03.2023.

At the term of 02.03.2023, the short decision is: suspends the judgement on the application for the institution of proceedings brought by the plaintiff Municipality of Reșița, against the defendant National Company for the Transport of Electricity "Transelectrica" SA, with claims. With right to appeal throughout the stay of the trial. The court ordered a retrial and set a date for 16.11.2023. Judgment was reserved for 22 February 2024.

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

• **SMART SA**

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

At the trial date of 23.03.2023, a trial date is set for 15.06.2023 in order to carry out the expert's report.

After several adjournments, due to the absence of the expert's report, the court is set for **17.10.2024**.

• **ANAF**

In 2017, the general tax inspection started at Transelectrica SA on 14.12.2011, which covered the period from December 2005 to December 2010, was completed.

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

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

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

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

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

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

The company applied for the cancellation of the enforceable title no. 13540/22.08.2017 at the Court of Appeal - file no. **7141/2/2017**. Solution in brief: Admit the objection of lack of material jurisdiction of the Bucharest Court of Appeal - SCAF. Declares in favour of the District 1 Bucharest Court the material jurisdiction to settle the case. No appeal. Delivered in open court on 08.02.2018. Document: Decision no.478/2018 of 08.02.2018.

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

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

Solution in brief: The appellant's application for a stay of the proceedings is granted. Based on Article 413 para. (1) item 1 of the Civil Procedure Code suspends the judgement until the final resolution of case no. 1802/2/2018, pending before the Bucharest Court of Appeal, 8th Department Administrative and Tax Litigation. With appeal for the entire duration of the suspension, the appeal application to be lodged with the District Court of Bucharest. Delivered in open court - Document: Adjournment - Suspension 17.04.2018.

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

At the trial on 06.11.2018, the expert evidence in the field of accounting - taxation was admitted. Judgement date: 12.05.2020.

At the CAB judgment of 21.07.2020, the case was adjourned.

On 30.07.2020, the case was reinstated for further clarifications.

At the trial of 20.10.2020, the application was admitted in part with the following brief solution: the pending applications were admitted in part, Decision No 122/13.03.2018, on the settlement of the appeal lodged against the tax assessment decision No F-MC 439/30.06.2017, issued by the National Agency for Tax Administration - General Directorate for the Settlement of Appeals, the tax assessment decision No F-MC 439/30.06.2017, issued on 12.07.2017, by the National Agency for Tax Administration - General Directorate for the Administration of Large Taxpayers, Tax Assessment Decision No. F-MC 439/30.06.2017, issued by the National Agency for Tax Administration - General Directorate for the Administration of Large Taxpayers and Tax Inspection Report No. F-MC 222 concluded on 30.06.2017, which was the basis for the issuance of the tax assessment decision, in the sense that: - the obligation to pay corporate income tax in the amount of RON 18,522,280, VAT in the amount of RON 5,694,636 and the tax accessories related to these main tax debts, in the amount of RON 48,436,653, tax obligations established for the 349 tax invoices with special regime found missing from the applicant's management. - removes the non-deductible character for the calculation of taxable profit of the amount of 27,001,727 RON, representing system technological services invoiced by energy suppliers, considered non-deductible following the tax inspection and the obligation to pay the main and accessory tax claims in relation to this amount. - removes the non-deductible character in the calculation of taxable profit of the amount of 343,629.91 RON, representing "weed removal services" and the obligation to pay the main and accessory tax claims in relation to this amount - removes the non-deductible character in the calculation of taxable profit of the amount of 230.685.491 RON, representing expenses for promotional and protocol products and the obligation to pay the main and accessory tax claims in relation to this amount - removes the non-deductibility of VAT in the amount of 46,417.1 RON, corresponding to the amount of 343,629.91 RON, representing "weed removal services" and the obligation to pay the main and accessory tax claims in relation to this amount - removes the non-deductibility of VAT in the amount of 37.693,88 in respect of the sum of RON 230.685,49, representing expenditure on products of a promotional and protocol nature, and the obligation to pay the principal and accessory tax claims in relation to that amount - removes the entry relating to the obligation of the Sibiu Transmission Branch of CNTEE Transelectrica S.A to record the amount of 576,846.80 RON as taxable income, at the latest on 30.06.2010, the date on which the audited entity was accepted for registration in the creditors' creditors' assets with this amount, the mention relating to the character of taxable income for the calculation of the profit of the amount of 576,846.80 in accordance with the provisions of Article 19 para. 1 of Law no. 571/2003 on the Tax Code with subsequent amendments and additions, in conjunction with item 23 lit. d of HG 44/2004 containing the Methodological Norms for the application of Law no. 571/2003, chapter on corporate income tax, respectively chapter VII on the function of the accounts of Order no. 3055 of 29 October 2009 for the approval of the Accounting Regulations in accordance with the European Directives and the obligation to pay the principal and accessory tax claims in relation to this amount - removes from the Minutes the finding made with regard to the 'determination of the deductible value added tax lower than that recorded by the plaintiff, thus resulting in a difference in the amount of 13 141 RON' (Annex no. 15) and the obligation to pay the principal and ancillary tax claims in relation to that amount - dismisses the obligation to pay the penalties for late payment which have a punitive legal regime, calculated for a period of more than 6 months from the date of the commencement of the tax inspection, in respect of the principal tax liabilities which were upheld by the court in the present judgment, as established by Tax Assessment Decision no.F-MC 439/30.06.2017, issued on 12.07.2017, by the National Agency for Tax Administration - General Directorate for the Administration of Large Taxpayers, by the Tax Assessment Decision no. 122/13.03.2018, on the settlement of the appeal lodged against the Tax Assessment Decision No F-MC 439/30.06.2017, issued by the National Agency for Tax Administration - General Directorate for the Settlement of Appeals. Maintains the other provisions of Decision No 122/F-MC 439/30.06.2017, issued by the National Agency for Tax Administration - General Directorate for the Settlement of Appeals, Tax Decision No. F-MC 439/30.06.2017, issued on 12.07.2017, by the National Agency for Tax Administration - General Directorate for the Administration of Large Taxpayers, Assessment Decision No. F-MC 439/30.06.2017, issued by the National Agency for Tax Administration - General Directorate for the Administration of Large Taxpayers. Dismisses the remainder of the applications as unfounded. Dismisses as unfounded the application for an award of costs in the form of stamp duty. Orders the defendants, jointly and severally, to pay to the plaintiff the costs in the amount of 4,000 RON, representing the fee for the expert's report in the speciality of accounting-tax expertise, in proportion to the admission of the claim. **With the right to appeal** within 15 days from the date of the communication, the appeal shall be filed with the Bucharest Court of Appeal. **Decision No 382/20.10.2020.**

The parties appealed in March 2022.

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

At the sitting of 24.05.2022, the CAB rejected as unfounded the request for clarification and for the supplementing of the operative part. Grant the application for rectification of the substantive error to the effect that the amounts of the principal and ancillary tax liabilities in respect of the 349 tax invoices, as set out in the contested tax assessment decision, are to be recognised as correct. Orders that the clerical error be rectified so as to remove the erroneous name of the applicant from the contested judgment. With appeal within 15 days of notification.

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The parties have appealed. The case is in the filtering procedure at the ICCJ. Dead 13.12.2023.

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

✓ Admit the appeals filed by the plaintiff Compania Națională de Transport al Energiei Electrice "Transelectrica" S.A., the defendant Directorate General for the Administration of Large Taxpayers and the defendant National Agency for Tax Administration against the civil judgment No 382 of 20 October 2020, delivered by the Bucharest Court of Appeal - 8th Department - Administrative and Tax Litigation.

✓ Sets aside the judgment under appeal in part and, on appeal: Rejects the application for cancellation of the Decision on the settlement of the appeal No 122/13.03.2018 and of the tax assessment decision No F-MC 439/30.06.2017 regarding:

- to withhold the non-deductibility of expenses in the amount of 343,629.91 RON, representing "weed removal services" and the related VAT;

- withholding the non-deductibility of expenses in the amount of 230.685, representing the value of promotional and protocol goods and the related VAT;

- the obligation to pay penalties for late payment which have a penalising legal regime, calculated for a period of more than 6 months from the date of the start of the tax inspection.

✓ Fixes the amount of the costs to which the defendants are jointly and severally liable at the sum of 6 000 RON, representing the fees for the expert's report in the field of accounting and taxation.

✓ Upholds the other provisions of civil judgment No 382 of 20 October 2020.

✓ Admit the appeals lodged by the plaintiff Compania Națională de Transport a Energiei Electrice "Transelectrica" S.A. and by the defendant Direcția Generală de Administrare a Marilor Contribuabili against the civil judgment no.134 of 24 May 2022, rendered by the Bucharest Court of Appeal - 8th Department - Administrative and Tax Litigation. Partially quashes civil judgment No 134 of 24 May 2022 and,

rejudging:

✓ Admit in part the request for clarification and completion of the operative part of civil judgment No 382 of 20 October 2020, filed by the plaintiff Compania Națională de Transport al Energiei Electrice Transelectrica S.A.

✓ Orders the following to be added to the operative part of civil judgment No 382 of 20 October 2020:

- also cancels Tax Inspection Report No ... F-MC 222/30.06.2017 in so far as the tax assessment decision No. F-MC 439/30.06.2017 has been cancelled;

- annuls the principal tax liabilities established for 2005 and the ancillary tax liabilities relating thereto, as the right of the tax authority to establish such liabilities is time-barred;

- annula the tax administrative acts with regard to the non-deductibility of expenses with SMART's share of benefits.

✓ Removes the entries relating to the amounts of corporation tax and ancillary tax cancelled in respect of the 349 tax invoices from both the judgment correcting the substantive error and the main judgment.

✓ Upholds the other provisions of civil judgment No 134 of 24 May 2022.

✓ Orders the appellants - defendants to pay to the appellant - plaintiff Compania Națională de Transport al Energiei Electrice "Transelectrica" S.A. the amount of 200 RON, representing the costs of the appeal.

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

Civil judgment no. 6169/2023, handed down on 20 December 2023 by the ICCJ - Administrative and Tax Litigation Division, was notified to the Company on **15 May 2024**.

• OTHERS

The company is involved in significant litigation, notably for debt recovery (e.g.: Total Electric Oltenia SA, Regia Autonomă de Activități Nucleare, Energy Holding SRL, UGM Energy Trading SRL, CET Iași, CET Bacău, CET Govora, Nuclearelectrica, CET Brașov, Elsaco Energy SRL, Arelco Power SRL, Opcom, Menarom PEC SA Galați, Romelectro SA, Transenergo Com SA, ENNET GRUP SRL MULTISERVICE G& G S.R.L, ICCO Energ SRL and others).

The company recognised 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 Management and Supervisory Boards in relation to the contracts of mandate concluded between the Company and them. For these litigations, the Company has made a provision.

ii) Contingencies

At 30 June 2024, **contingent liabilities** amount to RON 36,761,877. They relate to disputes concerning claims representing additional costs following the increase in the minimum wage in the construction sector for investment contracts, of which we list the most significant:

- *File no. 20780/3/202020 - complainant ENERGMONTAJ SA (7,092,389)*

The case concerns claims for additional costs relating to an increase in the minimum wage in the construction sector and an order

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to conclude an addendum to contract C54/2018.

The subject of the contract C54/2018 is the investment project - *Refurbishment of the 220/110 kV Craiova Nord 220/110 kV substation.*

At the court hearing on 24.04.2023, the summary judgment is: "Admit in part the application brought by the applicant ELECTROMONTAJ SA against the defendant COMPANIA NAȚIONALĂ DE TRANSPORT AL ENERGIEI ELECTRICE TRANSELECTRICA SA. Orders the defendant to pay the claimant the amount of EUR 802,886.12, exclusive of VAT, representing the additional costs incurred as a result of the increase of the minimum wage in the construction sector to the amount of 3,000 RON/month for the works carried out under Works Contract No C54/27.02.2018 for the period January 2019 - January 2021. Obliges the defendant to conclude an Additional Deed to the Works Contract no. C54/27.02.2018 with the object of updating the Contract price by the amount of 1,468,039.77 EURO, excluding VAT, representing the costs generated by the increase of the minimum wage in the construction sector to the amount of 3,000 RON/month as of 01.01.2019. Dismisses the remainder of the application as unfounded. Orders the defendant to pay the applicant the sum of 171,104.06 RON by way of costs. Subject to appeal within 10 days of notification. The appeal is filed with the Bucharest Tribunal, 6th Civil Department. Delivered by making the solution available to the parties through the court registry today, 24.04.2023. Document: Decision 1035/2023 24.04.2023."

Transelectrica has appealed. Deadline 27.10.2023.

At the term of 27.10.2023, the Bucharest Court of Appeal admits the appeal filed by the defendant-appellant Compañia Națională de Transport al Energiei Electrice Transelectrica S.A. against the judgement no. 1035/24.04.2023, pronounced in case no. 20780/3/202020 by the Bucharest Tribunal - Section VI Civil. Amends the judgment under appeal in its entirety in the sense that it dismisses, as unfounded, the claim brought by the applicant Electromontaj S.A., against the defendant Compañia Națională de Transport al Energiei Electrice Transelectrica S.A., as stated above. Orders the respondent-claimant Electromontaj S.A. to pay to the respondent-appellant Compañia Națională de Transport al Energiei Electrice Transelectrica S.A. the amount of 39,787.82 RON as costs of the appeal. Dismisses, as unfounded, the appeal lodged by the appellant-claimant Electromontaj S.A. against the same judgment. Dismisses, as unfounded, the appellant-claimant's application for costs on appeal. Definitive.

ENERGOMONTAJ SA lodged an application for review and an appeal for annulment, and at the deadline of 12.01.2024: Dismisses, as unfounded, the request for rectification of material error made by the appellant-claimant Electromontaj S.A. Final.

- *File no. 25896/3/202020 - plaintiff Electromontaj Bucharest (10,000,000)*

The case concerns claims for additional costs related to the increase of the minimum wage in the construction sector for the investment contract C229/2015 - *Transition to 400 kV voltage of the axis Porțile de Fier - 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 deadline for **13.09.2024**.

- *Case no. 27001/3/2021 - complainant Romelectro (3.523.710)*

The case concerns claims for additional costs related to the increase of the minimum wage in the construction sector for the investment contract C264/2017 - *Modernisation of 110 kV stations Bacău Sud and Roman Nord related to the 400 kV Moldova axis.*

The case is adjourned to 28.04.2023 due to the absence of the expert's report.

At the term of 23.06.2023, a date for the continuation of the trial on 06.10.2023.

At the term of 06.10.2023, a further term of 19.01.2024 is granted for the continuation of the trial.

At the term of 19.01.2024, the solution in brief is: Dismisses the application for suspension on the basis of Article 242 of the Code of Civil Procedure as unfounded. The Court sets 15.03.2024 for the continuation of the trial.

After several postponements, at the deadline of 05.04.2024, the TMB: partially admits the claim, obliges the defendant to pay the amount of 3,689,768.27 RON, as an adjustment of the price of the Works Contract no. C264/14.12.2017 for the labour related to the works remaining to be executed on 01.01.2019, as a result of the increase of the minimum wage in the construction sector to the amount of 3,000 RON/month. Obliges the defendant to conclude an Addendum to the Works Contract no. C264/14.12.2017 with the object of adjusting the Contract price by the amount of 3,689,768.27 RON, representing the labour cost of the works remaining to be executed on 01.01.2019, as a result of the increase of the minimum wage in the construction sector to the amount of 3,000 RON/month. Orders the defendant to pay in favour of the plaintiff late payment penalties of 0.02%/day, calculated on the principal debt, from 01.02.2019 until the principal debt is paid. The remainder of the

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application is dismissed as unfounded. Notes that the applicant has applied for separate costs. Subject to appeal within 30 days of notification.

At the deadline of 19.07.2024 CAB: Allow the appeal. Partially alters the judgment under appeal in so far as it dismisses as unfounded also the heads of claim which were upheld by the Court of First Instance. Upholds the remainder of the judgment under appeal. Orders ROMELECTRO SA to pay CNTEE Transelectrica SA the amount of 4,500 RON by way of costs on appeal. Dismisses as unfounded the respondent-appellant's application for costs on appeal. Definitive. Document: Decision 1074/2024 19.07.2024.

- *Case no. 22368/3/2021 - complainant Romelectro (2.275.653)*

The file concerns claims for additional costs related to the increase of the minimum wage in the construction sector for the investment contract C260/2017 - *Upgrade of 110 and 400(220) kV installations in Foçșani Vest substation.*

At the hearing on 24 June 2022, dismiss the application as unfounded. With appeal within 10 days of communication. The appeal is to be filed with the Bucharest Tribunal - 6th Civil Department. Document: Decision No 1555/2022.

Romelectro has appealed.

At the hearing on 29.02.2024, the CAB dismisses the appeal as unfounded. Definitive. Delivered by the clerk of the court, today, 29.02.2024. Document: Decision 358/2024 29.02.2024.

- *Case no. 30801/3/2021 - complainant Romelectro (2.271.075)*

The case 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 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 COMPANIA NAȚIONALĂ DE TRANSPORT AL ENERGIEI ELECTRICE TRANSELECTLECTRICA SA 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 **18 October 2024**.

- *Case no. 8193/3/2022 - complainant Tempus Sev (2.437.253)*

The subject matter of the case is claims representing claims - OUG 114/2018 for contract C80/2018 - *Refurbishment of 220/110kV Hășdat substation.*

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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, 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**.

- *Case no. 8442/3/2022 - complainant Tempos Sev (1.429.832)*

The subject matter of the case is claims representing claims - GEO no. 114/2018 for contract C80/2018 - *Refurbishment of 220/110kV Hășdat substation*.

At the hearing on 16.09.2022, the plea of connectedness is allowed. Refers the case to the panel first responsible for dealing with case No 8193/3/2022, namely panel 12 of the Court of First Instance, in order to join case No 8442/3/2022 to case No 8193/3/2022. With appeal on the merits. Delivered, today, 16.09.2022, by the court registry making the solution available to the parties. Document: Final resolution (divestment) 16.09.2022.

Following the joinder of case no 8442/3/2022 with case no 8193/3/2022, as set out above, the issues to be discussed will be analysed in the first case (8193/3/2022).

- *Case no. 8440/3/2022 - complainant Tempos Sev (2.437.253)*

The subject matter of the case is claims representing claims - OUG 114/2018 for contract C80/2018 - *Refurbishment of 220/110kV Hășdat substation*.

At the hearing on 13.09.2022, the case was adjourned to 08.11.2022, for the taking of the evidence ordered.

At the hearing on 08.11.2022, the case is adjourned.

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

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

After several adjournments, at the trial of 11.06.2024, the solution in brief: For the taking of expert evidence on construction, the case is adjourned to **10.12.2024**.

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

- *Audit by the Court of Auditors of Romania*

As of 04 September 2023, the Court of Auditors, through the 6th Department, is carrying out a compliance audit mission at CNTEE Transelectrica SA. The scope of the audit being:

- a) contracting and procurement;
- b) salaries and other rights granted to the Company's staff.

The subject of the compliance audit is "the *situation, evolution and management of public and private state assets, as well as the legality of revenue realisation and expenditure for the period 2020-2022*" at CNTEE Transelectrica SA.

The audit described above has not been completed at the date of preparation of these financial statements.

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

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

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

SMART SA

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

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

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

As of 25 January 2016, the National Trade Register Office has made the change in the shareholding structure of S Smart SA, namely the mention regarding the management of the state portfolio, a change required under Article 10 of GEO no. 86/2014, amended and updated.

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

TELETRANS SA

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

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

ICEMENERG SA

ICEMENERG SA, with registered office in B-dul Energeticienilor, nr. 8, District 3, Bucharest, has as its main object of activity research and development in physical and natural sciences, innovation, studies, development strategies, design activities, urban planning, engineering and other technical services and was established by Government Decision no. 1065/04.09.2003.

In the Company's accounting records, as at 30 June 2024, the share capital of the Subsidiary Icemenerg SA amounts to 1,083,450, fully subscribed and paid up.

*) On 07.04.2014, was admitted by the National Trade Register Office, the file with registration number 121452/03.04.2014, having as object the cancellation of the subsidiary Institutul de Cercetari si Modernizari Energetice - ICEMENERG SA Bucharest. By Order no. 123/13.03.2014 (act of registration and authorisation of officials), the "National Institute for Energy Research and Development Bucharest" was registered at the Trade Register (HGR no. 925/2010). The company lodged a complaint against the

CNTEE Transelectrica SA

Notes to the separate interim financial statements as at 30 June 2024

(All amounts are in RON unless otherwise indicated)

resolution of the ORC director ordering the deregistration of the ICEMENERG SA Bucharest branch from the trade register. The Bucharest Tribunal, Civil Section VI, by Judgment no. 3569/14.07.2014 rendered in case no. 15483/3/2014, in which the Company was in conflict with the defendants Filiala Institutul de Cercetări și Modernizări Energetice "Icemenerg" S.A. Bucharest and Institutul Național de Cercetare-Dezvoltare pentru Energie-Icemenerg Bucharest, rejected the Company's complaint, on the grounds that HG no. 925/2010 was not annulled until the moment of deregistration at the Trade Register Office. On 24.02.2015, the Court of Appeal communicated the decision rendered in case no. 15483/3/2014 și.e. Decision no. 173/2015, rejecting the appeal of CNTEE Transelectrica SA as unfounded, the decision being final.

Against Decision no. 173/2015, ruled by the Bucharest Court of Appeal, Transelectrica SA filed an appeal for annulment, which is the subject of case no. 1088/2/2015, pending before the Bucharest Court of Appeal - 6th Civil Department, with a deadline for judgment on 13.05.2015. On 13.05.2015, by Decision no. 777/2015, the Bucharest Court of Appeal rejected the annulment appeal as unfounded, the decision being final.

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

In the meetings of 28.03.2016 and 30.08.2016, the AGEA did not approve the reduction of the share capital of CNTEE Transelectrica SA by the amount of 1,084,610, representing the subscribed and paid-up share capital of the Subsidiary ICEMENERG SA Bucharest, by reducing the Romanian State's shareholding in the share capital of CNTEE Transelectrica SA, in application of the provisions of Government Decision no. 925/2010.

OPCOM SA

The company OPCOM SA with registered office at 16-18 Hristo Botev Boulevard, District 3, Bucharest, with legal personality, has as its main object of activity the organisation, management and supervision of the energy market and was established by Government Decision no. 627/2000.

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

On 20.03.2019, the National Trade Register Office of the Bucharest Court of First Instance resolved the application for registration of the share capital increase of OPCOM SA.

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

On 30 June 2024, the share capital is 31.366,090, of which 8,778,790 is fully subscribed and paid up share capital. The difference in share capital in the amount of 22,587,300 is represented by the Company's contribution in kind, i.e. intangible assets - "OPCOM Commercial Power Exchange" and "OPCOM Regional Power Exchange", financed from the Company's own sources and IBRD funds and valued according to the Valuation Report No. 786/15.03.2016 issued by JPA Audit & Consultancy Ltd.

On 30 June 2024, the share capital of OPCOM SA is RON 31,366,090, representing 3,136,609 registered shares with a share value of RON 10 and a profit and loss participation of CNTEE Transelectrica SA in profits and losses of 97.84%.

FORMENERG SA

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

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

ICEMENERG SERVICE SA

By GD no. 2294/09.12.2004, the transfer of the shares held by the subsidiary "Institutul de Cercetări și Modernizări Energetice - ICEMENERG" - S.A. Bucharest to the subsidiary "ICEMENERG-SERVICE" - S.A. Bucharest to Compania Națională de Transport al Energiei Electrice "Transelectrica" - S.A. was approved.

The Company recognised in 2016 an impairment adjustment in the amount of 493,000 for shares held in the subsidiary

CNTEE Transelectrica SA

Notes to the separate interim financial statements as at 30 June 2024

*(All amounts are in RON unless otherwise indicated)***ICEMENERG SERVICE SA.**

The share capital on 30 June 2024 is 493,000, fully subscribed and paid up.

***) On 09.06.2017, the Bucharest District Court, 7th Civil Department, ordered the debtor ICEMENERG SERVICE - SA, the subsidiary company ICEMENERG SERVICE - SA, to file for bankruptcy by simplified procedure, appointing Solvendi SPRL as provisional liquidator.

On 27.04.2021, the official receiver 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 - 7th Civil Department, by civil judgement no. 2429, approved the final report of the judicial liquidator, and, based on Article 175 paragraph 2 of Law no. 85/2014 on insolvency prevention and insolvency proceedings, closed the insolvency proceedings against the debtor "Icemenerg-Service" SA by striking it from the Bucharest Trade Register. The company has not been notified of the judgment until 30.06.2024.

Balances with subsidiaries owned by the Company are analysed as follows:

ENTITY AFFILIATED	Receivables Trade*)		Payables trade	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
SMART SA	304,297	505,575	7,985,380	26,136,624
TELETRANS SA	122,641	163,073	25,216,652	32,618,057
FORMENERG SA	-	-	-	-
OPCOM SA	238,366,143	137,025,151	247,177,489	170,043,524
TOTAL	238,793,081	137,693,799	280,379,521	228,798,205

*) Trade receivables are shown gross.

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

ENTITY AFFILIATED	Sales			
	Q2 2024	Q2 2023	Semester I 2024	Semester I 2023
SMART SA	249,037	206,695	624,050	507,897
TELETRANS SA	185,315	604,973	419,126	747,909
FORMENERG SA	-	-	-	-
OPCOM SA	560,233,759	116,468,290	734,626,402	407,816,614
TOTAL	560,668,111	117,279,958	735,669,578	409,072,420

ENTITY AFFILIATED	Procurement			
	Q2 2024	Q2 2023	Semester I 2024	Semester I 2023
SMART SA	21,173,087	21,452,475	41,975,235	39,229,391
TELETRANS SA	13,435,894	12,636,146	26,430,881	23,971,058
FORMENERG SA	-	1,459	-	1,624
OPCOM SA	309,223,912	941,916,674	1,090,555,523	2,163,844,136
TOTAL	343,832,893	976,006,754	1,158,961,639	2,227,046,209

In Q2 2024, the Company received dividends from its subsidiary OPCOM amounting to 14,649,757.

CNTEE Transelectrica SA

Notes to the separate interim financial statements as at 30 June 2024

*(All amounts are in RON unless otherwise indicated)**ii) Salary of the Company's management*

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

	Q2 2024	Q2 2023	Semester I 2024	Semester I 2023
Short-term benefits	5,869,814	6,002,564	11,533,680	11,998,916
Other long-term benefits	-	30,650	26,580	79,250
Total	5,869,814	6,033,214	11,560,260	12,078,166

21. Credit risk

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

The treatment of counterparty risk is based on the Company's internal and external success factors. The external success factors - which have an effect on risk reduction in a systematic way are: decentralisation of the energy sector where generation, transmission, distribution and supply are distinct activities and the interface for the customer is the supplier, 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 in the electricity market.

Financial assets that may subject the Company to collection risk are mainly trade receivables and cash and cash equivalents. The company has put in place a number of policies to ensure that the sale of services is realised to customers with adequate collection, by including in commercial contracts their obligation to provide financial guarantees. The value of the receivables, net of allowances for impairment losses, represents the maximum amount exposed to collection risk.

The maximum exposure to collection risk at the reporting date was:

	30 June 2024	31 December 2023
Financial assets		
Net trade receivables	2,558,674,310	1,620,132,453
Other net receivables and advances to suppliers	628,268,493	280,338,797
VAT recoverable	202,901,276	215,086,522
Cash and cash equivalents	527,104,454	519,358,908
Other financial assets	-	-
Total	3,916,948,533	2,634,916,680

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

	Gross value	Impairment adjustment	Gross value	Impairment adjustment
	30 June 2024	30 June 2024	31 December 2023	31 December 2023
Not yet at maturity	2,467,846,588	-	1,531,342,224	330,772
1 - 30 days overdue	833	-	(329,026)	-
31 - 90 days overdue	1,620,091	-	169,704	-
90 - 180 days overdue	191,569	-	200,418	15,266
180 - 270 days overdue	40,233	1,388	30,019,270	30,014,000
270 - 365 days overdue	(4,879)	12,559	206,356	17,254
More than a year	212,460,001	123,466,179	184,044,637	95,143,838
Total	2,682,154,436	123,480,126	1,745,653,583	125,521,130

CNTEE Transelectrica SA

Notes to the separate interim financial statements as at 30 June 2024

*(All amounts are in RON unless otherwise indicated)*The ageing of **other receivables** at the date of the statement of financial position is shown below:

	Gross value 30 June 2024	Impairment adjustment 30 June 2024	Gross value 31 December 2023	Impairment adjustment 31 December 2023
Not yet at maturity	800,221,846	342,478	468,005,322	1,841,664
1 - 30 days overdue	3,722,177	5,520	11,004,350	-
31 - 90 days overdue	1,889,967	1,825,664	16,352,177	347,123
90 - 180 days overdue	1,615,944	1,514,800	481,065	15,824
180 - 270 days overdue	26,953,527	23,781,669	142,180	34,948
270 - 365 days overdue	29,327	17,229	372,881	1,770,073
More than a year	82,533,741	58,309,400	83,523,474	80,446,498
Total	916,966,529	85,796,760	579,881,449	84,456,130

Transelectrica's policy is to recognise 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 in a period of more than 180 days, except for outstanding receivables generated by the support scheme. The Company also carries out an individual analysis of trade and other outstanding trade and other receivables.

The largest impairment adjustments at 30 June 2024, calculated for trade receivables and related penalties, were recorded for: Romelectro (39,784,774), JAO (30,020,057), CET Govora (24,645,019), Arelco Power (14,788,022), Total Electric Oltenia SA (14,185,577), Romenergy Industry (13,512,997), Elsaco Energy (9,276,118), RAAN (8,516,707), OPCOM (8,487,394), Next Energy Partners (8,395,132),.

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

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

	30 June 2024	31 December 2023
Balance at 1 January	125,521,130	132,837,163
Recognition of impairment adjustments	15,079	31,664,485
Reversal of impairment adjustments	2,056,083	38,980,518
Balance at end of period	123,480,126	125,521,130

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

	30 June 2024	31 December 2023
Balance at 1 January	84,456,130	76,330,845
Recognition of impairment adjustments	4,669,536	25,239,079
Reversal of impairment adjustments	3,328,906	17,113,794
Balance at end of period	85,796,760	84,456,130

Financial assets that may subject the Company to collection risk are mainly trade receivables and cash and cash equivalents. The company has put in place a number of policies to ensure that the sale of services is realised to customers with adequate collection, by including in commercial contracts their obligation to provide financial guarantees. The value of the receivables, net of allowances for impairment losses, 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 cash is placed in financial institutions, which are considered to have minimal risk.

CNTEE Transelectrica SA

Notes to the separate interim financial statements as at 30 June 2024

(All amounts are in RON unless otherwise indicated)

22. Further events

• Convening of the Extraordinary General Meeting of Shareholders

In accordance with 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, of the A.S.F. Regulation no. 5/2018 on issuers of financial instruments and market operations, with subsequent amendments and additions, as well as of the Company's Articles of Incorporation in force, the Company's Board of Directors convened the Extraordinary General Meeting of Shareholders on 12 August 2024, with the following agenda:

- Approval of the participation of the National Electricity Transmission Company "Transelectrica" -S.A. in the share capital of a new Joint Venture company based in Romania in application of the Agreement between the Governments of the Republic of Azerbaijan, Georgia, Romania and Hungary on the Strategic Partnership in the field of Green Energy Development and Transport - "Green Energy Corridor" Project;
- Approval of the procurement of legal services for the implementation of projects and transactions with a foreign element in which the National Electricity Transmission Company "Transelectrica" -S.A. is involved in the application of governmental decisions or, where appropriate, in the application of European regulations arising from its status as a transmission and system operator in the electricity sector.

• Request to complete the agenda of the Extraordinary General Meeting of Shareholders of 12/13 August 2024

The Company has informed investors that the majority shareholder, the Romanian State, through the General Secretariat of the Government, pursuant to Article 105 paragraph (3) of Law no. 24/2017 on issuers of financial instruments and market operations, republished, in conjunction with the provisions of Art. 1171 of the Companies Act no. 31/1990, republished, with subsequent amendments and supplements, has requested to supplement the agenda of the Extraordinary General Meeting of Shareholders convened for 12/13.08.2024 with the ***Approval of the RET Development Plan for the period 2024 - 2033.***

• Request to complete the AGEA agenda of August 12/13, 2024

On June 1, 2024, the positive adjustment of the tariff was carried out based on the fulfillment of the provisions of Art. 22 and Art. 23 of the Methodology for establishing the tariff for the acquisition of system services, approved by ANRE Order no. 116/2022.

Thus, based on the provisions of the articles presented above, on August 1, 2024, CNTEE Transelectrica SA is obliged to submit to ANRE, the intermediate verification and for the first semester of 2024 of important deviations from the forecast values of the cost and income situation.

Following this analysis, if it is found that in the first semester of 2024 the provisions of Art. 22 and Art. 23 have been met again, ANRE will adjust the tariff accordingly starting on September 1, 2024.

NPG TRANSELECTRICA SA

Company managed by two-tier system

**Condensed Consolidated Interim Financial Statements
as of and for the six months' period ending on
30 June 2024**

Elaborated in accordance with the
International Accounting Standard 34 – “Interim Financial Reporting”

NPG TRANSELECTRICA SA
CONSOLIDATED FINANCIAL POSITION AS OF JUNE 30, 2024
(All amounts are presented in thousand RON, unless otherwise indicated)

	Nota	30 june 2024	31 december 2023
Assets			
Non-current assets			
Tangible assets		5,625,958	5,558,143
Assets representing rights of use under a lease		10,979	15,048
Intangible assets		288,136	282,378
Financial assets		40,621	40,673
Total non-current assets	4	5,965,694	5,896,242
Current assets			
Inventories		66,975	61,975
Trade and other receivables	5	3,399,521	2,116,460
Profit tax recoverable		3,249	-
Other financial assets		-	-
Cash and cash equivalents	6	541,415	526,900
Total current assets		4,011,160	2,705,335
Total assets		9,976,854	8,601,577
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		1,665,405	1,738,703
Other reserves		238,812	195,751
Retained earnings		2,744,640	2,431,200
Total shareholders' equities attributable to Group owners	7	5,578,337	5,295,134
Non-controlling interests		-	-
Total equity		5,578,337	5,295,134
Non-current liabilities			
Long term deferred revenues	8	525,398	519,116
Long term Borrowings	9	19,923	31,906
Other loans and assimilated debts - Non-current lease liabilities	10	2,537	7,073
Deferred tax liabilities		301,174	296,343
Employee benefits obligations		97,888	97,888
Total non-current liabilities		946,920	952,326

NPG TRANSELECTRICA SA
CONSOLIDATED FINANCIAL POSITION AS OF JUNE 30, 2024
(All amounts are presented in thousand RON, unless otherwise indicated)

	Nota	30 june 2024	31 december 2023
Current liabilities			
Trade and other liabilities	10	3,306,617	2,200,950
Other loans and assimilated debts - Current lease liabilities	10	9,487	9,253
Other tax and social security liabilities	12	22,105	26,047
Current Borrowings	9	29,476	31,600
Provisions	11	63,320	67,191
Short term deferred revenues	8	20,592	16,138
Income tax payable		-	2,938
Total current liabilities		3,451,597	2,354,117
Total liabilities		4,398,517	3,306,443
Total shareholders' equity and liabilities		9,976,854	8,601,577

NPG TRANSELECTRICA SA
CONSOLIDATED PROFIT AND LOSS ACCOUNT STATEMENT AS OF JUNE 30, 2024
(All amounts are presented in thousand RON, unless otherwise indicated)

	Nota	30 june 2024	30 june 2023
Operating revenues			
Transmission revenues		985,278	959,057
System service revenues		311,695	192,751
Balancing market revenues		3,229,089	1,017,616
Other revenues		169,269	31,281
Total operating revenues	14	4,695,331	2,200,704
Operating expenses			
System Operating Expenses	15	(355,201)	(307,070)
Balancing market expenses	15	(3,229,286)	(1,017,157)
System services expenses	15	(300,957)	(230,735)
Depreciation and amortization	16	(179,106)	(170,310)
Personnel expenses	17	(238,154)	(202,267)
Repairs and maintenance expenses		(25,486)	(19,646)
Materials and consumables		(9,190)	(8,400)
Other operational expenses	18	(87,759)	(64,455)
Total operating expenses		(4,425,139)	(2,020,039)
Operating result		270,192	180,665
Financial revenues		20,072	26,925
Financial expenses		(4,198)	(25,163)
Net finance result	19	15,874	1,762
Profit before income tax		286,066	182,427
Income tax	13	(19,504)	(18,346)
Result for the year from continuing operations		266,562	164,081
Profit of the period			
Attributable to:			
Owners of the Group		266,562	164,081
Non-controlling interests		-	-
Basic and diluted earnings per share (lei/share)		3.64	2.24

The attached consolidated financial statements were signed by the Company's management on 12 august 2024:

Directorate,

**Ștefăniță
MUNTEANU**

Directorate
President

**Florin-Cristian
TĂTARU**

Directorate
Member

**Cătălin-Constantin
NADOLU**

Directorate
Member

**Bogdan
TONCESCU**

Directorate
Member

Ana-Iuliana DINU
Economic and Financial Director

Cristiana Zîrnovan
Budget and Management Reporting Department Manager

NPG TRANSELECTRICA SA
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF JUNE 30, 2024

(All amounts are presented in thousand RON, unless otherwise indicated)

	Share capital	Share premium	Legal reserve	Revaluation reserves	Other reserve	Retained result	Attributable to the group	Minority interests	Total
Balance on January 1, 2024	733,031	49,843	146,606	1,738,703	195,751	2,431,200	5,295,134	-	5,295,134
Comprehensive result of the period	-	-	-	-	-	-	-	-	-
Result of the period	-	-	-	-	-	266,562	266,562	-	266,562
Other comprehensive revenue items	-	-	-	-	-	-	-	-	-
Recognising the actuarial loss/profit of the benefit plan	-	-	-	-	-	-	-	-	-
Surplus from revaluation of tangible assets	-	-	-	-	-	-	-	-	-
Liability regarding deferred tax associated to the revaluation reserve	-	-	-	(3,758)	-	-	(3,758)	-	(3,758)
Total other comprehensive revenue items	-	-	-	(3,758)	-	-	(3,758)	-	(3,758)
Total comprehensive result of the period	-	-	-	(3,758)	-	266,562	262,804	-	262,804
Legal reserve indexation	-	-	-	-	-	-	-	-	-
Transfer of revaluation reserves into retained result	-	-	-	(69,540)	-	69,540	-	-	-
Minority interests from participation	-	-	-	-	-	-	-	-	-
Other items	-	-	-	-	-	(2,137)	(2,137)	-	(2,137)
Total other items	-	-	-	(69,540)	-	67,403	(2,137)	-	(2,137)
Derecognition of assets like public domain	-	-	-	-	-	-	-	-	-
Subsidies associated to public domain assets	-	-	-	-	43,061	-	43,061	-	43,061
Other reserves	-	-	-	-	-	-	-	-	-
Dividends distribution	-	-	-	-	-	(20,525)	(20,525)	-	(20,525)
Total transactions with owners	-	-	-	-	43,061	(20,525)	22,536	-	22,536
Balance on June 30, 2024	733,031	49,843	146,606	1,665,405	238,812	2,744,640	5,578,337	-	5,578,337

NPG TRANSELECTRICA SA
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF JUNE 30, 2024
(All amounts are presented in thousand RON, unless otherwise indicated)

	Share capital	Share premium	Legal reserve	Revaluation reserves	Other reserve	Retained result	Attributable to the group	Minority interests	Total
Balance on January 1, 2023	733,031	49,843	146,606	734,233	39,351	2,201,628	3,904,692	-	3,904,692
Comprehensive result of the period	-	-	-	-	-	-	-	-	-
Result of the period	-	-	-	-	-	217,446	217,446	-	217,446
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	-	218,351	1,290,460	-	1,290,460
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 on December 31, 2023	733,031	49,843	146,606	1,738,703	195,751	2,431,200	5,295,134	-	5,295,134

NPG TRANSELECTRICA SA
CONSOLIDATED STATEMENT OF CASH FLOWS AS OF JUNE 30, 2024
(All amounts are presented in thousand RON, unless otherwise indicated)

	30 june 2024	30 june 2023
Cash flows from operational activities		
Result of the period	266.562	164.081
Adjustments for:		
Income tax expense	19.504	18.346
Amortisement expense (including additional OTC)	179.106	170.310
Grid losses anticipatory tariff income	(23.866)	-
Expenses with adjustments for trade receivables impairment	19	953
Revenues from reversal of adjustments for trade receivables impairment	(2.057)	(944)
Losses from various debtors	2.918	17
Expenses/Revenues with adjustments for various debtors impairment	1.610	(89)
Net expenditures with adjustments for inventories impairment	796	(791)
Net profit/ loss on sale of tangible assets	4.383	(936)
Net expenditures on adjustments of value regarding tangible assets	-	(1.627)
Expenses/Revenues regarding provisions for risks and expenses, net	(5.788)	(4.428)
Net financial expenses regarding adjustments for the loss of value of fixed assets	201	-
Interest expense, interest revenue and unrealised exchange rate gains	(16.256)	(1.048)
Cash flows before changes to working capital	427.132	343.843
Changes in:		
Inventories	(4.390)	(9.477)
Clients and assimilated accounts	(1.285.890)	1.761.303
Trade payables and other liabilities	1.134.726	(1.740.617)
Other taxes and social insurance liabilities	(3.942)	(544)
Deferred revenues	51.086	41.432
Cash flows from operational activities	318.722	395.941
Paid interests	(1.604)	(2.228)
Paid income tax	(23.974)	(21.469)
Net cash generated from operational activities	293.144	372.244
Cash flows from the investment activity		
Acquisition of tangible and intangible assets	(259.497)	(187.405)
Participation titles held in SELENE CC Societe Anonyme	-	242
Proceeds from EC non-reimbursable financing	2.712	55.750
Received Interests	3.627	2.694
Proceeds from sale of tangible assets	-	1.772
Dividends received/paid	14.650	1.204
Net cash used in the investment activity	(238.508)	(125.743)

NPG TRANSELECTRICA SA
CONSOLIDATED STATEMENT OF CASH FLOWS AS OF JUNE 30, 2024
(All amounts are presented in thousand RON, unless otherwise indicated)

	30 june 2024	30 june 2023
Cash flows used in financing activities		
Repayments of non-current borrowings	(11.981)	(11.897)
Use of working capital credit line	-	-
Use of credit line Smart	(2.013)	5.100
Repayments of current borrowings	-	(67.618)
Building lease payments	(5.715)	(5.775)
Dividends paid	(20.412)	(13)
Net cash used in financing activities	(40.121)	(80.203)
Cash and cash equivalents as at January 1 st	526.900	333.681
Net increase/decrease in cash and cash equivalents	14.515	166.298
Cash and cash equivalents at the end of the period	541.415	499.979

1. ACTIVITY DESCRIPTION AND GENERAL INFORMATION

The main activity of the National Power Grid Company Transelectrica SA ("the Company") and its subsidiaries (together with the Company, the "Group") is: provision of electricity transmission service and system service, balancing market operator, bonus support scheme administrator, 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 by ANRE Order no. 164/07.12.2015.

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

The consolidated financial statements as at 30 June 2024 of the Group prepared in accordance with the Order of the Minister of Public Finance no. 2844/2016 for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards, as amended, based on International Accounting Standard 34 – "Interim Financial", are available at the Company's registered office located at 2-4 Olteni Street, Sector 3, Bucharest.

The Group's consolidated financial statements drawn up on June 30, 2024 are not audited.

These Consolidated Financial Statements elaborated as of and for the financial year ended on June 30, 2024, include the financial statements of the parent Company and of its subsidiaries Smart SA and Teletrans SA, jointly called the "Group".

GROUP STRUCTURE

The main Group subsidiaries included in the consolidation and the percentage of shares held by the Company are provided below:

Entity	Country of origin	30 June 2024	31 December 2023
		% of shares	% of shares
SMART SA	România	100	100
TELETRANS SA	România	100	100

SMART SA

SMART SA

The subsidiary Societatea Comercială pentru Servicii de Mentenanță a Rețelei Electrice de Transport (Commercial Company for Transmission Grid Maintenance Services) "SMART" SA was established in 2001, by GD no.710/19.07.2001 through the reorganization of certain activities within Transelectrica.

The address of the registered office is in B-dul Magheru nr. 33 sector 1 Bucharest and the head office is at the business place B-dul Gheorghe Șincai nr. 3, building "Formenerg", et.1, sector 4 Bucharest.

The main activities of the subsidiary are the overhaul and repair of primary apparatus and equipment in electrical networks (so that RET installations operate safely at the level of performance required by the licence), the repair of incidents in electrical installations, the provision of energy services, energy services for the energy system and micro-production of electrical equipment. The company has 8 branches without legal personality.

The mission for which SMART SA was established was and still is to ensure preventive maintenance, special works and corrective maintenance of the Transmission Grid (RET), based on 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, expertise, consultancy for:

- Low, medium, high and extra high voltage switchgear and equipment - up to and including 750kV,
- Equipment and circuits for protection, automation, measurement, command - control,

The attached notes are integrant part of these consolidated interim financial statements

NPG TRANSELECTRICA SA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2024
(All amounts are presented in thousand RON, unless otherwise indicated)

- Transformers and autotransformers of all powers and voltages,
- Overhead and cable power lines of all voltage levels.

The subscribed and paid-up share capital as at 30.06.2024 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

The subsidiary TELETRANS SA was established by the GMS Resolution no. 13/04.12.2002 of Transelectrica, based on the Law no. 31/1990 and the Orders of the Ministry of Industry and Commerce no. 3098 and no. 3101 dated 23.10.2002 and is the provider of specific telecommunications and information technology services for the operational and management of Transelectrica, having as its main activity the provision of specific telecommunications services. At the same time, the Subsidiary has the possibility to market specific services on the liberalised communications market in Romania.

The address of the registered office is at 16 - 18 Hristo-Botev Street, sector 3, Bucharest and the head office is at the working point at 12 Stelea Spătarul Street, sector 3, Bucharest.

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

On the basis of the Articles of Association and the applicable regulations, Teletrans holds the ANCOM certificate of provider of electronic communications networks or services since 2002 (G.E.O. no. 679/2002), which entitles it to provide the following electronic communications services:

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

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

The services provided by Teletrans were mainly IT/Tc services to Transelectrica, maintenance services of the local metering system at the level of the Company's electricity stations, maintenance services of the telecontribution system related to the wholesale electricity market and telecommunication services through the marketing of the surplus capacity existing in the fibre optic communication infrastructure.

The subscribed and paid-up share capital as at 30.06.2024 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.

The Group's mission

The Group's mission is to ensure the safe and secure operation 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 electricity transmission networks, in conditions of transparency, non-discrimination and fairness for all market participants.

2. BASES OF ELABORATION

Statement of conformity

The Consolidated Interim Financial Statements are presented in accordance with the requirements of IAS 34 Interim Financial Reporting. They do not include all the information required for a complete set of financial statements in accordance with International Financial Reporting Standards ("IFRS") and should be read together with the Consolidated Financial Statements prepared as of and for the financial year ended 31 December 2023. However, certain explanatory notes are included for to explain the events and transactions that are significant for the understanding of changes in the financial position and

The attached notes are integrant part of these consolidated interim financial statements

performance of the Group since the last consolidated annual financial statements as of and for the financial year ended 31 December 2023.

Utilisation of estimations and reasonings

The significant judgments used by management in applying the Group's accounting policies and the main sources of uncertainty relating to estimates were the same as those applied to the consolidated financial statements as of and for the financial year ended December 31, 2023.

3. ACCOUNTING POLICIES

The accounting policies applied in these consolidated interim financial statements are the same as those applied in the Group's consolidated financial statements as of and for the financial ended on 31 december 2023.

Bases of consolidation

(i) Subsidiaries

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

At the date of this report Transelectrica has six subsidiaries, 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 at the date of this report is deregistered with the ONRC), Icemenerg SA (Institutul de Cercetări e Modernizări Energetice ICEMENERG SA - subsidiary which at the date of this report is deregistered with the ONRC).

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:

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

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

FORMENERG SA was established as a result of the Decision number 33/19.11.2001 of the General Meeting of Shareholders - "Transelectrica" S.A., by outsourcing the activity of the Branch for Training and Development of Energy Sector Personnel. The share capital on 30.06.2024 is 1,948 thousand lei, fully paid up, represented by 194,842 shares with a nominal value of 10 lei each. FORMENERG shares are 100% owned by Transelectrica.

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

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

In the case no.18051/3/2017, according to the Insolvency Proceedings Bulletin no.9152/26.05.2022, the Bucharest Court - Civil Division VII by civil sentence no.2429 approved the final report of the judicial liquidator, and on the basis of art.175 paragraph 2 of Law no.85/2014 on insolvency prevention and insolvency proceedings, closed the insolvency proceedings against the debtor Company Filiala

"Icemenerg-Service" SA by deleting it from the Bucharest Trade Register. The company was not notified of the judgment until 30.06.2024.

The OPCOM SA subsidiary was set up on the basis of GD no. 627/2000 on the reorganisation of the National Electricity Company SA, as a subsidiary whose sole shareholder was Transelectrica.

In accordance with the provisions of the primary and secondary legislation in force, the Operator of the Electricity and Natural Gas Market "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 the administration of centralized markets in the natural gas sector, in conditions of consistency, fairness, objectivity, independence, impartiality, transparency and non-discrimination.

The subscribed and paid-up share capital of OPCOM as at 30.06.2024 is 31,366 thousand lei, Transelectrica being the majority shareholder at that date. The shareholder structure is as follows:

- National Power Grid Company Transelectrica SA - 97.84% - NPG CO
- The 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, whose management is conducted in accordance with the regulations established by ANRE. We specify below the elements provided for by IFRS 10, which must be taken into account in determining the exercise of control. Thus according to IFRS 10 - an investor controls an entity if and only if the investor holds all of the following:

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

(ii) Loss of control

On loss of control, the Group derecognises 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 loss of control is recognised in the income statement. If the Group retains any interest in the former subsidiary, then that interest is measured at fair value at the date when control is lost. Subsequently this interest is accounted for using the equity method or as an available-for-sale financial asset depending on the degree of influence retained.

(iii) Transactions eliminated on consolidation

Balances and transactions within the Group and any unrealised revenues or expenses arising from transactions within the Group are eliminated in the preparation of the consolidated financial statements. Unrealised profits on 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 associate. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no indication of impairment.

4. TANGIBLE, INTANGIBLE AND FINANCIAL FIXED ASSETS

a) Tangible fixed assets

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

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

- Connecting Overhead Power Line 400 kV Isaccea - Varna and Overhead Power Line 400 kV Isaccea - Dobrudja to 400 kV Medgidia Sud substation, Stage I - Expansion of 400 kV Medgidia Sud substation – 92.725;
- Transition to 400 kV of the Porțile de Fier - Reșița - Timișoara - Săcălaz - Arad - Phase I - 400 kV substation s.c. Porțile de Fier - (Anina) – Reșița – 42.592;
- Connection of Overhead Power Line 400 kV Isaccea - Varna and Overhead Power Line 400 kV Isaccea - Dobrudja to the 400 kV Medgidia Sud substation, Stage II - Overhead Power Line 400 kV d.c. Connections to Medgidia South substation - 28.732;
- Overhead Power Line 400 kV d.c. Gutinaș - Smârdan - 19.664;
- Isaccea 400 kV Substation Upgrading - Stage II - 14.769;
- Baru Mare 220/110/20 kV substation upgrading - 13.821;
- Increasing the operational reliability of the Argeș - Vâlcea network area, realisation of the 400 kV Arefu substation and installation of a 400 MVA, 400/220 kV HV 400/220 kV - 12.434;
- Substation 400 kV Stâlpu - 10.468;
- Increasing the transmission capacity of the 220 kV Stejaru - Gheorgheni - Fântânele - 10.065;
- Upgrading of the 400/110 kV Pelicanu transformer substation - 9.845;
- Metering and data management system for electricity metering on the wholesale market - 8.879;
- 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 of the Porțile de Fier - Reșița - Timișoara - Săcălaz - Arad - Phase I - 400 kV substation s.c. Porțile de Fier - (Anina) - Resita - 6.979;
- Refurbishment of 220/110 kV Filești substation - 6.095;
- Relocation/protection of high voltage networks Overhead Power Line 400 kV s.c. Mintia - Arad for the rehabilitation of the railway line CF Frontieră - Curtici - Simeria, part of the Pan European Corridor IV for the circulation of trains with maximum speed of 160 km/h - 4.074;
- Implementation of new functions and software modifications in the EMS - SCADA computer system to implement European and national legislative requirements - 3.261;
- Upgrade to 400 kV of the 220 kV Brazi Vest - Teleajen - Stâlpu 220 kV substation, 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 400/220/110kV Brazi Vest substation - 2.194;
- Relocation/protection of high voltage networks 220 - Overhead Power Line 220 kV d.c. Reșița - Timișoara, the 220 kV Timișoara - Arad/Timișoara - Săcălaz and the 220 kV d.c. Mintia - Timișoara at the intersection with the Timișoara South Bypass - 1.822;
- Installation of two modern means of reactive power compensation at 400/220/110/20kV Sibiu Sud and 400/220/110/20kV Bradu stations - 1.535.

In the first half of 2024, the largest **transfers from property, plant and equipment in progress** to property, plant and equipment, totalling **360.914**, are mainly represented by the commissioning of investment objectives, of which we list the most significant:

- Transition to 400 kV of the Porțile de Fier - Reșița - Timișoara - Săcălaz - Arad - Phase I - 400 kV substation s.c. Porțile de Fier - (Anina) - Resita - 158.093;
- Baru Mare 220/110/20 kV substation upgrading - 73.813;
- Arefu 220/110/20 kV substation modernisation - 31.007;

The attached notes are integrant part of these consolidated interim financial statements

NPG TRANSELECTRICA SA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2024
(All amounts are presented in thousand RON, unless otherwise indicated)

- Upgrading of the 400/110 kV Pelicanu substation - 17.210;
- 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;
- Relocation of the 220 kV and 400kV networks for the construction of the Brăila- Galați express road - 10.149;
- Deviation of the 220 kV Overhead Power Line Ampoi- Alba Iulia area - 7.742;
- Purchase and installation of 21 monitoring systems for transformer units in CNTEE Transelectrica SA substations - 7.473;
- 110 kV, 220 kV and 400 kV mobile cells - 6,273;
- Installation of AT2 400 MVA, 400/231/22 kV and related cubicles in Iernut substation and modernisation of the control command system of 400/220/110/6 kV Iernut substation - 6.142;
- Relocation/protection of high voltage networks Overhead Power Line 400 kV s.c. Mintia - Arad for the rehabilitation of the railway line CF 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 fibre optic protective conductor on the 400kV Roșiori - Mukacevo - 5.208;
- Metering and data management system for electricity metering on the wholesale market - 4.011;
- Upgrade of the 400 kV Bucharest South - Gura Ialomiței in light of reducing galloping effects - 2.636;
- Relocation/protection of high voltage networks 220 - Overhead Power Line 220 kV d.c. Reșița - Timișoara, the 220 kV Timișoara - Arad/Timișoara - Săcălaz and the 220 kV d.c Mintia - Timișoara at the intersection with the Timișoara South Bypass - 2.486;
- AT and Transformer replacement in electrical substations - Stage 2, phase 2 - LOT 1 - LOT 2 - 2.053;
- CEF Izvoru Bărzii - Galic Sud, Halânga - 790;
- Video wall for CTSI control room - 294;
- Soundproofing system in UNO-DEN - 286;
- Air conditioners - 174;
- Execution of works in Tulcea Vest substation caused by the modification of Overhead Power Line 110 Tulcea Vest - Marmura by replacing the connection in the derivation of the production site CEE Sălbatica1 - 137;
- Batteries for power supply system at ST Bacău headquarters - 106.

The balance of **property, plant and equipment in progress** at 30 June 2024, in the amount of **RON 839.236**, is represented by projects in progress, the most significant of which are listed below:

- Overhead Power Line 400 kV d.c. Gutinaș - Smârdan - 236.374;
- Transition to 400 kV of the Porțile de Fier - Reșița - Timișoara - Săcălaz - Arad - Phase I - 400 kV substation s.c. Porțile de Fier - (Anina) – Reșița – 117.641;
- Connection of Overhead Power Line 400 kV Isaccea - Varna and Overhead Power Line 400 kV Isaccea - Dobrudja to the 400 kV Medgidia Sud substation Stage II - Overhead Power Line 400 kV d.c. Connections to Medgidia South substation - 96.746;
- Refurbishment of 220/110 kV Filești substation - 49.657;
- Connection to the RET 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;
- Increasing the transmission capacity of the 220 kV Stejaru - Gheorgheni - Fântânele - 42.658;
- Upgrading of the 400/110/20 kV Smârdan substation - 32.146;
- Isaccea 400 kV Substation Upgrading - Stage II - 21.344;
- Metering and data management system for electricity metering on the wholesale market - 20.136;
- Refurbishment of 110 kV Medgidia Sud substation - 13.764;
- Extension of the 400 kV Gura Ialomiței substation with two cells: 400 kV Cernavodă 2 and 3 - 12.571;
- Refurbishment of 110 kV Timișoara 110 kV substation and 400 kV voltage upgrade of the Porțile de Fier - Anina - Reșița - Timișoara - Săcălaz - Arad axis, phase II: 400 kV substation Timisoara - 8.905;
- 400 kV overhead power line Gădălin - Suceava, including interconnection to SEN (H.CA no. 7 / 08.07.2010) - 8.524;

The attached notes are integrant part of these consolidated interim financial statements

- 220 kV overhead power line double circuit Ostrovu Mare - RET Stage I + Stage II (H.CA nr.17/2007) - 4.993;
- Site clearance and realisation of coexistence conditions between the objective "Suspension bridge over the Danube in the Brăila area" belonging to CNAIR SA and the electrical networks managed by CNTEE Transelectrica SA - 4.911;
- Integrated security system at substations, stage IV - 4.817;
- Upgrade of the 110 kV and 400 (220 kV) installations in Focșani Vest substation - 4.513;
- 400 kV Suceava - Balti power line, for the project portion on Romanian territory - 4.439;
- Transition to 400 kV of the Porțile de Fier - Reșița - Timișoara - Săcălaz - Arad axis, phase II, 400 kV d.c. Reșița - Timișoara - Săcălaz - 3.490;
- Purchase and installation of 21 monitoring systems for transformer units in CNTEE Transelectrica SA substations - 3.318;
- Implementation of new functions and software modifications in the EMS - SCADA computer system to implement European and national legislative requirements - 3.292;
- Expansion with new functionalities of the computerised access control and recording system in CNTEE Transelectrica SA objectives - 3.201;
- 110 kV, 220 kV and 400 kV mobile cells - 3,016;
- Upgrade to 400 kV of the 220 kV Brazi Vest - Teleajen - Stâlpu 220 kV substation, including purchase of 400MVA 400/220/20 kV HV 400/220/20 kV, extension works of the 400kV and 220kV substations, in the 400/220/110kV Brazi Vest substation - 2.914;
- Connection to the RET of CEE 136 MW Platonești, county of Ialomița, through the realisation of a 110 kV cell in the 400/110 kV Gura Ialomița 400/110 kV Gura Ialomița substation - 2.889;
- Integrated security system at substations, stage III (H.CA no. 2/2008) - 2.798;
- Pilot Project - Refurbishment of the 220/110/20 kV Alba Iulia 220/110/20 kV substation into a digital substation - 2.625;
- Transition to 400 kV of the Porțile de Fier - Reșița - Timișoara - Săcălaz - Arad - Phase I - 400 kV substation s.c. Porțile de Fier - (Anina) - Resita - 2.625;
- 110 kV Cetate 1 and 2 in the neighbourhood of 110/20/6 kV Ostrovul Mare substation - 2.578;
- Connection to the RET of CEE Dumești 99 MW and CEE Românești 30 MW, Iasi County, by realising a 110 kV line cell in the 220/110 kV FAI - 2.546 substation;
- Installation of two modern means of reactive power compensation in 400/220/110/20kV Sibiu Sud and 400/220/110/20 kV Bradu stations - 2.310;
- Connection of the production site CEF Satu Mare 1 (65,018 MW), located in Satu Mare, Satu Mare municipality, Satu Mare County, to the public electricity installations managed by CNTEE Transelectrica SA, in the 220/110/20 kV Vetis substation - 2.002.

b) Intangible fixed assets

Intangible assets in course of construction

The balance of **intangible assets in progress** as at 30 June 2024, in the amount of **27.538**, is represented by projects in progress, the most significant of which are listed below:

- Metering and data management system for electricity metering on the wholesale market - 16.258;
- Replacement of hardware components, upgrading and development of specific applications of the Balancing Market Platform - II DAMAS, Component Purchase of migration services and upgrade of specific applications of the Balancing Market - 7.607;
- MARI platform development - 1.998;
- Off-line programme for individual network modelling, steady state calculation, cross-border capacity calculation, CGMES format conversion module (cf. ENTSO-E requirements), in order to programme and operate the SEN on various time horizons - 1.118.

There were no transfers from intangible assets in progress to intangible assets in H1 2024.

Intangible fixed assets - additional CPT

As from 30 September 2022, the Company shall apply the provisions of GEO no. 119/2022 amending and supplementing GEO no. 27/2022 and approved by Law no. 357/13.12.2022, whereby the additional costs of electricity purchase made in the period 1 January 2022 - 31 March 2025, in order to cover own technological consumption and technological consumption, respectively, compared to the costs included in the regulated rates, are capitalised on a quarterly basis. Thus, capitalised costs are amortised over a period of 5 years from the date of capitalisation and are remunerated at 50% of the regulated rate of return approved by the National Energy Regulatory Authority, applicable over the amortisation period of those costs and are recognised as a separate component.

The Company recognised additional CPT revenue calculated as the difference between the net CPT acquisition cost and the CPT cost recognised in the regulatory tariff in the amount of:

- 338.527 - for the year 2022,
- 13.735 - for the year 2023,
- 23.866 - for the first half of 2024.

At 30 June 2024, depreciation amounting to 117.622. is calculated on these capitalisations. Thus, the carrying amount of the intangible asset resulting from the capitalisation of the additional CPT is 258.506.

It should be noted that this income is non-monetary in nature, its collection to be carried out by the Company in instalments through the transport rates over the next five years from the date of capitalisation (2024-2028) in accordance with the relevant legislative provisions.

c) Financial fixed assets

The balance of financial fixed assets as at 30 June 2024 and 31 December 2023, amounting to 40.621, mainly consists of:

- the net value of shares held by the Company 36.101;
- of 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 realisation of the investment objective Overhead Power Line 400 kV Reșița - Pancevo (Serbia) in the amount of 4.200.

d) Fixed assets related to the right of use of leased assets - buildings

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

Contract No. C232 entered into force on 01.10.2020, valid for a period of 5 years, has a value of 9.000.000 euro (excluding VAT).

As at 30 June 2024, the carrying amount of the right to use the premises leased by the Company in the Platinum office building amounts to RON 9.940.

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 contract for the rental of an office building, 449.75 sqm, in the Formenerg building in Gheorghe Șincai Boulevard no.3, with a value of 53,970 euro/year in the amount of 10 euro/sqm representing 4,497.5 euro/month.

Teletrans SA has concluded a lease agreement consisting of the rental of a building, land and yard, with an estimated rentable area of 1080 sqm and a yard in exclusive use of 196 sqm located at 12 Stelea Spătaru Street, representing 8.600 euro/month.

As at 30 June 2024, the net value of the right of use of the spaces leased by the Group is in the amount of 10.979.

5. TRADE AND OTHER RECEIVABLES

As at 30 June 2024 and 31 December 2023, trade and other receivables are as follows:

	<u>30 june 2024</u>	<u>31 december 2023</u>
Trade receivables	2,692,574	1,748,668
Other receivables	393,469	215,758
Down payments to suppliers	325,021	151,660
VAT to recover	203,230	215,466
Adjustments for impairment of uncertain trade receivables	(128,371)	(130,158)
Adjustments for impairment of other uncertain receivables	(86,401)	(84,934)
Total	<u>3,399,521</u>	<u>2,116,460</u>

The structure of trade receivables is as follows:

	<u>30 june 2024</u>	<u>31 december 2023</u>
Clients on the electricity market, of which:	2,679,085	1,742,444
- Clients - operational activities	1,138,242	1,004,535
- Clients - balancing market	1,380,684	594,069
- Clients - bonus type support scheme to promote high efficiency cogeneration	160,159	143,840
Clients from other activities	13,489	6,224
Total trade receivables	<u>2,692,574</u>	<u>1,748,668</u>

• CNTEE 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 at 30 June 2024, the customers outstanding from operating activities show an increase compared to 31 December 2023 mainly due to the increase in energy consumption in the first half of 2024 compared to the second half of 2023.

The increase in the volume of balancing market transactions in H1 2024 compared to H2 2024 also led to an increase in the balance of customers in contracts concluded for this type of activity.

The main customers in total trade receivables are represented by: Ciga Energy SA, Cinta Energy SA, Electrica Furnizare SA, IBEX, OPCOM, Hidroelectrica, MAVIR, RAAN, Engie Romania SA, Complexul Energetic Oltenia SA. Their share in the Company's customers is 74.16% of total trade receivables.

- CNTEE 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 at 30 June 2024, the Company has receivables receivable from the bonus support scheme for the promotion of high efficiency cogeneration of approximately 6% (8% as at 31 December 2023) of total trade receivables.

The customers in the bonus support scheme for the promotion of high-efficiency cogeneration are showing an increase in receivables at 30 June 2024 mainly due to the increase in the invoiced amount for the collection of the monthly contribution.

As at 30 June 2024, the Company has receivables receivable amounting to 160.159, 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 569, respectively from CET Govora - 534, Interagro - 30;

The attached notes are integrant part of these consolidated interim financial statements

- undue bonus for 2020 in the amount of 522 from Donau Chem;
- uncollected contribution for cogeneration from the suppliers of electricity consumers, in the amount of 20,574, 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 - 577 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 **Regia Autonomă pentru Activități Nucleare - 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: **03.10.2024**.

RAAN and Transelectrica are also involved in 2 other cases at different stages of the court proceedings. More details on this file are set out in *Note 20 - Litigation and Contingencies*.

- CNTEE 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 Additional Deed No 1/04.08.2015). The duration of the Agreement was 1 year (period July 2015-August 2016) and provided for the Company's right to calculate and charge penalties during the 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 Curtișoara 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 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 at 30 June 2024, other receivables amounting to 393.469 include mainly:

➤ sundry debtors (**199.779**), of which:

- late payment penalties calculated for bad debtors, totalling 95,560 (of which 35,146 are penalties related to the support scheme). The highest late payment penalties were recorded by customers: Romelectro (39.781), RAAN (16.901), CET Govora (9.607), Electrocentrale București (9.409), OPCOM (3.633), Total Electric Oltenia (3.289), Pet Communications SRL (3.093), Multiservice G&G SRL (2.162), Petprod (1.894), ISPE Proiectare și Consultanță (1.068). Impairment adjustments have been recognised for penalties calculated for late payment of receivables from operating activities;

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- compensation due by suppliers for non-delivery of electricity: Arelco Power (988), Enol Grup (2,541) and Next Energy Partners (8,395). Impairment adjustments have been recognised 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.
- deferred expenses in the amount of **10.378** mainly represented by: domestic and international contributions (3,807), annual ANRE contribution for 2024 (1,181), taxes and duties for 2024 (1,835), insurance policies (595), rent and maintenance of office building (747) and others;
- other social debts in the amount of **2.167** representing sick leave paid by the employer to the employees and to be recovered from the National Health Insurance House, in accordance with the legislation in force.

Advances to suppliers

As at 30 June 2024, the advances paid to suppliers are represented by debtor suppliers for services rendered in the amount of **325.021** 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*) (277,618 - for ICP and SDAC and 45,599 - for SIDC).

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

Under the day-ahead price coupling mechanism, the power exchanges shall, 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 interconnection capacity is realised. CNTEE Transelectrica SA, as an OTS, transfers electricity, both physically and commercially, to the neighbouring OTS (MAVIR-Hungary) and manages the congestion revenues on the respective interconnection (art. 139 of ANRE Order no. 82/2014), and in relation to OPCOM SA it has the quality of an Implicit Participant in the Day-Ahead Market.

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

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

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

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

28 October 2021 marks 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, respectively IBEX EAD, OPCOM SA, ESO EAD and CNTEE Transelectrica SA. The aim of the SDAC is to create a single pan-European cross-border energy market for the day ahead. An integrated day-ahead market increases the overall efficiency of trading by promoting effective competition, increasing liquidity and allowing more efficient use of generation resources across Europe.

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

The launch of the Flow Based Market Coupling in the Core region on 08 June 2022 represented the transition from the ICP - Interim Coupling Project to FBMC - Flow Based Market Coupling, optimising the European electricity market for 13 countries: Austria, Belgium, Belgium, Croatia, Czech Republic, France,

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Germany, Hungary, Luxembourg, the Netherlands, Poland, Romania, Slovakia, Slovenia, the Czech Republic, the Netherlands, Romania, Slovakia and Slovenia.

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

VAT recoverable

VAT to be recovered (203.230) – amount related to the amounts for the period March - June 2024. Up to the date of this report, the Company has collected from the State the amount of 59,469, representing value added tax claimed for refund for the month of March 2024.

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

Group's policy is to recognise 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 in a period of more than 180 days, except for outstanding receivables generated by the support scheme. The Group also carries out an individual analysis of trade and other outstanding trade and other receivables.

The largest impairment adjustments at 30 June 2024, calculated for trade receivables and related penalties, were recorded for: Romelectro (39,785), JAO (30,020), CET Govora (24,645), Arelco Power (14,788), Total Electric Oltenia SA (14,186), Romenergy Industry (13,513), Elsaco Energy (9,276), RAAN (8,517), OPCOM (8,487), Next Energy Partners (8,395).

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

6. CASH AND CASH EQUIVALENTS

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

As at 30 June 2024 and 31 December 2023, cash and cash equivalents are as follows:

	30 june 2024	31 december 2023
Current bank accounts and deposits of which:	541.183	526.748
<i>a) current accounts at banks and deposits current activity</i>	210.627	90.081
<i>b) current accounts at banks and restricted deposits, of which</i>	330.555	436.667
- cash and deposits from high efficiency cogeneration	201.745	295.063
- cash of revenues from the allocation of interconnection capacities used for network investments	14.265	47.393
- cash from the connection fee	56.889	57.387
- European funds	54	87
- other restricted accounts (energy market guarantees and dividends)	57.602	36.737
Cash desk	162	151
Other cash equivalents	70	0
Total	541.415	526.900

7. EQUITY

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

Based on the provisions of Article 2 of GEO no. 55/19 November 2015 on the establishment of some reorganisation measures at the level of central public administration and amending some normative acts,

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the Ministry of Economy, Trade and Business Environment Relations (MECRMA) was established by reorganising and taking over the activities of the Ministry of Economy, Trade and Tourism, which was dissolved, 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.

In accordance with the provisions of GD no. 27/12 January 2017 on the organisation 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 certain measures at the level of central public administration and for amending and supplementing certain normative acts, published in the Official Gazette no. 898/06.11.2019, as of 6 November 2019, the exercise of rights and fulfilment of obligations arising from the status of shareholder of the State in the National Electricity Transmission Company "Transelectrica" - S.A. is carried out by the General Secretariat of the Government.

On 14.11.2019, the Central Depository S.A. registered the transfer of 43,020,309 shares (representing 58.69% of the share capital) issued by CNTEE 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 some measures at the level of central public administration and amending and supplementing some normative acts.

On 30 June 2024, the shareholders of CNTEE Transelectrica SA are: The Romanian State represented by the General Secretariat of the Government holding 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 16,533,437 shares (22.55%) and other shareholders Individuals with 4,988,141 shares (6.80%).

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 RON/share and corresponds to that registered with the Trade Register Office.

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

Actionar	30 june 2024		31 december 2023	
	Number of shares	% of the share capital	Number of shares	% of the share capital
Shareholder	43.020.309	58,69%	43.020.309	58,69%
Romanian State by MECRMA	16.533.437	22,55%	16.231.423	22,14%
Other legal person shareholders	4.753.567	6,49%	4.753.567	6,49%
PAVAL HOLDING	4.007.688	5,47%	4.007.688	5,47%
NN Group NV	4.988.141	6,80%	5.290.155	7,21%
Other natural person shareholders	73.303.142	100,00%	73.303.142	100,00%

The increase in equity as at 30 June 2024 compared to 31 December 2023 was mainly due to the recognition in retained earnings of the net profit amounting to 266.562 realised as at 30 June 2024.

8. DEFERRED INCOME

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

At 30 June 2024, the statement of **deferred income** is as follows:

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	30 june 2024	Of which: current part at 30 june 2024	31 december 2023	Of which: current part at 31 december 2023
Deferred revenues – allocation of the interconnection capacity	7.940	7.940	1.054	1.054
Deferred revenues – European funds	1.165	1.165	839	839
Connection fee funds	293.537	7.060	317.657	9.062
European funds	222.283	3.435	194.200	4.198
Other subsidies	21.065	992	21.504	985
Total	545.990	20.592	535.254	16.138

Developments in **short-term income advances** from January to June 2024 are as follows:

	30 june 2024	31 december 2023
Opening balance 1 january	16.138	39.520
Cash in advance related to interconnection capacity	44.661	214.514
Proceeds from European funds	326	422
Transfer of long-term deferred revenues	(2.758)	(7.414)
Revenues from the use of interconnection capacities	(37.774)	(229.686)
Revenues from European funds	-	(1.217)
Balance on the end of period	20.592	16.138

Developments in **long-term income advances** from January to June 2024 are as follows:

	30 june 2024	31 december 2023
Opening balance 1 january	519,115	439,028
Connection subsidies	22,616	231,303
Non-reimbursable funds	29,959	(18,410)
Non-refundable funds to be repaid	-	-
Transfer from short term deferred revenues	(52,276)	(153,505)
Subsidies wich resumed into revenues	5,984	20,698
Balance on the end of period	525,398	519,116

9. Loans

- **Long-term loans**

At 30 June 2024, the amount of long-term borrowings has decreased compared to 31 December 2023 mainly due to repayments under existing loan agreements.

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

Description	30 june 2024	31 december 2023
BEI 25709	17,973	23,952
BEI 25710	25,949	31,942
Total non-current loans from credit institutions, of which:	43,922	55,893
Less: Current portion of non-current borrowings	(23,999)	(23,987)
Total non-current loans net of current instalments	19,923	31,906

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

	<u>30 june 2024</u>	<u>31 december 2023</u>
From 1 to 2 years	18,965	12,011
From 2 to 5 years	957	19,895
More than 5 years	-	-
Total	<u>19,923</u>	<u>31,906</u>

The Group has not hedged its foreign currency obligations or interest rate risk exposures.

All long-term borrowings outstanding at 30.06.2024 bear fixed interest rates.

- **Short-term loans**

Short-term loans are itemised as follows:

	<u>30 june 2024</u>	<u>31 december 2023</u>
Current portion of non-current borrowings	23,999	23,987
Short-term bank loans	-	-
SMART credit lines	5,060	7,072
Interest related to the non-current and current loans	418	541
Total împrumuturi pe termen scurt	<u>29,476</u>	<u>31,600</u>

- *Borrowing 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 RON 175,000, with an interest rate calculated based on the ROBOR 1M reference rate, plus a margin of 0% and a commission of 0.088%.

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

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

The credit line is secured by:

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

At 30 June 2024 the credit line is not drawn down.

On 10 March 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 RON 200,000 with an interest rate calculated on the basis of the ROBOR 1M reference rate, plus a margin of 0.05%.

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

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

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

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

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

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

The credit line is secured by:

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

At 30 June 2024 the credit line is not drawn down.

- *SMART credit lines*

In November 2021, SMART SA contracted a new revolving credit line facility from Banca Românească in the amount of RON 12 million to finance the current activity and refinance the credit line held with Libra Internet Bank for a period of 12 months maturing on 23 November 2022.

On 22 November 2022, the Branch increased the ceiling of the credit line by 3 million lei up to a total amount of 15 million lei and extended its maturity by 12 months, the next maturity being on 22.11.2023.

Currently the Subsidiary has a credit for multi-product ceiling - single-company with a ceiling of 21 million lei contracted on January 9, 2024, through which it took over and extended the credit line with a revolving ceiling of 15 million lei valid until November 22, 2024, to which was added a non-cash ceiling of 6 million lei for the issuance of bank guarantee letters valid until November 20, 2026.

As at 30 June 2024, 5,060 were drawn on the credit line.

10. a. TRADE AND OTHER PAYABLES

As at 30 June 2024 and 31 December 2023, trade and other payables are as follows:

	30 june 2024	31 december 2023
Providers - electricity market	2,378,889	1,340,922
Asset providers	139,305	177,264
Providers of other activities	25,447	43,799
Amounts due to employees	15,247	14,809
Other liabilities	747,728	624,156
Total	3,306,617	2,200,950

As at 30 June 2024 and 31 December 2023, the outstanding energy market liabilities amounting to 2,378,889 and 1,340,922, respectively, are structured as follows:

	30 june 2024	31 december 2023
Providers - electricity market, of wich:		
-providers - operational activity	761,359	591,456
-providers - balancing market	1,596,983	617,379
-providers- bonus type support scheme to promote high efficiency cogeneration	20,547	132,087
Total	2,378,889	1,340,922

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Suppliers on the electricity market are mainly represented by: Hidroelectrica SA, OPCOM, MAVIR, IBEX, CIGA Energy SA, S Complexul energetic Oltenia SA, Joint Allocation Office, Electrocentrale București SA, CINTA Energy SA, Electrica Furnizare SA. At 30 June 2024, their share of total energy suppliers of the Company is 87.18%.

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

The increase in the "balancing market liabilities" balance was driven by an increase in the volume of transactions recorded on the balancing market in the first half of 2024 compared to the second half of 2023.

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

As at 30 June 2024, there are payment obligations to suppliers (producers) in the amount of 3,368,966 (CET Govora SA), representing the monthly cogeneration bonus and the ante overcompensation for 2015. The amounts representing the Company's debts related to the support scheme to CET Govora have been withheld for payment on the basis of Art. 17 para. 5 of ANRE President's Order no. 116/2013, as 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 in a unitary manner, based on the provisions of G.D. 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 Article 17 para. 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: "where the producer has not paid in full to the support scheme administrator 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 the amounts concerned on the payment document" and withheld from payment the amounts of the support scheme due.

CNTEE 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 2011-2013 and the undue bonus for 2014 (Agreement No C 135/30.06.2015 and Additional Deed No 1/04.08.2015). The duration of the Agreement was 1 year (period July 2015-August 2016) and provided for the Company's right to calculate and charge penalties during the 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.

Following 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. Taking into account the provisions of Law no. 85/2014 - the Insolvency Law, the Company has suspended, as of 9 May 2016, the application of the provisions of Article 17.5 of the Order of the President of ANRE no. 116/2013 for the approval of the Regulation on the establishment of the procedure for the collection of the contribution for high efficiency cogeneration and the payment of the bonus for electricity produced in high efficiency cogeneration and pays the cogeneration bonus due 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

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Civil Judgement No 3185/27.11.2015, partially quashed the contested judgement 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, 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.

The decrease in the "**fixed assets suppliers**" balance at 30 June 2024 compared to 31 December 2023 was due to payments falling due.

Amounts owed to "**suppliers other activities**" are mainly represented by amounts owed for services rendered by third parties not yet due, which have decreased since 31 December 2023.

At 30 June 2024, the Group 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:

	<u>30 june 2024</u>	<u>31 december 2023</u>
Various creditors	339,915	312,095
Client-creditors	330,926	247,531
Dividends to pay	305	193
Other liabilities	76,582	64,337
Total	747,728	624,156

- "Sundry creditors", amounting to **339.915** as at 30 June 2024, represent mainly:
 - the net position of the support scheme for high efficiency cogeneration, debt position, totalling 326.725. The net position of the support scheme is the difference between:
 - the amount of the contribution to be collected from the suppliers of electricity consumers, the amount of overcompensation for high-efficiency cogeneration of electricity and heat production, the undue bonus to be collected from producers, in accordance with ANRE decisions, and
 - 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
 - 13.151 solution study contracts for connection to the RET,
- "Customer creditors" as at 30 June 2024 amount to **330.926**, of which 328,675 represent amounts received in advance under transactions related to the price coupling mechanisms, ICP (Interim Coupling Project), SIDC (Single Intraday Coupling), SDAC (Single Day-ahead Coupling) and FBMC (Flow Based Market Coupling), from OPCOM (174,231), IBEX (144,978), MAVIR (8,786), Bursa Romana de Mărfuri (647) and JAO (33).
- At 30 June 2024, dividends due to shareholders of the Company and unpaid amount to **305**. These amounts are available to shareholders via the paying agent.
- "Other payables" totalling **76.582** are mainly represented by guarantees of good payment of the electricity market contracts concluded by CNTEE Transelectrica SA in the amount of 47.875, VAT not recoverable during the reporting period in the amount of 27.196 and other.

10.b DATORII LEASING

At 30 June 2024, the **liability for property, plant and equipment related to rights of use of leased assets - buildings**, in accordance with IFRS 16 - Leases, is as follows:

	<u>30 june 2024</u>	<u>31 december 2023</u>
Liabilities - leasing, short term	9.487	9.253
Liabilities - leasing, long term	2.537	7.073
Total	12.024	16.326

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At 30 June 2024, the **liability for property, plant and equipment related to rights of use of leased assets - buildings**, in accordance with IFRS 16 - Leases, amounts to 12.024, of which:

- short-term debt: 9.487
- long-term debt: 2.537.

11. PROVISIONS

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

	<u>30 june 2024</u>	<u>31 december 2023</u>
Provisions for litigations	26,016	25,983
Provisions for mandate contracts	36,554	40,491
Other provisions	749	717
Total	<u>63,320</u>	<u>67,191</u>

The provisions for litigation outstanding at 30 June 2024, amounting to 26.016, are mainly represented by the provisions set aside for the following litigations:

- *Case no. 36755/3/2018 - plaintiff Conaid Company SRL (17.216) - more details on this case are set out in Note 19 - Litigation and Contingencies.*
- *File no. 15561/3/2022 - claimant SMART SA (4.467) - more details on this file are set out in Note 19 - Litigation and Contingencies.*
- *File no. 3083/3/202020 - complainant NUCLEARELECTRICA SA (1.473)*

On 26.06.2020, Nuclearelectrica sued the Company for the payment of 1,290,533 RON representing the negative imbalance and 182 RON, legal 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).

CNTEE 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.

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 contracts" amounting to 36.554, as at 30 June 2024, represent:

- the variable component related to the OAVT packages allocated and not valorised during the terms of office executed in the period 2013-2017, for executive and non-executive directors;
- the remuneration representing the variable component, the non-competition indemnity and that of the remaining gross monthly fixed allowances until the end of the term of office for the members of the

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Supervisory Board/Management Board who are dismissed, i.e. until 2024.

"Other provisions" amounting to 749 mainly represent untaken holidays.

12. OTHER TAXES AND SOCIAL INSURANCE CONTRIBUTIONS

At 30 June 2024 and 31 December 2023, other taxes and social security liabilities comprise:

	<u>30 june 2024</u>	<u>31 december 2023</u>
Contribution to the social security funds	14,495	19,202
Payable VAT	1,837	1,991
Salary tax	2,730	3,463
Other tax payable	3,042	1,391
Total	<u>22,105</u>	<u>26,047</u>

As at 30 June 2024, the Group has accrued liabilities for social security contributions, payroll and other taxes, which were due and payable in July 2024.

13. Corporate income tax

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

The income tax expense for 30 June 2024 and 30 June 2023, is presented as follows:

	<u>30 june 2024</u>	<u>30 june 2023</u>
Income tax	18,432	24,820
Deferred income tax	1,073	(6,474)
TOTAL	<u>19,504</u>	<u>18,346</u>

14. OPERATING REVENUES

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

	<u>Average tariff for transmission services</u>	<u>Average tariff of system services</u>
Order No 15/29.05.2024 for the period from 01 June to 30 June 2024	-	12,84 ^{*)}
Order No 116/20.12.2023 for the period 01 January - 31 May 2024	-	9,17
Order No 109/20.12.2023 for the period 01 January - 30 June 2024	31,67 ^{**)}	-
Order No 67/25.05.2023 for the period 01 June - 30 June 2023	-	6,64
Order No 144/21.12.2022 for the period from 01 January to 31 May 2023	-	7,73
Order No 28/29.03.2023 for the period 01 April - 30 June 2023	31,20	-
Order No 33/23.03.2022 for the period 01 January - 31 March 2023	28,10	

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

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

The quantity of electricity delivered to consumers in the first half of 2024 and the first half of 2023 is as follows:

	<u>30 june 2024</u>	<u>30 june 2023</u>
Quantity of electricity delivered to consumers (MWh)	25,402,341	24,971,219

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The operating revenues realised in the first half of 2024 and the first half of 2023 are as follows:

	<u>30 june 2024</u>	<u>30 june 2023</u>
Transmission revenues	800,889	747,507
Revenues from the allocation of interconnection capacities	101,900	180,919
Revenues from reactive energy	758	7,242
Inter TSO Compensation (ITC) revenues	11,632	1,983
Revenues from transactions with own technological consumption	70,100	21,406
Total revenues from electricity transmission	<u>985,278</u>	<u>959,057</u>
Revenues from system services	251,393	189,197
Emergency energy assistance to neighboring	60,302	3,553
Total revenues from system services	<u>311,695</u>	<u>192,751</u>
Revenues on the balancing market	<u>3,229,089</u>	<u>1,017,616</u>
Income from other benefits and other operating income	145,403	31,281
Grid losses anticipatory tariff income	23,866	-
Other revenues	<u>169,269</u>	<u>31,281</u>
Total revenues	<u>4,695,331</u>	<u>2,200,704</u>

Transmission revenues

Revenues from the transmission service recorded an increase in H1 2024 compared to H1 2023 of 53,381, 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 analysed, presented above), and by the increase in the quantity of electricity delivered to consumers by 1.73%, i.e. by 431,122 MWh.

Revenues from the allocation of interconnection capacities

Revenues from interconnection capacity allocation showed a decrease in H1 2024 compared to H1 2023, amounting to 79,018, corresponding to the level of utilisation of available interconnection capacity by electricity market traders.

The market for the allocation of interconnection capacity is volatile, with prices fluctuating according to demand and the need of electricity market participants to purchase interconnection capacity. Thus, the fall over the period analysed 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 European exchanges.

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

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

As of 27 October 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.

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

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 modernisation and development of interconnection capacity with neighbouring 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".

Inter TSO Compensation (ITC) revenues

Revenues from the application of the ITC mechanism come mostly from scheduled exchanges of electricity with the countries considered as perimeter countries of the mechanism, namely Ukraine and the Republic of Moldova. In general, Romania is a paying country under the mechanism, but exceptionally, monthly settlements can also be recognised as income.

Thus, in the first half of 2024, the income recorded following the application of the ITC mechanism showed an increase of 9,649 compared to the first half of 2023, due to:

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

Revenues from transactions with own technological consumption (OTC)

Revenues from energy trading for CPT were mainly derived from the sale of surplus energy, resulting from the difference between the long and medium term forecast and the short term forecast on the Intra-Dil market managed by OPCOM and, respectively, from the difference between the forecast CPT and the CPT actually realised on the Balancing Market. These revenues were significantly higher in H1 2024 compared to H1 2023 by 48,694.

In the structure of these revenues, transactions on the Intra-Domestic Market were lower than in the previous year, as a large part of the required CPT was purchased on the long-term markets through the mechanism of MACEE (Mechanism for Centralised Electricity Procurement), and prices on the short-term markets decreased compared to the previous year, with some negative price intervals. The revenues from transactions on the Balancing Market were significantly higher than those realised in the same period of the previous year, given that the energy system was predominantly in surplus during the period analysed, which led to significant negative prices on the Balancing Market.

Starting with 01.04.2024, the mechanism of centralised purchase of electricity MACEE MACEE was amended by GEO no. 32/2024, in the following sense:

- reducing the regulated purchase price to 400 RON/MWh;
- removing the obligation for producers to participate in the mechanism;
- changing the period of application of the mechanism from 31 March 2025 to 31 December 2024;
- allowing other producers with production capacities below 10MW to participate in the scheme.

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

Revenues from system services

Revenues from system services recorded an increase in H1 2024 compared to H1 2023 of 62,196, 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 analysed, presented above), and by the increase in the quantity of electricity delivered to consumers by 1.73%, i.e. by 431,122 MWh.

In H1 2024, system services revenue was lower by 49,564 compared to the system services procurement expenditure realised.

For the activity of system services, the specific regulatory framework contains regularisation mechanisms to ensure that any excess or shortfall of revenues over or in relation to the level of expenditure necessary to carry out that activity is offset. Thus, according to ANRE's regulations, the surplus/deficit of income compared to the recognised costs resulting from this activity is to be compensated by ex-post tariff correction (negative/positive correction) applied by ANRE in the tariff in the years following the one in which the respective surplus/deficit was recorded. The surplus/deficit of income over the costs of carrying out this activity shall be calculated by tariff programme periods.

Revenues from Emergency energy assistance to neighboring

In the first half of 2024, disaster aid totalling 60,302 was granted to Ukraine, as a result of the damage to its energy infrastructure caused by armed conflicts and to Serbia, due to the accidental shutdown of groups in that country.

Revenues on the balancing market

The revenues realised on the balancing market recorded a significant increase in H1 2024 compared to H1 2023, amounting to 2,211,473, mainly due to the following:

- the accelerated increase in installed capacity at prosumers, from around 420 MW at the beginning of 2023 to around 1,500 MW at the beginning of 2024, which, in terms of impact on the system, corresponds to a reduction in consumption;
- lack of control/monitoring at the level of the funder for the production of the prosumers they have in their portfolio and little concern for estimating/adjusting the prosumers' production forecasts in relation to the contractual position;
- the low degree of adjustment of the production of renewable energy producers with the net contractual position (we mention here also producers who are 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 regulation, and for energy activated on the tertiary market, which falls rapidly in situations of strong excess production;
- in a predominantly surplus system, the balancing market is characterised by a high volume of selections at derating, i.e. significant negative prices in the Balancing Market, which determines, on the one hand, significant revenues for producers that have offered negative prices at derating, and on the other hand, considerable costs for PREs that have recorded positive imbalances;
- the evolution of contractual imbalances recorded at the level of electricity suppliers on the balancing market;
- hydraulic evolution;
- the evolution of electricity production and consumption;
- the evolution of the output of power stations on trial.

Grid losses anticipatory tariff income

According to Art. III of GEO no. 119/2022 amending and supplementing GEO no. 27/2022 on the measures applicable to end customers in the electricity and natural gas market in the period 1 April 2022 - 31 March 2023, and amending and supplementing some normative acts in the energy sector, and approved by Law no. 357/13.12.2022, for the licensed economic operators, providers of electricity transmission services, the additional costs for the purchase of electricity incurred in the period 1 January 2022 - 31 March 2025, in order to cover their own technological consumption, compared to the costs included in the regulated tariffs, shall be capitalised on a quarterly basis, and the assets resulting from the capitalisation shall be depreciated over a period of 5 years from the date of capitalisation.

Accordingly, as at 30 June 2024, the Company has recognised CPT capitalisation income of 23,866, representing additional CPT calculated as the difference between the net CPT acquisition cost and the CPT cost included in the regulatory tariff, for the period 01 January to 30 June 2024.

Income from other benefits and other operating income

Income from other services and other operating income increased in the first half of 2024 compared to the first half of 2023 by 114.122, mainly due to the recording of income from indemnities, fines and penalties as a result of the legal recovery, in accordance with Civil Judgement no. 6169/2023, handed down on 20

December 2023 by the ICCJ - Administrative and Tax Litigation Section and communicated to the Company on 15 May 2024, of amounts (additional payment obligations established by Tax Assessment Decision no. F-MC 439/30.06.2017) enforced in 2017 by ANAF, based on enforceable title no. 13540/22.08.2017.

15. SYSTEM OPERATING EXPENSES AND BALANCING MARKET EXPENSES

The expenses realised in H1 2024 compared to H1 2023 are as follows:

	<u>30 june 2024</u>	<u>30 june 2023</u>
Expenses on own technological consumption	296,081	261,205
Congestion expenses	107	88
Expenses for the electricity consumption in RET substations	25,568	25,456
RED transit OTC expenses (ANRE decision)	12,840	-
ITC expenses (Inter TSO Compensation)	20,605	20,321
Total system operating expenses	<u>355,201</u>	<u>307,070</u>
Expenses regarding system services	300,957	230,735
Balancing market expenses	3,229,286	1,017,157
Total	<u>3,885,443</u>	<u>1,554,962</u>

Expenditure on own technological consumption

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

Technological own consumption expenditure was higher by 34,876 in H1 2024 compared to H1 2023, taking into account a number of aspects as follows:

- due to its characteristics, the Technological Own Consumption (TOC) in the Electricity Transmission Grid (ETG) is strongly dependent on weather conditions, the structure of electricity production and consumption at national level, the distribution of electricity flows in the internal transmission grid and on the interconnection lines with neighbouring power systems, and its value is 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, CNTEE Transelectrica SA purchased electricity to cover 75% of the quantity related to the CPT forecast validated by the Centralised Electricity Purchase Mechanism (MACEE), at a regulated purchase price of 450 RON/MWh for the first three months of the year, then the value will be reduced to 400 RON/MWh for energy contracted from 1 April 2024 (in accordance with GEO no. 32/2024);
- 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 energy, have led to a decrease in energy prices on the short-term markets. Thus, the average price of energy purchased from the PZU in the period from January to June 2024 was significantly lower than the price in the similar period of 2023;
- the average imbalance price set on the PE was much higher, which led to a significant increase in spending in this market compared to the same period in 2023.

Congestion expenses

In the first half of 2024, there were 107 congestions. With 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 SEN, and a very high transit of electricity through Romania from the south - east of Europe to the centre - north 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 power line has been taken out of service to remove a tree fallen

on the line, cut by unknown persons. The 400 kV Țânțăreni - Sibiu South power line has been put back into operation, after the completion of the line inspection.

Expenses for the electricity consumption in RET substations

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

These expenses increased by 111 in H1 2024 compared to H1 2023.

RED transit OTC expenses (ANRE decision)

In the first half of 2024, CPT expenses related to additional transits of electricity from the networks of concessionary distribution operators at the 110kV voltage level (for the quota allocated to the OTS) were recorded in the amount of 12,840.

By ANRE Decisions no. 2642/14.11.2023 and no. 2643/14.11.2023, the forecast CPT 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.

Inter TSO Compensation (ITC) expenses

ITC expenditure represents the monthly payment obligations/collection rights for each TSO. They are established under the mechanism of compensation/dispensation of the effects of the use of the transmission electricity network (RET) for electricity transits between TSOs of the countries that have joined this mechanism of ENTSO-E. In H1 2024, these expenses were 284 higher than in the same period of the previous year.

The factors influencing the cost/revenue values of the ITC mechanism are the electricity exchanges - import, export, transit on the interconnection lines of the SEN, correlated with the electricity flows transited at the level of all countries participating in the mechanism.

Expenses regarding system services

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

Expenditure on system services increased by 30.43% in H1 2024 compared to H1 2023, i.e. by 70,222.

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

In the first half of 2024, the contracting of system services under the regulated regime was carried out only for reactive energy, in accordance with ANRE Decision no. 1078/2020, being provided by Societatea de Producere a Energia Electrică în Hidrocentrale "Hidroelectrică" SA.

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

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

We point out that, in line with the trend observed in the balancing market, there has been a steep increase in the purchase price of the Fast Tertiary Reserve - power curtailment from April 2024. Thus,

there were increases in the purchase price of the reserve from 9.82 RON/hMW to values of up to 250 RON/hMW (purchase price for the Tertiary Fast Reserve - power reduction registered on 20.04.2024). We note that the same trend was observed at the Secondary Reserve, where on 20.04.2024 prices of 100 RON/hMW were recorded.

Starting with 01.06.2024, with the applicability of the provisions of the ANRE President's Order no. 18/30.05.2024, the price trend has been contracting, with prices below the maximum limit imposed by the authority.

For the next period of 2024, it is estimated that a significant impact on the evolution of the costs for the purchase of system services through daily and directional auctions, at the level of CNTEE Transelectrica SA, will be the evolution of the ANRE's regulatory framework for the electricity market, as well as the regional and European context of the evolution of the electricity market.

Balancing market expenses

The balancing market expenses realised in H1 2024 showed an increase of 217.48% as compared to the similar period of 2023, i.e. by an amount of 2,212,129. These expenses result from the notifications/realisations 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 electricity market evolution and the way contracting is realised on the markets prior to the balancing market.

16. DEPRECIATION AND AMORTIZATION

	30 june 2024	30 june 2023
Expenses with the depreciation of the tangible and intangible fixed assets	139,179	132,003
Expenses with the depreciation of the intangible fixed assets – inclusiv Grid Losses	35,595	33,853
Expenses with the depreciation of the assets related to the rights of use of the leased assets	4,333	4,455
Total	179,106	170,310

Depreciation of tangible and intangible fixed assets in the amount of 139,179 represents the depreciation recorded in the first half of 2024, calculated at the revalued amount of the assets at 31 December 2023, correlated with the commissioning of the investment works and the acceptance of the assets.

Expenses with the amortisation of intangible assets - additional CPT in the amount of 35,595 were recorded in accordance with the provisions of OMF no. 3900/2022 on the approval of accounting specifications in application of the provisions of Article III of GEO no. 119/2022 for the amendment and completion of *GEO no. 27/2022 on the measures applicable to end customers in the electricity and natural gas market in the period from 1 April 2022 to 31 March 2023, as well as for the amendment and completion of some normative acts in the energy sector.*

According to Article III of GEO no. 119/2022 approved by Law no. 357/13.12.2022 with subsequent amendments and additions, for licensed economic operators, providers of electricity transmission services, the additional costs of electricity purchase incurred in the period from 1 January 2022 to 31 March 2025, in order to cover their own technological consumption, compared to the costs included in the regulated tariffs, are capitalised on a quarterly basis, and the assets resulting from the capitalisation are depreciated over a period of 5 years from the date of capitalisation.

Intangible asset amortisation expense recognised under IFRS 16 in the amount of 4,333 (the Group partly 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 in Platinum str. Olteni nr. 2-4, also for the two leases of subsidiars, as an asset valued at the level of the rent to be paid until the end of the lease. The asset recognised in accordance with IFRS 16 is depreciated at the level of the monthly rent and is recorded under the indicator 'depreciation and amortisation expense on tangible and intangible assets'.

17. PERSONNEL EXPENSES

	<u>30 june 2024</u>	<u>30 june 2023</u>
Personnel expenses	238,154	202,267
- of which expenses for employees' salaries	<u>209,134</u>	<u>173,386</u>

The total staff expenses realised in Q2 and H1 2024 show an increase compared to the same period of the previous year, mainly due to the increase in some expense items such as: staff salary expenses, social expenses, expenses related to the directors' contract and other committees and commissions, insurance and social protection expenses, as well as the reversal to income of part of the provisions made for dismissed executive and non-executive directors, representing the variable component relating to the packages of OAVTs allocated and not utilised during the terms of office executed in the period 2013-2017 and compensation provided for in the mandate contracts concluded in 2020 for the period 2020-2024, together with the payments made on the basis of enforceable court judgments received by the Company.

ii) Number of employees

On 30 June 2024 and 30 June 2023, the number of employees with individual employment contracts of indefinite duration is as follows:

Number of employees	<u>30 june 2024</u>	<u>30 june 2023</u>
Transelectrica SA	2.027	2.033
Smart SA	593	588
Teletrans SA	<u>234</u>	<u>225</u>

18. OTHER OPERATING EXPENSES

	<u>30 june 2024</u>	<u>30 june 2023</u>
Other expenses with services provided by third parties	67,766	56,068
Postal and telecommunication expenses	620	555
Expenses on rents	3,511	3,241
(Revenues)/ Expense net for impairment adjustments for current assets	365	(870)
Other expenses	<u>15,496</u>	<u>5,461</u>
Total	<u>87,759</u>	<u>64,455</u>

In H1 2024, these expenses increased by 23,304 compared to H1 2023, mainly due to the variation in certain expense items such as:

- the increase of some expenditure items, namely: civil protection and security costs, costs related to the implementation of pan-European codes, staff training costs, costs related to goods, costs related to energy purchased for administrative consumption, etc.;
- the reduction of certain items of expenditure, such as: expenditure on taxes, duties and similar charges, other non-deductible operating expenses for tax purposes, etc.;
- the recording of expenses related to the OAVTs paid on the basis of enforceable court judgements (performance bonus related to the OAVT Certificates granted to former executive and non-executive and non-valorised members, remuneration under the mandate contracts concluded in the period 2013-2017) and expenses paid on the basis of enforceable court judgements granted to former executive and non-executive members who were dismissed, representing compensation provided for in the mandate contracts concluded in 2020, for the period 2020-2024;
- the recording of expenses with fines and penalties representing, mainly, late payment penalties to Regia Autonomă pentru Activități Nucleare, according to the civil decision no. 806/20.05.2024 rendered by the Bucharest Court of Appeal - Section VI Civil in case no. 28460/3/2017 and civil decision no. 898/03.06.2024 rendered by the Bucharest Court of Appeal - Section VI Civil in case no. 3694/3/2016;

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- the 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, etc.), respectively adjustments for the impairment of inventories, etc.

19. NET FINANCIAL RESULT

	<u>30 june 2024</u>	<u>30 june 2023</u>
Interest revenues	3,634	2,691
Revenues from exchange rate differences	1,744	22,729
Other financial revenues	14,693	1,505
Total financial revenues	20,072	26,925
Interest expenses	(1,744)	(2,543)
Expenses from exchange rate differences	(2,248)	(22,278)
Other financial expenses	(206)	(342)
Total financial expenses	(4,198)	(25,163)
Net financial result	15,874	1,762

As at 30 June 2024, the Group recorded a net financial result (profit) in the amount of 15,874, higher by 14,112 compared to the same period of the previous year. This was mainly influenced by the dividends received from the subsidiary OPCOM SA in the total amount of 14,650, the increase in interest income received during the period under review, as well as the evolution of the exchange rate of the national currency against the foreign currencies in which the Company has bank loans to finance investment programmes (Euro).

The level of exchange rate income and expenses was mainly influenced by the volume of transactions related to the market coupling business segment in conjunction with the evolution of the exchange rates of the national currency against the euro.

At 30 June 2024, totalling 1,744 (interest expense), the amount of 261 represents the interest calculated on fixed assets related to the rights of use of leased assets - buildings, in accordance with IFRS 16 - Leases.

The national currency exchange rates on 30 June 2024 compared to 30 June 2023 are as follows:

Moneda	<u>30 june 2024</u>	<u>30 june 2023</u>
Lei / Euro	4.9771	4.9634

20. DISPUTES AND CONTIGENCIES

➤ **Disputes in progress**

Management regularly reviews the situation of ongoing disputes and, and after consulting with legal representatives decides the need to create/cancel provisions for the amounts involved or their introduction into financial statements.

Taking into account the existing information, the Group's management believes there are no significant ongoing disputes in which the Group is a defendant, except for the following:

• **REGIA AUTONOMĂ PENTRU ACTIVITĂȚI NUCLEARE (RAAN)**

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

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

On 14.06.2016, bankruptcy proceedings were ordered against RAAN.

CNTEE 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 Mehedinti Tribunal accepting the evidence of the accountant's expert's report. By Judgment 163/20.06.2019, the solution of the Mehedinti 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**.

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.

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.

• **CURTEA DE CONTURI**

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 has lodged an appeal with a date of **January 23, 2025**.

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

At the hearing on 10.12.2021 the CAB dismisses the Company's application to intervene. Transelectrica'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.

OPCOM filed an appeal with a date of **12.09.2024**.

- **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.

- **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. Document: Ruling 313/11.03.2019.

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.

- **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.

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 439/30.06.2017 issued by the National Agency of Fiscal Administration, General Directorate Settling Contestations.

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.

Civil judgment no. 6169/2023, handed down on 20 December 2023 by the ICCJ - Administrative and Tax Litigation Division, was notified to the Company on 15 May 2024.

The company is involved in dispute against SMART subsidiaries as follows:

- **Case no.13751/63/2017 – Dolj Court**

Subject matter:

Transelectrica requested SMART to recover a claim in the amount of 16,465,585 lei. The file was established as a result of the control act of the Court of Accounts - Decision no. 41/24.03.2017. Merits solution: lack of expertise.

Status of the case: File put back on the roll with trial date: **02.09.2024**.

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

Subject matter:

SMART SA requested that Transelectrica be ordered to pay the sum of 118 thousand + VAT, representing "expenses for assistance services, incurred on behalf of the Company as well as the payment of unrealised benefits (legal interest).

Status of the case:

Ruling of the Court of Sector 3 Bucharest: Dismisses the claim as groundless. With right of appeal within 30 days of communication. Document: Decision 6134/2022 21.06.2022.

On 02.11.2022 SMART SA filed an appeal against the civil judgment no.6134/21.06.2022 pronounced by the Bucharest Sector 3 Court. The case was registered with the Bucharest Court. **Trial date: 11.09.2024**

- **Case no.15561/3/2022 - Bucharest Court**

Subject matter: SMART SA requested that Transelectrica be ordered to pay the sum of EUR 4.47 million for the performance of an administrative contract.

Status of the case: Trial date for judgment: **17.10.2024**

➤ **Others**

The Group is involved in significant litigation, notably for debt recovery (e.g.: Total Electric Oltenia SA, Regia Autonomă de Activități Nucleare, Energy Holding SRL, UGM Energy Trading SRL, CET Iași, CET Bacău, CET Govora, Nuclearelectrica, CET Brașov, Elsaco Energy SRL, Arelco Power SRL, Opcom, Menarom PEC SA Galați, Romelectro SA, Transenergo Com SA, ENNET GRUP SRL MULTISERVICE G&G S.R.L., ICCO Energ SRL and others).

The Group recognised 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 Management and Supervisory Boards in relation to the contracts of mandate concluded between the Company and them. For these litigations, the Company has made a provision.

➤ **Contingencies**

At 30 June 2024, **contingent liabilities** amount to RON 36,762. They relate to disputes concerning claims representing additional costs following the increase in the minimum wage in the construction sector for investment contracts, of which we list the most significant:

- *File no. 20780/3/202020 - complainant ENERGMONTAJ SA (7,092)*

The case concerns claims for additional costs relating to an increase in the minimum wage in the construction sector and an order to conclude an addendum to contract C54/2018.

The subject of the contract C54/2018 is the investment project - *Refurbishment of the 220/110 kV Craiova Nord 220/110 kV substation.*

At the court hearing on 24.04.2023, the summary judgment is: "Admit in part the application brought by the applicant Electromontaj SA against the defendant Transelectrica. Orders the defendant to pay the claimant the amount of EUR 802,886.12, exclusive of VAT, representing the additional costs incurred as a result of the increase of the minimum wage in the construction sector to the amount of 3,000 RON/month for the works carried out under Works Contract No C54/27.02.2018 for the period January 2019 - January 2021. Obliges the defendant to conclude an Additional Deed to the Works Contract no. C54/27.02.2018 with the object of updating the Contract price by the amount of 1,468,039.77 EURO, excluding VAT, representing the costs generated by the increase of the minimum wage in the construction sector to the amount of 3,000 RON/month as of 01.01.2019. Dismisses the remainder of the application as unfounded. Orders the defendant to pay the applicant the sum of 171,104.06 RON by way of costs. Subject to appeal within 10 days of notification. The appeal is filed with the Bucharest Tribunal, 6th Civil Department. Delivered by making the solution available to the parties through the court registry today, 24.04.2023. Document: Decision 1035/2023 24.04.2023."

Transelectrica has appealed.

At the term of 27.10.2023, the Bucharest Court of Appeal admits the appeal filed by the defendant-appellant Compania Națională de Transport al Energiei Electrice Transelectrica S.A. against the judgement no. 1035/24.04.2023, pronounced in case no. 20780/3/202020 by the Bucharest Tribunal - Section VI Civil. Amends the judgment under appeal in its entirety in the sense that it dismisses, as unfounded, the claim brought by the applicant Electromontaj S.A., against the defendant Compania Națională de Transport al Energiei Electrice Transelectrica S.A., as stated above. Orders the respondent-claimant Electromontaj S.A. to pay to the respondent-appellant Compania Națională de Transport al Energiei Electrice Transelectrica S.A. the amount of 39,787.82 RON as costs of the appeal. Dismisses, as unfounded, the appeal lodged by the appellant-claimant Electromontaj S.A. against the same judgment. Dismisses, as unfounded, the appellant-claimant's application for costs on appeal. Definitive.

ENERGMONTAJ SA lodged an application for review and an appeal for annulment, and at the deadline of 12.01.2024: Dismisses, as unfounded, the request for rectification of material error made by the appellant-claimant Electromontaj S.A. Final.

- *File no. 25896/3/202020 - plaintiff Electromontaj Bucharest (10,000)*

The case concerns claims for additional costs related to the increase of the minimum wage in the construction sector for the investment contract C229/2015 - *Transition to 400 kV voltage of the axis Porțile de Fier - 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 deadline for **13.09.2024**.

- *Case no. 27001/3/2021 - complainant Romelectro (3,523)*

The case concerns claims for additional costs related to the increase of the minimum wage in the construction sector for the investment contract C264/2017 - *Modernisation of 110 kV stations Bacău Sud and Roman Nord related to the 400 kV Moldova axis*.

The case is adjourned to 28.04.2023 due to the absence of the expert's report.

At the term of 23.06.2023, a date for the continuation of the trial on 06.10.2023.

At the term of 06.10.2023, a further term of 19.01.2024 is granted for the continuation of the trial.

At the term of 19.01.2024, the solution in brief is: Dismisses the application for suspension on the basis of Article 242 of the Code of Civil Procedure as unfounded. The Court sets 15.03.2024 for the continuation of the trial.

After several postponements, at the deadline of 05.04.2024, the TMB: partially admits the claim, obliges the defendant to pay the amount of 3,689,768.27 RON, as an adjustment of the price of the Works Contract no. C264/14.12.2017 for the labour related to the works remaining to be executed on 01.01.2019, as a result of the increase of the minimum wage in the construction sector to the amount of 3,000 RON/month. Obliges the defendant to conclude an Addendum to the Works Contract no. C264/14.12.2017 with the object of adjusting the Contract price by the amount of 3,689,768.27 RON, representing the labour cost of the works remaining to be executed on 01.01.2019, as a result of the increase of the minimum wage in the construction sector to the amount of 3,000 RON/month. Orders the defendant to pay in favour of the plaintiff late payment penalties of 0.02%/day, calculated on the principal debt, from 01.02.2019 until the principal debt is paid. The remainder of the application is dismissed as unfounded. Notes that the applicant has applied for separate costs. Subject to appeal within 30 days of notification.

At the deadline of 19.07.2024 CAB: Allow the appeal. Partially alters the judgment under appeal in so far as it dismisses as unfounded also the heads of claim which were upheld by the Court of First Instance. Upholds the remainder of the judgment under appeal. Orders ROMELECTRO SA to pay CNTEE Transelectrica SA the amount of 4,500 RON by way of costs on appeal. Dismisses as unfounded the respondent-appellant's application for costs on appeal. Definitive. Document: Decision 1074/19.07.2024.

- *Case no. 22368/3/2021 - complainant Romelectro (2,275)*

The file concerns claims for additional costs related to the increase of the minimum wage in the construction sector for the investment contract C260/2017 - *Upgrade of 110 and 400(220) kV installations in Focșani Vest substation*.

At the hearing on 24 June 2022, dismiss the application as unfounded. With appeal within 10 days of communication. The appeal is to be filed with the Bucharest Tribunal - 6th Civil Department. Document: Decision No 1555/2022.

Romelectro has appealed.

At the hearing on 29.02.2024, the CAB dismisses the appeal as unfounded. Definitive. Delivered by the clerk of the court, today, 29.02.2024. Document: Decision 358/2024 29.02.2024.

- *Case no. 30801/3/2021 - complainant Romelectro (2,271)*

The case 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 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 **18 October 2024**.

- *Case no. 8193/3/2022 - complainant Tempos Sev (2,437)*

The subject matter of the case is claims representing claims - OUG 114/2018 for contract C80/2018 - *Refurbishment of 220/110kV Hășdat substation.*

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, 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**.

- *Case no. 8442/3/2022 - complainant Tempos Sev (1,429)*

The subject matter of the case is claims representing claims - GEO no. 114/2018 for contract C80/2018 - *Refurbishment of 220/110kV Hășdat substation*.

At the hearing on 16.09.2022, the plea of connectedness is allowed. Refers the case to the panel first responsible for dealing with case No 8193/3/2022, namely panel 12 of the Court of First Instance, in order to join case No 8442/3/2022 to case No 8193/3/2022. With appeal on the merits. Delivered, today, 16.09.2022, by the court registry making the solution available to the parties. Document: Final resolution (divestment) 16.09.2022.

Following the joinder of case no 8442/3/2022 with case no 8193/3/2022, as set out above, the issues to be discussed will be analysed in the first case (8193/3/2022).

- *Case no. 8440/3/2022 - complainant Tempos Sev (2,437)*

The subject matter of the case is claims representing claims - OUG 114/2018 for contract C80/2018 - *Refurbishment of 220/110kV Hășdat substation*.

At the hearing on 13.09.2022, the case was adjourned to 08.11.2022, for the taking of the evidence ordered.

At the hearing on 08.11.2022, the case is adjourned.

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

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

After several adjournments, at the trial of 11.06.2024, the solution in brief: For the taking of expert evidence on construction, the case is adjourned to **10.12.2024**.

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

- *Audit by the Court of Auditors of Romania*

As of 04 September 2023, the Court of Auditors , through the 6th Department, is carrying out a compliance audit mission at CNTEE Transelectrica SA. The scope of the audit being:

- a) contracting and procurement;
- b) salaries and other rights granted to the Company's staff.

The subject of the compliance audit is "*the situation, evolution and management of public and private state assets, as well as the legality of revenue realisation and expenditure for the period 2020-2022*" at CNTEE Transelectrica SA. The audit was completed in May 2024, but the final audit report has not been issued as of the date of these financial statements.

21. AFFILIATED PARTIES

i) *Affiliated parties – transactions with Company-owned Subsidiaries*

As of June 30, 2024 and June 30, 2023, the balances with the subsidiaries owned by the Company are detailed as follows:

Affiliated entity	Trade receivables		Trade liabilities	
	30 june 2024	31 december 2023	30 june 2024	31 december 2023
FORMENERG SA	-	-	-	-
OPCOM SA	238.366	137.025	247.177	170.044
TOTAL	238.366	137.025	247.177	170.044

Transactions carried out in the first semester of 2024 and the first semester of 2023 with its subsidiaries are detailed as follows:

Affiliated entity	Sales		Procurements	
	30 june 2024	30 june 2023	30 june 2024	30 june 2023
FORMENERG SA	-	-	-	2
OPCOM SA	734,626	407,817	1,090,556	2,163,844
TOTAL	734,626	407,817	1,090,556	2,163,846

ii) *Affiliated parties – transactions with other state-owned companies*

The Company is an entity with majority state capital, and the Company's activities are regulated by ANRE. In accordance with the Concession Agreement, an annual royalty is paid, calculated as 4/1000 of the value of the gross revenues achieved from electricity transport and transit operations, through the national transport systems, under the public ownership of the state (starting on November 12 2020).

iii) *Affiliated parties – companies where Company holds participations*

Given that the energy sector is undergoing a process of transformation at the European level, focusing on 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, ensuring a unified development at the continental level but also allowing for 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 has been set up to serve Transmission System Operators (OTSS) in the Central-East-West European region (CORE region) for the coordinated implementation of the European network codes.

Membership is achieved by participation in the shareholding of TSCNET through a share purchase transaction in the company. By Resolution No. 9 of the EGMS of 05 June 2018, the Company's affiliation to the CORE Region Security Coordination Centre, TSCNET, was approved by participating in the share capital with a contribution of EUR 470,500 (1 share - EUR 2,500).

JAO (Joint Allocation Office)

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

Transelectrica has been invited by JAO to become part of its shareholding.

By Resolution no.10 of the EGMS of 20 August 2018, the Company was approved to join the Joint Allocation Office (JAO) shareholding with a cash subscription in the amount of EUR 259,325 and 50 shares were allocated to it.

22. FINANCIAL INSTRUMENTS

Credit risk

Credit risk is the risk that the Group incurs a financial loss as a result of the non-performance of contractual obligations by a customer or counterparty to a financial instrument. 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 risk reduction in a systematic way are: decentralisation of the energy sector where generation, transmission, distribution and supply are distinct activities and the interface for the customer is the supplier, 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 in 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 realised to customers with adequate collection, by including in commercial contracts their obligation to provide financial guarantees. The value of the receivables, net of allowances for impairment losses, represents the maximum amount exposed to collection risk.

The maximum exposure to collection risk at the reporting date was:

	Net value	Net value
	30 june 2024	31 december 2023
Financial assets		
Net trade receivables	2,564,203	1,618,509
Net other receivables and down payments to suppliers	632,088	282,484
VAT to recover	203,230	215,466
Cash and cash equivalents	541,415	526,900
Other financial assets	-	-
Total	3,940,936	2,643,359

The due date of the **receivables** (*net trade receivables*) at the date of the statement of financial position is shown below:

	Gross value	Adjustment of	Gross value 31	Adjustment of
	30 june 2024	depreciation	december 2023	depreciation 31
		30 june 2024		december 2023
Not reached to maturity	2.469.322	-	1.524.954	341
Due date exceeded 1 – 30 days	25	-	(231)	-
Due date exceeded 31 – 90 days	2.253	58	683	-
Due date exceeded 90 – 180 days	221	-	343	15
Due date exceeded 180 – 270 days	41	1	30.182	30.014
Due date exceeded 270 – 365 days	(1)	13	215	17
More than a year	220.713	128.299	192.521	99.771
Total	2.692.574	128.371	1.748.668	130.158

The due date of **other receivables** (*net other receivables, down payments to suppliers, VAT to recover*) at the date of the statement of financial position is shown below:

NPG TRANSELECTRICA SA
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(All amounts are presented in thousand RON, unless otherwise indicated)

	Gross value 30 june 2024	Adjustment of depreciation 30 june 2024	Gross value 31 december 2023	Adjustment of depreciation 31 december 2023
Not reached to maturity	804.388	342	470.348	1.842
Due date exceeded 1 – 30 days	3.746	6	11.004	-
Due date exceeded 31 – 90 days	1.929	1.826	16.377	347
Due date exceeded 90 – 180 days	1.617	1.515	493	16
Due date exceeded 180 – 270 days	27.059	23.782	202	35
Due date exceeded 270 – 365 days	297	17	835	1.770
More than a year	82.683	58.914	83.624	80.924
Total	921.720	86.401	582.884	84.934

Group's policy is to recognise 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 in a period of more than 180 days, except for outstanding receivables generated by the support scheme. The Group also carries out an individual analysis of trade and other outstanding trade and other receivables.

The largest impairment adjustments at 30 June 2024, calculated for trade receivables and related penalties, were recorded for: Romelectro (39,785), JAO (30,020), CET Govora (24,645), Arelco Power (14,788), Total Electric Oltenia SA (14,186), Romenergy Industry (13,513), Elsaco Energy (9,276), RAAN (8,517), OPCOM (8,487), Next Energy Partners (8,395).

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

The evolution of the doubtful receivables impairment adjustments is analysed as follows:

	30 june 2024	31 december 2023
Opening balance 1 january	130.158	138.513
Recognition of adjustments for impairment	270	38.761
Reversal of adjustments for impairment	2.057	47.115
Balance on the end of period	128.371	130.158

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

	30 june 2024	31 december 2023
Opening balance 1 january	84,933	76,919
Recognition of adjustments for impairment	4,797	25,239
Reversal of adjustments for impairment	3,329	17,225
Balance on the end of period	86,401	84,933

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 realised to customers with adequate collection, by including in commercial contracts their obligation to provide financial guarantees. The value of the receivables, net of allowances for impairment losses, 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 cash is placed in financial institutions, which are considered to have minimal risk.

EVENIMENTE ULTERIOARE

- **Convening of the Extraordinary General Meeting of Shareholders**

In accordance with 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, of the A.S.F. Regulation no. 5/2018 on issuers of financial instruments and market operations, with subsequent amendments and additions, as well as of the Company's Articles of Incorporation in force, the Company's Board of Directors

convened the Extraordinary General Meeting of Shareholders on 12 August 2024, with the following agenda:

- Approval of the participation of the National Electricity Transmission Company "Transelectrica" -S.A. in the share capital of a new Joint Venture company based in Romania in application of the Agreement between the Governments of the Republic of Azerbaijan, Georgia, Romania and Hungary on the Strategic Partnership in the field of Green Energy Development and Transport - "Green Energy Corridor" Project;
- Approval of the procurement of legal services for the implementation of projects and transactions with a foreign element in which the National Electricity Transmission Company "Transelectrica" -S.A. is involved in the application of governmental decisions or, where appropriate, in the application of European regulations arising from its status as a transmission and system operator in the electricity sector.
- **Request to complete the agenda of the Extraordinary General Meeting of Shareholders of 12/13 August 2024**

The Company has informed investors that the majority shareholder, the Romanian State, through the General Secretariat of the Government, pursuant to Article 105 paragraph (3) of Law no. 24/2017 on issuers of financial instruments and market operations, republished, in conjunction with the provisions of Art. 1171 of the Companies Act no. 31/1990, republished, with subsequent amendments and supplements, has requested to supplement the agenda of the Extraordinary General Meeting of Shareholders convened for 12/13.08.2024 with the **Approval of the RET Development Plan for the period 2024 - 2033**.

- **Tariff for the purchase of system services**

The positive adjustment of the tariff as of June 1, 2024 was made on the basis of compliance with 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.

Thus, based on the provisions of the articles presented above, on August 1, 2024, Transelectrica is obliged to submit to ANRE, the intermediate verification for H1 2024 of important deviations from the forecast values of the cost and income situation.

Following this analysis, if it is found that in H1 2024 the provisions of Art. 22 and Art. 23 have been met again, ANRE will adjust the tariff accordingly starting on September 1, 2024.